



## Notice of Annual General Meeting of Saab AB

The shareholders of Saab Aktiebolag (Reg. No. 556036-0793) are invited to attend the Annual General Meeting in Saab's hangar, Åkerbogatan 10, Linköping, Sweden on Thursday, 11 April 2024 at 15.00 (CEST).

Admission and registration will commence at 13.30 (CEST). An air show with Gripen is planned to take place about 14.00 (CEST).

The shareholders will also have the opportunity to exercise their voting rights by postal voting prior to the Meeting.

The Board of Directors has decided that it will be possible to follow the Annual General Meeting via webcast on the company's website [www.saab.com/agm](http://www.saab.com/agm).

Security controls are conducted at the entrance. Please bring valid identification. It is not allowed to bring bags to the Annual General Meeting. Outerwear must be left in the cloakroom.

The Annual General Meeting will be conducted in Swedish.

### RIGHT TO PARTICIPATE AND NOTIFICATION

#### Participation at the meeting venue

Shareholders who wish to attend the meeting venue in person or by proxy must:

- be recorded in the share register issued by Euroclear Sweden AB as of 3 April 2024; and
- give notice of participation no later than 5 April 2024
  - by telephone +46 13 18 20 55 (weekdays 09.00–16.00 (CET/CEST)),
  - by post to Saab AB, c/o Euroclear Sweden AB, P.O Box 191, SE-101 23 Stockholm, Sweden,
  - by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com), or
  - via the company's website [www.saab.com/agm](http://www.saab.com/agm).

Notification must include name, personal- or corporate identification number, address and telephone number, and the number of any assistants (not more than two). If the shareholder is represented by proxy, a written and dated power of attorney signed by the shareholder shall be issued for the proxy. If the power of attorney has been issued by a legal entity, registration certificate or equivalent authorization document must be enclosed. In order to facilitate the registration at the Meeting, the power of attorney, registration

certificate and other authorization documents, should be received by the company at the address stated above well in advance of the Meeting and no later than 9 April 2024. Proxy forms are available on the company's website [www.saab.com/agm](http://www.saab.com/agm).

## Postal voting

Shareholders who wish to participate in the Annual General Meeting by postal voting must:

- be recorded in the share register issued by Euroclear Sweden AB as of 3 April 2024; and
- no later than 5 April 2024 give notice of participation by submitting their postal votes in accordance with the instructions below so that the postal vote is received by Euroclear Sweden AB no later than that day.

A shareholder who wishes to attend the meeting venue in person or by proxy, must give notice in accordance with the instructions stated above under the heading *Participation at the meeting venue*. Hence, a notice of participation only through postal voting is not sufficient for a shareholder who wishes to attend the meeting venue.

A special form shall be used for postal voting. The form is available at the company's website [www.saab.com/agm](http://www.saab.com/agm). The completed and signed form may be sent by post to Saab AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Shareholders may also submit their postal votes electronically through verification with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>. The postal vote must be received by Saab AB c/o Euroclear Sweden AB no later than 5 April 2024.

The shareholder may not provide specific instructions or conditions to the postal vote. If so, the vote (*i.e.* the postal vote in its entirety) is invalid. Further instructions and conditions are included in the form for postal voting.

If the shareholder submits its postal vote by proxy, a written and dated power of attorney signed by the shareholder shall be enclosed with the form. If the shareholder is a legal entity, a registration certificate or other supporting document shall also be enclosed with the form. Proxy forms are available on the company's website [www.saab.com/agm](http://www.saab.com/agm).

## NOMINEE REGISTERED SHARES

In order to be entitled to participate in the Annual General Meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of 3 April 2024. Such re-registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than 5 April 2024 will be taken into account in the presentation of the share register.

## AGENDA

1. Election of Chairman of the Meeting
2. Approval of the Voting list
3. Approval of the Agenda
4. Election of persons to verify the Minutes
5. Question as to whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditor's report, the Consolidated Annual Report and the Consolidated Auditor's report as well as the Auditor's statement regarding whether the guidelines for remuneration to senior executives have been complied with
7. Speech by the CEO
8. Resolutions on
  - a) Approval of the parent company's Income Statement and Balance Sheet, and the Consolidated Income Statement and Balance Sheet
  - b) Allocations of profit according to the approved Balance Sheet and record date for dividend
  - c) Discharge from liability for the Board Members and the CEO
9. Determination of the number of Board Members and deputy Board Members, and the number of Auditors and deputy Auditors
10. Determination of fees for the Board and the Auditor
11. Election of Board Members and deputy Board Members
  - a) New election of Anders Ynnerman
  - b) Re-election of Lena Erixon
  - c) Re-election of Henrik Henriksson
  - d) Re-election of Micael Johansson
  - e) Re-election of Danica Kragic Jensfelt
  - f) Re-election of Johan Menckel
  - g) Re-election of Bert Nordberg
  - h) Re-election of Erika Söderberg Johnsson
  - i) Re-election of Sebastian Tham
  - j) Re-election of Marcus Wallenberg
  - k) Re-election of Joakim Westh
  - l) Re-election of Marcus Wallenberg as Chairman of the Board
12. Election of Auditors and deputy Auditors

13. Resolution on approval of the remuneration report
14. Resolution on the Board's proposal on a Long-term Incentive Program 2025 and acquisition and transfer of own shares
  - a) Implementation of LTI 2025 – Share Matching Plan 2025, Performance Share Plan 2025 and Special Projects Incentive 2025
  - b) Authorization for the Board of Directors to resolve on acquisitions of shares and resolution on transfers of own shares to the participants in LTI 2025
  - c) Equity swap agreement with third party
15. Resolution on the Board's proposal on acquisition and transfer of own shares
  - a) Authorization for the Board of Directors to resolve on acquisition of own shares
  - b) Authorization for the Board of Directors to resolve on transfer of own shares in connection with acquisitions of companies
  - c) Transfer of own shares to cover costs as a result of previous years' implementation of incentive programs
16. Resolution on the Board's proposal on share split and amendment to the Articles of Association
17. Closing of the Annual General Meeting

## **PROPOSED RESOLUTIONS:**

### **THE NOMINATION COMMITTEE'S PROPOSAL FOR CHAIRMAN OF THE ANNUAL GENERAL MEETING (item 1)**

The Nomination Committee consists of Petra Hedengran, Investor AB (Chairman); Peter Wallenberg Jr, Wallenberg Investments AB; Jan Andersson, Swedbank Robur Fonder; Anders Jonsson, Livförsäkringsbolaget Skandia, ömsesidigt; and Marcus Wallenberg, Chairman of the Board of Saab AB.

The Nomination Committee proposes Advokat Eva Hägg, member of the Swedish Bar Association, as Chairman of the Annual General Meeting.

### **APPROVAL OF THE VOTING LIST (item 2)**

The voting list proposed for approval is the voting list drawn up by Euroclear Sweden AB on behalf of the company, based on the Annual General Meeting's register of shareholders, shareholders having given notice of participation and being present at the meeting venue, and postal votes received.

### **THE BOARD'S PROPOSAL FOR DIVIDEND AND RECORD DATE (item 8 b)**

The Board proposes a dividend of SEK 6.40 per share to be paid out in two equal instalments. At the first instalment, SEK 3.20 per share is paid with the record date Monday, 15 April 2024. At the second instalment, SEK 3.20 per share is paid (or SEK 0.80

per share after implementation of the share split 4:1 proposed by the Board of Directors to the Annual General Meeting) with the record date Tuesday, 8 October 2024. Provided the General Meeting resolves according to this proposal, payment of the dividend is expected to be made from Euroclear Sweden AB on Thursday, 18 April 2024 and on Friday, 11 October 2024.

## **THE NOMINATION COMMITTEE'S PROPOSALS FOR BOARD OF DIRECTORS, AUDITOR AND FEES (item 9-12)**

### **Number of Board Members and deputy Board Members, and number of Auditors and deputy Auditors (item 9)**

The Nomination Committee proposes eleven Board Members and no deputy Board Members.

The Nomination Committee proposes that one registered audit firm shall be appointed as Auditor, with no deputy.

### **Fees for the Board and the Auditor (item 10)**

The Nomination Committee proposes an increase of the Board fees to SEK 2,250,000 (2,140,000) to the Chairman, to SEK 850,000 (780,000) to the Deputy Chairman and to SEK 740,000 (700,000) to each of the other Board Members elected by the General Meeting and not employed by the Company.

Further, the Nomination Committee proposes an increase of compensation for work in the Audit Committee to SEK 360,000 (295,000) to the Chairman of the Audit Committee and to SEK 230,000 (190,000) to each of the other Audit Committee Members. In respect of compensation for work in the Remuneration Committee, an increase to SEK 195,000 (165,000) to the Chairman of the Remuneration Committee and to SEK 115,000 (100,000) to each of the other Remuneration Committee Members is proposed.

The Nomination Committee proposes that auditor's fees shall be paid according to approved invoice.

### **Election of Board Members, deputy Board Members and Chairman of the Board (item 11)**

The Nomination Committee proposes re-election of the following Board Members: Lena Erixon, Henrik Henriksson, Micael Johansson, Danica Kragic Jensfelt, Johan Menckel, Bert Nordberg, Erika Söderberg Johnsson, Sebastian Tham, Marcus Wallenberg and Joakim Westh.

The Nomination Committee proposes new election of Anders Ynnerman. Sara Mazur has declined re-election.

Anders Ynnerman is Professor of Scientific Visualization at Linköping University and director Visualization Center C. He is also Program Director Wallenberg AI, Autonomous Systems and Software Program. Anders Ynnerman is a board member of Norrköping

Visualisering AB. He has a Ph.D in atomic physics from University of Gothenburg and has thereafter been a postdoc at University of Oxford and Vanderbilt University. Anders Ynnerman has also been the director of the National Supercomputer Centre and the Swedish National Infrastructure for Computing. Anders Ynnerman has a B.Sc., Lund University, and M.Phil. and Ph.D., University of Gothenburg and he was born in 1963.

The Nomination Committee also proposes re-election of Marcus Wallenberg as Chairman of the Board of Saab AB.

### **Election of Auditors and deputy Auditors (item 12)**

The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, that the registered audit firm PricewaterhouseCoopers AB is elected as auditor for the period until the end of the Annual General Meeting 2025 (re-election).

### **THE BOARD'S PROPOSAL ON A LONG-TERM INCENTIVE PROGRAM 2025 AND ACQUISITION AND TRANSFER OF OWN SHARES (item 14)**

#### **Background and reasons for the proposal**

The Shareholders' Meeting of Saab AB ("Saab" or the "Company") has, for a number of years, resolved on a Long-term Incentive Program ("LTI") consisting of three parts, a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive.

The Board of Directors finds it important and in all shareholders' interest that employees of the group have a long-term interest in a positive development of the share price in Saab. Accordingly, the Board of Directors has also previously implemented a policy with a requirement of certain shareholdings for senior executives. Saab's current order backlog includes certain special projects and the execution of these projects remains very important. In addition, developing and investing in future capabilities, including digitalization, within Saab's core areas have become an area of increased priority in line with Saab's strategy. Meeting this requires both that Saab can retain the best competencies and their loyalty, and that the Company's management and other key employees continue to deliver results and performance at a very high level. In light of this, the Board of Directors proposes to the Annual General Meeting the below long-term incentive program for employees ("LTI 2025").

In accordance with the proposal to the previous Annual General Meeting, this proposal also consists of three parts: Share Matching Plan 2025; Performance Share Plan 2025; and Special Projects Incentive 2025. LTI 2025 is proposed to comprise a maximum of 1,100,000<sup>1</sup> shares of series B in Saab and to have corresponding terms and conditions as the Long-Term Incentive program adopted by the Annual General Meeting 2023, except for the Performance Share Plan 2025 and the Special Projects Incentive 2025.

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<sup>1</sup> The number of shares that can be transferred to the participants free of consideration has decreased from 1,300,00 to 1,100,000 compared to last year's program considering the share price development. The number of shares is stated without taking into account the proposed share split 4:1. The number of shares will be recalculated after implementation of the share split proposed by the Board of Directors to the Annual General Meeting for decision.

The Board of Directors proposes for the Performance Share Plan 2025 to: (i) increase the number of participants in Group 1 from up to 186 to up to 287 participants, which means that the total number of participants in the Performance Share Plan 2025 will increase from up to 200 to up to 300 participants, and (ii) adjust the sustainability target by making half of it (i.e. 5 percent of the maximum allotment) attributable to the annual average CO<sub>2</sub> reduction during a three-year measurement period and the other half of the sustainability target (i.e. 5 percent of the maximum allotment) attributable to the increase of the percentage of female employees in the Saab Group (as further set out below). The annual average CO<sub>2</sub> reduction target refers to the annual average aggregate greenhouse gas reduction within the following areas: district heating and cooling, steam, electricity, stationary combustion, company cars, accidental emissions, corporate flight services and special flight operations<sup>2</sup>, during the financial years 2025-2027. The Board of Directors also proposes to (iii) change one of the financial targets from free cash flow to operational cash flow.

In respect of the Special Projects Incentive 2025, the Board of Directors proposes: (i) to increase the number of participants in Group C from up to 86 to up to 137 participants which means that the total number of participants in the Special Projects Incentive 2025 will increase from up to 100 to up to 150 participants, (ii) that the conditions for allotment of performance shares shall be based on the achievement of a minimum of ten and a maximum of fifteen equally weighted performance targets, (iii) that the special projects, to which the performance targets refer, can also be linked to the development of future capabilities, including digitalization<sup>3</sup>, within each of the defined core areas in line with Saab's strategy, and (iv) an adjustment to the terms and conditions relating to the allotment of performance shares. The adjustment in (iv) means that if the Board of Directors determines that a special project to which a performance target refers has developed significantly negatively, the Board of Directors may decide that allotment of performance shares shall not be made for the relevant target. In addition, the product areas have been updated to align with how the Group currently define its core areas.

LTI 2025 enables present and future employees to become shareholders in Saab and includes a requirement of own investment in shares in Saab. The purpose of the LTI 2025 is to stimulate employees to continued long-term commitment and continued good performance as well as to increase the Saab Group's attractiveness as an employer. In view of this, LTI 2025 is considered to have a positive effect on Saab's future development and thus be of advantage to both the shareholders and the employees in the Saab Group.

It is the intention of the Board of Directors to propose long-term incentive programs also to future Annual General Meetings.

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<sup>2</sup> Excluding test flights with Gripen and GlobalEye.

<sup>3</sup> Including for example software, data, AI and infrastructure.

## **Costs, dilution and effects on key figures**

The total effect on the income statement is estimated to approximately MSEK 869 unevenly distributed over the years 2025–2029. The costs should be compared with the Saab Group's total remuneration costs in 2023, including social security costs, amounting to approximately MSEK 16,700.

The calculations are based on assumptions that all available shares in the LTI 2025 will be utilized and a share price of SEK 608<sup>4</sup>. The costs are dependent on the future development of the Company's share price. At a higher share price, a lower number of available shares in LTI 2025 will be utilized.

### Effects on the income statement and the cash flow

Compensation costs, corresponding to the value of shares transferred to employees, is estimated to approximately MSEK 668. The compensation costs are distributed over the years 2025–2029.

Social security costs, as a result of transfer of shares to employees at an assumed share price at SEK 608, are estimated to amount to approximately MSEK 201. The social security costs are distributed over the years 2025–2029.

The expenditure for acquiring own shares affecting the cash flow is estimated to a maximum of MSEK 668 at an assumed share price of SEK 608 and a maximum of 1,100,000 shares.

### Dilution and effects on key figures

The Company has approximately 136 million issued shares. As per 31 December 2023, the Company held 2,598,532 own shares of series B. In order to implement the LTI 2025, a total of 1,100,000 shares of series B are required, corresponding to approximately 0.81 percent of the total number of issued shares.

As calculated as per 31 December 2023, the number of shares to be transferred to employees within the scope of all ongoing long-term incentive programs amounts to approximately 2,047,000 shares (excluding LTI 2024 which started in January 2024), corresponding to approximately 1.51 percent of the total number of issued shares. LTI 2024 comprises 1,300,000 shares, corresponding to approximately 0.96 percent of the total number of issued shares, and are not included in the above calculation as it was launched in January 2024. The expected financial exposure of LTI 2024 will be hedged through an equity swap agreement with a third party on terms and conditions in accordance with market practice.

All 1,100,000 shares of series B required for the LTI 2025 may be transferred to employees free of consideration and could cause a dilutive effect of approximately 0.81 percent on earnings per share.

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<sup>4</sup> SEK 608 corresponds to the share price on 31 December 2023.



## **Hedge**

As the main alternative, the Board of Directors proposes that the Annual General Meeting resolves to authorize the Board of Directors to resolve on acquisitions of own shares of series B on Nasdaq Stockholm, which subsequently may be transferred to the participants in Saab's long-term Share Matching Plan, Performance Share Plan and Special Projects Incentive. Furthermore, the Board of Directors proposes that the Shareholders' Meeting resolves on transfer of own shares of series B, free of consideration, to the participants of LTI 2025. The detailed terms and conditions for the Board of Directors' main alternative are presented below.

In the event that the required majority under item 14 b) below is not reached, the Board of Directors proposes that Saab should be able to enter into an equity swap agreement with a third party, in accordance with item 14 c) below.

## **Preparation of the proposals**

The LTI 2025 has been prepared by the Remuneration Committee and in consultation with the Board of Directors. The proposals have been adopted by the Board of Directors.

## **The Board of Directors' proposals**

The Board of Directors' proposals for the resolutions below entail that the Annual General Meeting resolves a) to implement LTI 2025, b) to authorize the Board of Directors to resolve on acquisitions of own shares on Nasdaq Stockholm and that acquired shares may be transferred, free of consideration, to the participants in LTI 2025, or, in the event that the required majority under b) is not reached, c) that Saab shall be entitled to enter into an equity swap agreement with a third party.

### **14 a) Implementation of LTI 2025**

LTI 2025 comprises three parts: Share Matching Plan 2025, Performance Share Plan 2025 and Special Projects Incentive 2025. Participation in LTI 2025 requires own investment in shares in Saab. Investment made under the Performance Share Plan 2025 counts also as a basis for participation in the Share Matching Plan 2025, however, only up to an amount of maximum 5 percent of the cash base salary.

The number of shares stated below is without taking into account the proposed share split 4:1. The number of shares will be recalculated after implementation of the share split proposed by the Board of Directors to the Annual General Meeting for decision.

### **Share Matching Plan 2025**

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Share Matching Plan 2025 comprising a maximum of 640,000 shares of series B in Saab, according to the principal guidelines below.

1. All permanent employees within the Saab Group, including employees who are covered by Performance Share Plan 2025 and/or Special Projects Incentive 2025, with the exception of what is mentioned in item 3 below, will be offered to participate in the Share Matching Plan 2025.
2. Employees who participate in the Share Matching Plan 2025 can during a twelve-month period save up to a maximum of 5 percent of the cash base salary for the purchase of shares of series B on Nasdaq Stockholm. If the purchased shares are retained by the employee for three years from the date of investment and employment within the Saab Group has not been terminated during the entire three-year period, the employee will be allocated by the Saab Group the corresponding number of shares of series B free of consideration. The Board of Directors may grant limited exemptions from the requirement of employment during the full three-year period.
3. Participation in the Share Matching Plan 2025 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the Company. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in Share Matching Plan 2025 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Share Matching Plan 2025.

### **Performance Share Plan 2025**

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Performance Share Plan 2025 for a number of key employees, comprising a maximum of 290,000 shares of series B in Saab. The principal guidelines of the proposal are set out below.

1. Up to 300 key employees, including the CEO, with the exception of what is mentioned in item 4 below, will be offered to participate in the Performance Share Plan 2025.
2. Employees who participate in the Performance Share Plan 2025 can during a twelve-month period save up to a maximum of 7.5 percent of the cash base salary to purchase shares of series B on Nasdaq Stockholm. If the purchased shares are retained by the employee for three years from the date of investment and employment within the Saab Group has not been terminated during the entire three-year period, the employee will be entitled to matching of performance shares, free of consideration, as set out below. The Board of Directors may grant limited exemptions from the requirement of employment during the full three-year period.
 

Group 1	Up to 287 Senior Managers, employees in Management Teams, certain specialists and Project Managers may be entitled to a performance match of up to four shares for each purchased share.
Group 2	Members of the Group Management (currently 12) may be entitled to a performance match of up to five shares for each purchased share.

Group 3 The CEO may be entitled to a performance match of up to seven shares for each purchased share.

3. The number of performance shares is linked to the performance targets established by the Board of Directors. The conditions for the performance matching are based on five independent targets: organic sales growth<sup>5</sup>, EBIT margin<sup>6</sup>, operational cash flow<sup>7</sup>, annual average CO<sub>2</sub> reduction<sup>8</sup> and increase of the percentage of female employees in the Saab Group. The relative apportionment between the targets is:
- up to 20 to 40 percent of the maximum allotment will be attributable to organic sales growth during the financial year 2025;
  - up to 20 to 40 percent of the maximum allotment will be attributable to EBIT margin during the financial year 2025;
  - up to 20 to 40 percent of the maximum allotment will be attributable to operational cash flow during the financial year 2025;
  - 5 percent of the maximum allotment is attributable to the annual average CO<sub>2</sub> reduction during the financial years 2025-2027; and
  - 5 percent of the maximum allotment is attributable to the increase of the percentage of female employees in the Saab Group by the end of the financial year 2027.

Prior to the start of the performance period, the Board of Directors will decide on the exact relative apportionment between the financial targets within the ranges set out above (i.e. the maximum allotment for each of the financial targets). The aggregate maximum allotment for the three financial targets combined will be up to 90 percent, and 10 percent is attributable to the two sustainability targets.

#### Financial targets

The three financial targets (i.e. organic sales growth, EBIT margin and operational cash flow) will be established by the Board of Directors with a minimum level and a maximum level for each target. Minimum and maximum levels for each financial target are not provided due to stock market and competition reasons.

#### Sustainability targets

The sustainability target for annual average CO<sub>2</sub> reduction refers to the annual average aggregate greenhouse gas reduction within the following areas: district heating and cooling, steam, electricity, stationary combustion, company cars, accidental emissions,

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<sup>5</sup> Adjusted for acquisitions and divestments, and exchange rates differences.

<sup>6</sup> Adjusted for acquisitions and divestments, and non-recurring items.

<sup>7</sup> Adjusted for acquisitions and divestments, and non-recurring items.

<sup>8</sup> Adjusted for acquisitions and divestments, and any other extraordinary or non-recurring items.

corporate flight services and special flight operations<sup>9</sup>, during the financial years 2025-2027. The maximum level for the sustainability target for annual average CO<sub>2</sub> reduction shall correspond to an annual average CO<sub>2</sub> reduction of 4.2 percent during the financial years 2025-2027, and the minimum level shall correspond to an annual average CO<sub>2</sub> reduction of 0 percent during the financial years 2025-2027. The annual average CO<sub>2</sub> reduction during the financial years 2025-2027 will, after the financial year 2027, be established by dividing the sum of the annual CO<sub>2</sub> reduction in percentage for each of the financial years 2025-2027 by three.

The minimum level for the sustainability target for increase of the percentage of female employees in the Saab Group shall correspond to 25 percent female employees in the Saab Group by the end of the financial year 2027, and the maximum level shall correspond to 28 percent female employees in the Saab Group by the end of the financial year 2027.

#### Performance matching and allotment

The Board of Directors will resolve on the outcome of the financial targets after the end of the financial year 2025 and on the outcome of the sustainability targets after the end of the financial year 2027. Information about the performance targets will be provided in the annual reports for the financial years 2025 and 2027, respectively. If the respective maximum levels for the performance targets are reached or exceeded, the performance matching will amount to (but not exceed) the maximum number of 290,000 shares. If the respective outcomes in relation to the performance targets falls short of the maximum level but exceeds the minimum levels, a linear proportioned performance matching will occur for each such target. No performance matching regarding the respective performance targets will occur if the respective outcomes amount to or falls short of the minimum levels. Performance shares are allotted three years after the investment under item 2 above, i.e. normally during 2028 and in February 2029.

4. Participation in the Performance Share Plan 2025 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the Company. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in Performance Share Plan 2025 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Performance Share Plan 2025.
5. Before the performance matching is finally determined, the Board of Directors shall verify whether the performance matching is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances. If the Board of Directors considers otherwise, it shall reduce the number of performance shares to be matched to the lower number of shares deemed appropriate by the Board of Directors.

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<sup>9</sup> Excluding test flights with Gripen and GlobalEye.

## Special Projects Incentive 2025

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Special Projects Incentive 2025 for a number of key employees, comprising a maximum of 170,000 shares of series B in Saab. The Special Projects Incentive 2025 constitutes a complement to the Performance Share Plan 2025. The principal guidelines of the proposal are set out below.

1. Up to 150 key employees, including the CEO, with the exception of what is mentioned in item 7 below, will be offered to participate in the Special Projects Incentive 2025.
2. Participation in the Special Projects Incentive 2025 presupposes savings under the Performance Share Plan 2025 or under the Share Matching Plan 2025 for purchasing shares of series B. For the CEO and for members of the Group Management, allotment of performance shares requires saving by an amount equivalent to 7.5 percent of the cash base salary under the Performance Share Plan 2025 (i.e. maximum saving). For selected Heads of Business Unit and other specially selected key employees, allotment of performance shares requires participation in the Performance Share Plan 2025, or (if the individual is not covered by the Performance Share Plan 2025) participation in the Share Matching Plan 2025. Participants in the Special Projects Incentive 2025 will be entitled to allotment of performance shares, free of consideration, as set out below.

**Group A** Under the Special Projects Incentive 2025, the CEO may be entitled to allotment of performance shares corresponding to up to 52.5 percent of the cash base salary for the financial year 2025. The total value of allotted performance shares under the Performance Share Plan 2025 and the Special Projects Incentive 2025 may not exceed 75 percent of the cash base salary for the financial year 2025. If the total potential outcome of the Performance Share Plan 2025 and the Special Projects Incentive 2025 exceeds 75 percent, performance matching of the actual outcome shall be made in accordance with the Performance Share Plan 2025 and allotment of performance shares in the Special Projects Incentive 2025 shall be reduced so that the total outcome does not exceed 75 percent.

**Group B** Under the Special Projects Incentive 2025, members of the Group Management (currently 12) may be entitled to allotment of performance shares corresponding to up to 37.5 percent of the cash base salary for the financial year 2025. The total value of allotted performance shares under the Performance Share Plan 2025 and the Special Projects Incentive 2025 may not exceed 60 percent of the cash base salary for the financial year 2025. If the total potential outcome of the Performance Share Plan 2025 and the Special Projects Incentive 2025 exceeds 60 percent, performance matching of the actual outcome shall be made in accordance with the Performance Share Plan 2025 and allotment of performance shares in the Special Projects Incentive 2025 shall be reduced so that the total outcome does not exceed 60 percent.

**Group C** Under the Special Projects Incentive 2025, up to 137 selected Heads of Business Unit and other specially selected key employees may be entitled

to allotment of performance shares corresponding to up to 15 percent of the cash base salary for the financial year 2025.

3. The conditions for allotment of performance shares are based on the achievement of a minimum of ten and a maximum of fifteen equally weighted performance targets, consisting of operational targets and milestones in special projects within Saab's core areas Fighter Systems, Command and Control Systems, Underwater Systems, Advanced Weapon Systems and Sensors. Special projects can be linked to both the existing backlog and the development of future capabilities, including digitalization<sup>10</sup>, within each of the defined core areas. The specified performance targets are not provided due to stock market and competition reasons and are instead decided by the Board of Directors. The performance targets may be related to e.g. product design review, customer design review, partial deliveries or system implementation. Each performance target is equally weighted of the total performance targets. The performance measuring period is the financial year 2025. All participants will be allotted performance shares based on the achievement of the same performance targets. Prior to the start of the performance measuring period, the Board of Directors will determine the number of performance targets within the range set out above.
4. The Board of Directors will resolve on whether or not the performance targets have been met and on the allotment of performance shares after the end of the one-year performance measuring period, i.e. the financial year 2025. The Board of Directors will also at that time assess the overall development during the performance measurement period of the special projects to which the performance targets refer. If a performance target has been met, but the Board of Directors after the end of the performance measurement period determines that the special project to which the performance target refers has developed significantly negatively compared to the start of the performance measurement period, the Board of Directors may decide that allotment of performance shares shall not be made for the relevant performance target. The Board of Directors will also assess at that time whether the limitation of maximum allotment in accordance with item 2 above becomes applicable. Information about the performance targets will be provided in the annual report for the financial year 2025.
5. Allotment of performance shares and assessment regarding the limitation of maximum allotment in accordance with item 2 above will, in respect of the performance shares to be allotted under Special Projects Incentive 2025, be based on the volume-weighted average price for the Saab share during the ten trading days immediately following the day for the announcement of the year-end report for 2025. If all performance targets in the Special Projects Incentive 2025 are met, up to 170,000 performance shares may be allotted, however with potential reduction in accordance with item 2 above. If not all but at least one performance target is met, a proportional allotment of performance shares will be made in relation to the number of reached performance targets, however with potential reduction in accordance with item 2 above.
6. Performance shares in the Special Projects Incentive 2025 will be delivered in February 2028. Delivery of performance shares is conditional on that the employment within the

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<sup>10</sup> Including for example software, data, AI and infrastructure.

Saab Group has not been terminated during the period up until delivery in February 2028, and that the employee is still participating in the Performance Share Plan 2025 or the Share Matching Plan 2025. The Board of Directors may grant limited exemptions from the requirement of employment during the abovementioned period.

7. Participation in the Special Projects Incentive 2025 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the Company. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in Special Projects Incentive 2025 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Special Projects Incentive 2025.
8. Before the allotment of performance shares is finally determined, the Board of Directors shall verify whether the allotment is reasonable considering the Company's financial results and position, conditions on the stock market and other circumstances. If the Board of Directors considers otherwise, it shall reduce the number of performance shares to be allocated to the lower number of shares deemed appropriate by the Board of Directors.

#### **14 b) Authorization for the Board of Directors to resolve on acquisitions of shares and resolution on transfers of own shares to the participants in LTI 2025**

##### Authorization for the Board of Directors to resolve on acquisitions of shares of series B in Saab on Nasdaq Stockholm

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to resolve on acquisitions of own shares of series B in Saab on Nasdaq Stockholm in accordance with the following conditions.

- Acquisitions of shares of series B in Saab may only be effected on Nasdaq Stockholm.
- A maximum of 1,100,000 shares of series B in Saab may be acquired to secure delivery of shares to participants in Saab's long-term Share Matching Plan, Performance Share Plan and Special Projects Incentive. After implementation of the share split 4:1 proposed by the Board of Directors to the Annual General Meeting for decision, the maximum number of shares of series B will be 4,400,000.
- Acquisitions of shares of series B in Saab on Nasdaq Stockholm may only be made at a price within the price range (spread) on Nasdaq Stockholm applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price prevailing and disseminated by Nasdaq Stockholm from time to time.
- The authorization may be utilized on one or several occasions, however, only until the Annual General Meeting 2025.

### Resolution on transfers of acquired own shares of series B to participants in LTI 2025

Transfers of shares of series B in Saab may be made on the following terms and conditions.

- Transfers may be made only of shares of series B in Saab, whereby no more than 1,100,000 shares of series B in Saab may be transferred, free of consideration, to participants in LTI 2025.
- Right to acquire shares of series B in Saab free of consideration shall, with deviation from the shareholders' preferential rights, be granted to such persons within the Saab Group who are participants in LTI 2025. Further, subsidiaries of Saab shall, with deviation from the shareholders' preferential rights, be entitled to acquire shares of series B in Saab free of consideration, whereby such company shall be obligated to, in accordance with the terms and conditions of LTI 2025, transfer the shares to such persons within the Saab Group who participate in LTI 2025.
- Transfers of shares of series B in Saab shall be made free of consideration at the time and on the other terms and conditions that participants in LTI 2025 have the right to acquire shares, i.e. normally during the financial year 2028 and in February 2029.
- The number of shares of series B in Saab that may be transferred under LTI 2025 may be subject to recalculation as a result of an intervening bonus issue, split, rights issue and/or other similar corporate events.

#### **14 c) Equity swap agreement with third party**

In the event that the required majority under item 14 b) above cannot be reached, the Board of Directors proposes that the Annual General Meeting resolves that the expected financial exposure of LTI 2025 shall be hedged by Saab entering into an equity swap agreement with a third party on terms and conditions in accordance with market practice, whereby the third party in its own name shall acquire and transfer shares of series B in Saab to employees who participate in LTI 2025. Indicative costs for such equity swap agreement amount to approximately MSEK 82.

#### **Conditions**

The General Meeting's resolution to implement LTI 2025 in accordance with item 14 a) above is conditional upon the General Meeting resolving either in accordance with the proposal to authorize the Board of Directors to resolve on acquisitions of shares of series B in Saab on Nasdaq Stockholm and resolution on transfers to participants in LTI 2025 of acquired own shares of series B in Saab in accordance with item 14 b) above, or that an equity swap agreement with a third party may be entered into in accordance with item 14 c) above.

#### **Majority requirements**

The General Meeting's resolution to implement LTI 2025 under item 14 a) above requires that more than half of the votes cast are in favor of the proposal. The resolution to



authorize the Board of Directors to acquire shares on Nasdaq Stockholm and the resolution on transfers to participants in LTI 2025 under item 14 b) above require that the resolution is supported by shareholders representing at least nine-tenths of the votes cast and votes represented at the meeting. The resolution that Saab may enter into an equity swap agreement with a third party under item 14 c) above requires that more than half of the votes cast are in favor of the proposal.

### **Information regarding other share-related incentive programs**

For a description of Saab's other share-related incentive programs, reference is made to note 8 in Saab's Annual Report for the financial year 2023.

The Board of Directors has also decided on a Key Employee Plan 2025 (KEY 2025), a long-term incentive program for key employees. KEY 2025 has similar conditions as the Key Employee Plan 2024.

The Key Employee Plan constitutes a complement to the Saab Long-Term Incentive Program and is a retention plan. 1,500 Saab Group key employees can be offered participation in KEY 2025. The program is not directed to the Board, the CEO, members of the Group Management and other senior managers. The participants will be selected based on critical skills, performance and/or potential.

The participants in KEY 2025 will be granted an award of a potential cash amount corresponding to 15 per cent of the participant's annual salary. The amount will be converted into a number of synthetic shares based on the share price for the Saab series B share on Nasdaq Stockholm at the time of grant. KEY 2025 has a three-year total vesting period and begins in February 2025 and ends approximately three years later. The total cash amount payable to a participant may not exceed 30 per cent of the participant's annual salary. In order to receive full payment, the participant needs to remain employed within the Saab Group during the whole three-year period. Cash payment takes place on two occasions; after approximately two and three years respectively from the start of the plan with 50 percent of the award on each occasion.

The cash amount which the participants may receive under the plan is driven by the share price development of the Saab share during the three-year period. At the respective time of payment, the synthetic shares are converted into an amount based on the share price at the time of payment. The amount is paid out in cash to the participants after deduction of tax.

KEY 2025 will not lead to any dilution of existing shareholders' shares but only entail a cost for Saab. The total effect on the income statement is estimated to approximately SEK 194 million distributed over the years 2025-2028.

The Board of Directors' intention is to annually decide on incentive plans corresponding to the KEY 2025.

## **THE BOARD'S PROPOSAL ON ACQUISITION AND TRANSFER OF OWN SHARES (item 15)**

### **15 a) Authorization for the Board of Directors to resolve on acquisition of own shares**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, for the period until the next Annual General Meeting, resolve on acquisitions of own shares in accordance with the following conditions.

- Acquisitions shall be limited to the Company's shares of series B.
- Acquisitions shall take place on Nasdaq Stockholm.
- Acquisitions may only be made at a price per share within the price range (spread) applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price prevailing and disseminated by Nasdaq Stockholm from time to time.
- A maximum number of shares may be acquired so that the Company's holding at any time does not exceed 10 per cent of the total number of shares in the Company.
- The authorization may be utilized on one or several occasions up to the next Annual General Meeting.

The purpose of the authorization is to be able to adjust the Company's capital structure and thereby contribute to an increased shareholder value as well as to enable a continuous use of acquired shares in connection with potential acquisitions of companies and, where applicable, for the Company's share-based incentive programs.

### **15 b) Authorization for the Board of Directors to resolve on transfer of own shares in connection with acquisitions of companies**

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, for the period until the next Annual General Meeting, resolve on transfers of own shares in connection with or as a result of any acquisition of companies, in accordance with the following conditions.

- Transfers may be made on Nasdaq Stockholm at a price per share within the price range (spread) applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price prevailing and disseminated by Nasdaq Stockholm from time to time.
- Transfers may take place as set out in Chapter 19, Sections 35-37 of the Swedish Companies Act, i.e. in other ways than on the Stock Exchange.
- Transfers in connection with acquisitions of companies or operations shall be executed at a price that closely corresponds to the market value of the Company's share at the time of the resolution on the transfer.

- No more than the number of shares of series B that the Company holds at the time of the Board of Directors' resolution may be transferred based on this authorization.
- The authorization includes the right to resolve on deviation from the shareholders' preferential rights and that payments could be made other than in cash.
- The authorization may be utilized on one or more occasions before the next Annual General Meeting.

The purpose of the authorization is to provide the Board of Directors with increased scope for action in connection with financing of acquisitions of companies.

The reason for deviating from the shareholders' preferential rights is to enable alternative forms of payment for acquisitions of companies or operations.

### **15 c) Transfer of own shares to cover costs as a result of previous years' implementation of incentive programs**

The Board of Directors proposes that the Annual General Meeting resolves on transfers of own shares as a result of the previous years' implementation of incentive programs on the following terms.

The Board of Directors proposes that the Annual General Meeting resolves that the Company shall have the right to, prior to the Annual General Meeting 2025, transfer a maximum of 330,000 shares of series B (or a maximum of 1,320,000 shares of series B after implementation of the share split 4:1 proposed by the Board of Directors to the Annual General Meeting), in order to cover certain costs, mainly social security costs, that may arise in relation to Share Matching Plan 2021, as well as Performance Share Plan 2021, and Special Projects Incentive 2021. Transfers of the shares shall be effected at Nasdaq Stockholm at a price within the price range (spread) applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price prevailing and disseminated by Nasdaq Stockholm from time to time.

### **Majority requirements**

Resolutions in accordance with items 15 a), 15 b) and 15 c) above, respectively, require that shareholders representing at least two-thirds of the votes cast as well as the shares represented at the meeting are in favour of the proposal.

### **THE BOARD'S PROPOSAL ON SHARE SPLIT AND AMENDMENT TO THE ARTICLES OF ASSOCIATION (item 16)**

In order to obtain a suitable number of shares for the Company, the Board of Directors proposes that the Annual General Meeting resolves that:

- The number of shares in the Company is increased by dividing each share, regardless of series, into four shares (share split), whereby the number of shares in the Company

increases to 543,383,388, of which 9,535,612 shares of series A and 533,847,776 shares of series B.

- § 5 in the Articles of Association is amended as follows:

	<b>Current wording</b>	<b>Proposed amended wording</b>
§ 5	The number of shares shall be not less than 46,875,000 and not more than 187,500,000.	The number of shares shall be not less than <i>450,000,000</i> and not more than <i>1,800,000,000</i> .

- The Board of Directors is authorized to decide on the record date for the share split.
- The Board of Directors, or any person appointed by the Board of Directors, shall be authorized to make such adjustments to the resolution as required for registration with the Swedish Companies Registration Office (Sw. *Bolagsverket*) or required for Euroclear Sweden's administration.

### **Majority requirements**

The Annual General Meeting is to decide on the above proposal as a whole, in one single resolution. In order for the resolution to be valid, it must be supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at meeting.

### **SHARES AND VOTES**

As of 6 March 2024, the company has in total 135,845,847 shares, of which 2,383,903 are shares of series A with ten votes per share and 133,461,944 are shares of series B with one vote per share, which together represent 157,300,974 votes. As of the same day, the company holds 2,388,384 own shares of series B, corresponding to 2,388,384 votes which cannot be represented at the Meeting.

### **QUESTIONS AND SHAREHOLDERS' RIGHT TO RECEIVE INFORMATION**

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, at the Meeting provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group. Shareholders who wish to submit questions in advance may do so to Saab AB, Annual General Meeting 2024, P.O. Box 7808, SE-103 96 Stockholm, Sweden, or by email to [agm@saabgroup.com](mailto:agm@saabgroup.com).

### **DOCUMENTS**

Proxy forms, postal voting forms, the Board's statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act considering the proposals under items 14 b) and 15 a) and the Articles of Association in their proposed wording are available at the company's

headquarter on Olof Palmes Gata 17, SE-111 22 Stockholm, Sweden, and on the company's website [www.saab.com/agm](http://www.saab.com/agm).

Accounting documents and the Audit Report including the Board's proposal under item 8 b) and the Board's statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act, the Auditor's statement regarding remuneration guidelines for senior executives and the Board's remuneration report for the financial year 2023 are available as stated above.

In other respects, complete proposals are included under each item in the notice.

Information about the proposed members of the Board of Directors and the nomination committee's motivated statement etc. are available at the company's website [www.saab.com/agm](http://www.saab.com/agm).

The documents will be sent free of charge to shareholders who so request and state their postal address.

## **PROCESSING OF PERSONAL DATA**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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**Linköping in March 2024**

**The Board of Directors in Saab Aktiebolag (publ)**