

The Saab AB Board of Directors' report according to 9.1 and 10.3 in the Swedish Corporate Governance Code

The Remuneration Committee has evaluated the remuneration to the senior executives of Saab AB, including variable remuneration, the application of the guidelines for remuneration and other terms of employment to senior executives that were resolved at the Annual General Meeting in 2013, as well as the current remuneration structures and remuneration levels in the company.

The Remuneration Committee is of the opinion that the guidelines that were resolved in 2013 achieve their purposes to facilitate the recruitment and retention of senior executives.

The Remuneration Committee has studied an external market analysis that indicates that the remuneration to senior executives generally is in line with the applicable levels in industries and markets comparable with Saab.

The Remuneration Committee has also undertaken an evaluation of the long-term variable remuneration in the form of Saab's long-term share based incentive program, consisting of a Share Matching Plan for all employees and a Performance Share Plan for senior executives and other key-employees. The conclusion is that the long-term incentive program serves its purpose, but the Performance Share Plan should be modified to more effectively reach the purpose with the program and better reflect both Saab's business strategy and financial targets. The Remuneration Committee has therefore recommended the Board of Directors to propose to the Annual General Meeting 2014 to resolve that the Performance Share Plan 2014 is modified compared to previous years' programs. No changes are, however, proposed for the Share Matching Plan 2014.

On the whole, the Remuneration Committee considers that the current remuneration structures and remuneration levels in the company are in line with market competitive levels. The Remuneration Committee has therefore recommended the Board of Directors to propose to the Annual General Meeting 2014 to adopt principles of remuneration with the same content as those that were resolved at the Annual General Meeting in 2013.

Linköping in March 2014

The Board of Directors in Saab AB (publ)