

Date  
10 March 2016Reference  
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## Notice of Annual General Meeting of Saab AB

The shareholders in Saab Aktiebolag are invited to attend the Annual General Meeting in Saab's hangar, Åkerbogatan 10, Linköping, Sweden, on Thursday, 14 April 2016, at 16.00 (CET).

Admission and registration will commence at 14.00 (CET). An airshow with Gripen is scheduled to take place at 15.00 (CET). Driving directions and information regarding buses, please see [www.saabgroup.com/arsstamma](http://www.saabgroup.com/arsstamma)

### RIGHT TO PARTICIPATE AND NOTIFICATION

Only the shareholders that are recorded in the Shareholders' Register issued by Euroclear Sweden AB on Friday, 8 April 2016 are entitled to participate in the Annual General Meeting after submitting notification to the Company.

Shareholders who have their shares registered in the name of a nominee must temporarily be recorded in the Shareholders' Register in their own names (so called registration of voting rights) to be entitled to participate in the meeting subject to notification to the Company. In order to be recorded in the Shareholders' Register on Friday, 8 April 2016, shareholders must request such registration with their bank or trustee well in advance of that date. Please note that this procedure also applies to shareholders using bank custody accounts.

Shareholders wishing to attend the Annual General Meeting must notify Saab no later than Friday, 8 April 2016

- by telephone +46 13 18 20 55 (weekdays between 9 and 17 (CET)),
- by post under address: Saabs Årsstämma, Box 7839, SE-103 98 Stockholm, Sweden, or
- via the Company's website [www.saabgroup.com/arsstamma](http://www.saabgroup.com/arsstamma).

Notification to the Company must include the shareholder's name, personal- or corporate identification number (if applicable), address and telephone number, and notification of the number of possible assistants. If the shareholder is represented through a Power of Attorney, a registration certificate or other authorisation document, these documents should be sent to Saab AB, CEO Office, Box 12062, SE-102 22 Stockholm, Sweden, well in advance of the Annual General Meeting. A proxy form is available on the Company's website, [www.saabgroup.com/arsstamma](http://www.saabgroup.com/arsstamma).

The Annual General Meeting will be conducted in Swedish.

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**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 President
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 President
9. Determination of the number of regular Board Members and deputy Board Members
10. Determination of fees for Board Members and Auditors
11. Election of regular Board Members and deputy Board Members
  - a) New election of Bert Nordberg
  - b) Re-election of Håkan Buskhe
  - c) Re-election of Johan Forssell
  - d) Re-election of Sten Jakobsson
  - e) Re-election of Sara Mazur
  - f) Re-election of Per-Arne Sandström
  - g) Re-election of Cecilia Stegö Chilò
  - h) Re-election of Lena Treschow Torell
  - i) Re-election of Marcus Wallenberg
  - j) Re-election of Joakim Westh
  - k) Re-election of Marcus Wallenberg as Chairman of the Board

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12. Resolution on the Board's proposal on guidelines for remuneration and other terms of employment for senior executives

13. Resolution on the Board's proposal on a Long-term Incentive Program 2016 and acquisition and transfer of own shares

- a) Implementation of LTI 2016 – Share Matching Plan 2016 and Performance Share Plan 2016
- 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 2016
- c) Equity swap agreement with third party

14. 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

15. Closing of the Annual General Meeting

## **PROPOSED RESOLUTIONS:**

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

The Board proposes a dividend of SEK 5 per share. Monday, 18 April 2016 is proposed as record date. Provided that the Shareholders' Meeting resolves according to this proposal, payment of the dividend is expected to be made from Euroclear Sweden AB on Thursday, 21 April 2016.

### **THE NOMINATION COMMITTEE'S PROPOSALS FOR CHAIRMAN OF THE ANNUAL GENERAL MEETING, BOARD OF DIRECTORS AND FEES (items 1, 9, 10 and 11)**

The Nomination Committee consists of Petra Hedengran, Investor AB (Chairman), Peter Wallenberg Jr, Knut and Alice Wallenberg's Foundation, Tomas Hedberg, Swedbank Robur Funds, Anders Algotsson, AFA Försäkring and Marcus Wallenberg, Chairman of the Board of Saab AB.

The Nomination Committee proposes the following resolutions.

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- Advokat Sven Unger, member of the Swedish Bar Association, as Chairman of the Annual General Meeting. (Item 1)
- Ten Board Members and no deputy Board Members. (Item 9)
- An increase of the Board fees to SEK 1,430,000 (1,400,000) to the Chairman, to SEK 610,000 (600,000) to the Deputy Chairman and to SEK 560,000 (550,000) to each of the other Board Members elected by the Shareholders' Meeting and not employed by the Company. An increase of compensation for work in the Audit Committee to SEK 200,000 (180,000) to the Chairman of the Audit Committee, and to SEK 135,000 (120,000) to each of the other Audit Committee Members. Unchanged compensation for work in the Remuneration Committee with SEK 135,000 to the Chairman of the Remuneration Committee and SEK 80,000 to each of the other Remuneration Committee Members. (Item 10)
- Auditor's fees to be paid according to approved invoice. (Item 10)
- Re-election of all of the present Board Members: Håkan Buskhe, Johan Forssell, Sten Jakobsson, Sara Mazur, Per-Arne Sandström, Cecilia Stegö Chilò, Lena Treschow Torell, Marcus Wallenberg and Joakim Westh. New election of Bert Nordberg. (Item 11)

Bert Nordberg is Chairman of the Board of Vestas Wind Systems A/S and Imagination Technologies, Ltd. He is also a Board member of AB Electrolux, Svenska Cellulosa Aktiebolaget SCA and Axis AB. He has earlier been Chairman of the Board of Sony Mobile Communications AB and President & CEO of Sony Ericsson Communications AB, and he has also for a long period of time held a number of senior positions within the Ericsson group. He has also had various positions with Data General Corporation and Digital Equipment Corporation. Bert Nordberg is an engineer and was born in 1956.

Information on the Board Members, proposed for re-election, is available on the Company's website.

- Re-election of Marcus Wallenberg as Chairman of the Board of Saab AB. (Item 11)

## **THE BOARD'S PROPOSAL ON GUIDELINES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR EXECUTIVES (item 12)**

### **Background and reasons**

The Remuneration Committee has evaluated the application of the guidelines for remuneration to senior executives of Saab AB that were resolved at the Annual

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General Meeting in 2015 and the current remuneration structures and remuneration levels in the Company. The Remuneration Committee is of the opinion that the guidelines that were resolved in 2015 achieve their purposes to facilitate the recruitment and retention of senior executives.

The Remuneration Committee has recommended the Board of Directors to propose to the Annual General Meeting to adopt principles of remuneration with in principle the same content as those that were resolved at the Annual General Meeting in 2015. Certain clarifications are proposed in the guidelines concerning pension and miscellaneous terms.

In light of the above, the Board of Directors proposes that the Annual General Meeting resolves on the following guidelines for remuneration and other terms of employment for senior executives.

### **Guidelines**

The senior executives comprise the President and other members of the Group Management. The members of this group are presented on the Company's website. In some special cases, these guidelines may also comprise Board Members of Saab AB, as described below.

Saab shall offer market terms, enabling the Company to recruit and retain senior executives. To the greatest extent possible, remuneration structures shall be characterised by predictability with respect to both the cost for the Company and the benefit for the employee. They shall be based on factors such as position, competence, experience and performance. Benchmarking shall be made regularly relative to comparable industries and markets.

The Board's proposal is based mainly on agreements in effect between Saab AB and individual executives. No board fees are to be paid to members of the Group Management for participation on the boards of the business areas or Saab subsidiaries.

The Remuneration Committee is responsible for developing and reviewing remuneration and other employment terms for the Group Management.

The Board shall be entitled to divert from the guidelines, if there are reasonable grounds to do so in an individual case.

These guidelines apply from the Annual General Meeting 2016.

### **Fixed remuneration**

Cash remuneration shall consist of fixed salary. The fixed salary shall be reviewed annually as per 1 January for all members of the Group Management. The fixed salary

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shall be at market terms and based on factors such as position, competence, experience and performance.

### Variable remuneration

Saab's operations are mainly characterised by the development of technically advanced products and systems. Products are marketed, further developed, produced and maintained during long periods of time, in some cases three to four decades, which generally entails substantial investments and long-term customer relations all over the world. Consequently, it is important that senior executives have a long-term view and a long-term commitment in the Company's operations and profits. Therefore long-term incentive is especially well suited to Saab and its shareholders. The long-term variable remuneration consists of share based incentive programs.

The President and senior executives are entitled to participate in the long-term share based incentive programs resolved by the Shareholders' Meeting.

In extraordinary cases, agreements of a one-time nature for variable cash remuneration may be made, provided that such agreements are made solely on an individual basis for recruitment or retention purposes only, or as compensation for extraordinary efforts beyond the individual's ordinary assignment, and that such remuneration shall never exceed the amount of the fixed annual salary and shall not be paid more than once a year per individual. Resolutions on such remuneration shall be made by the Board based on a proposal from the Remuneration Committee.

Variable cash remuneration shall not be paid in other cases.

### Incentive programs proposed to the Annual General Meeting 2016

The Board of Directors proposes that the Annual General Meeting resolves on a long-term incentive program, consisting of Share Matching Plan 2016 and Performance Share Plan 2016 ("LTI 2016").

The terms and estimated costs for the LTI 2016 are presented in the Board's complete proposal to the Annual General Meeting.

### Other benefits

All members of the Group Management may be entitled to other benefits in accordance with local practice. The benefits shall contribute to facilitating the executive's discharge of his or her duties. These benefits shall not constitute a material part of the total compensation and shall be equivalent to what is considered reasonable in relation to market practice. Other benefits may for example be a company car, travels, overnight accommodation and medical insurance.

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### Pension

For pension agreements entered into after 1 January 2005, the pension age is minimum 62 years. In addition to the ITP agreement, the pension is part of a defined premium based contribution plan where provisions are made annually. For the President, the provision is equivalent to maximum 35 per cent of the fixed salary. For other senior executives the percentage is based on a set of regulations in the so-called Saab plan. According to this plan, the percentage is dependent on the number of years remaining until the age of retirement upon joining the plan. The aggregate insurance balance should cover a targeted pension from 65 years of age of approximately 32.5 per cent of salary levels between 20 and 30 basic income amounts and approximately 50 per cent of segments above 30 basic income amounts.

All senior executives may also be entitled to strengthened disability pension and survivors' pension.

### Miscellaneous terms

All executives in the Group Management, including the President, may terminate their employment with six months' notice. If the employment is terminated by Saab, the notice period is six months, and after the notice period, severance equal to one year's salary is paid. An additional year's salary is payable if no new employment has been obtained during the first 18 months from the time the notice of termination was served.

With respect to employment agreements made after 1 January 2005, and in cases where Saab terminates the employment, a maximum severance pay of 18 months can be payable in addition to the normal six-month notice period. The notice period and severance pay in total shall not exceed 24 months.

In both cases, any income from termination pay and severance pay will be deducted against income from other employment during the corresponding time.

### Consultant fees to Board Members

Saab AB Board Members, elected by the Shareholders' Meeting, may in special cases receive a fee for services performed within their respective areas of expertise, separately from their Board duties and for a limited period of time. Compensation for these services shall be paid at market terms.

### Information in the Annual Report note 10

Note 10 of the Annual Report includes a description of existing remunerations for senior executives, including fixed and variable compensation, long-term incentive programs and other benefits.

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## Deviation from guidelines for remuneration to senior executives resolved by the Annual General Meeting 2015

The Board of Directors has decided to deviate from the guidelines during 2015.

In connection with the adjustments in Saab's Business Area structure a settlement was made with a senior executive. As a part of the settlement it was agreed that any income that the senior executive may have from other employment during the period for termination- and severance payment from Saab, shall not reduce the payments from Saab during the corresponding time.

## **THE BOARD'S PROPOSAL ON A LONG-TERM INCENTIVE PROGRAM 2016 AND ACQUISITION AND TRANSFER OF OWN SHARES (item 13)**

### **Background and reasons for the proposals**

The Shareholders' Meeting of Saab AB ("Saab") has, for a number of years, resolved on long-term Share Matching Plan for all employees and Performance Share Plan for senior executives and other key employees. The Board of Directors finds it important and in all shareholders' interest that employees of the Group have a long-term interest in a good value development of the share in the Company. The Board of Directors has also implemented a policy with a requirement of certain shareholdings for senior executives. In light of this, the Board of Directors proposes to the Annual General Meeting the below long-term incentive program for employees ("LTI 2016"). The proposed terms and conditions for LTI 2016 correspond to the terms and conditions imposed by LTI 2014, that have been deemed effective. LTI 2016 consists of two parts, a Share Matching Plan and a Performance Share Plan. LTI 2016 is proposed to comprise a maximum of 1,340,000 shares of series B in Saab.

LTI 2016 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 program is to stimulate employees to continued long-term commitment and continued good performance as well as to increase the Group's attractiveness as an employer. In view of this, LTI 2016 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.

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

The total effect on the income statement is estimated to approximately MSEK 335 unevenly distributed over the years 2017-2020. The costs shall be compared with the

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Saab Group's total remuneration costs 2015, including social security costs, amounting to MSEK 10,182.

The calculations are based on assumptions that all available shares in the LTI 2016 will be utilized.

#### Costs that affect the Income Statement, but not the Cash Flow

Compensation costs, corresponding to the value of matching shares transferred to employees, is estimated to approximately MSEK 260. The compensation costs are distributed over the years 2017-2020.

Social security charges as a result of transfer of shares to employees at an assumed average share price at matching at SEK 250 are estimated to amount to approximately MSEK 75. The social security costs are distributed over the years 2017-2020.

#### Costs that affect the Income Statement and the Cash Flow

The cost for acquiring own shares is estimated to maximum MSEK 335 at an assumed share price of SEK 250 and a maximum of 1,340,000 shares.

#### Dilution and effects on key figures

The Company has approximately 109 million issued shares. As per 31 December 2015, the Company held 3,193,279 own shares of series B. In order to implement the LTI 2016 a total of 1,340,000 shares of series B are required, corresponding to approximately 1.2 per cent of the total number of issued shares.

As calculated as per 31 December 2015, the number of shares to be transferred within the scope of the ongoing long-term incentive programs 2012, 2013 and 2014, including shares to cover social security costs, amounts to approximately 2,005,000 shares corresponding to approximately 1,8 per cent of the total number of issued shares. The long-term incentive program 2015 comprises 1,340,000 shares, corresponding to approximately 1.2 per cent of the total number of issued shares, and is not included in the above calculation as it was launched in January 2016.

Out of the 1,340,000 shares of series B required for the LTI 2016, approximately 1,040,000 shares may be transferred to employees free of consideration, which could cause a dilutive effect of approximately 1 per cent on earnings per share. The remaining 300,000 shares are intended to be transferred on Nasdaq Stockholm in order to cover social security costs.

#### **Hedge**

As the main alternative, the Board of Directors proposes that the Annual General

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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 and Performance Share Plan as well as transferred on Nasdaq Stockholm to cover certain costs associated with LTI 2016, mainly social security costs. 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 2016. The detailed terms and conditions for the Board of Directors' main alternative are presented below.

In the event that the required majority under items 13 b).I and 13 b).II 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 13 c) below.

### **Preparation of the proposal**

The LTI 2016 has been prepared by the Remuneration Committee and in consultation with the Board of Directors. The proposal has been adopted by the Board of Directors.

### **The Board of Directors' proposal**

The Board of Directors' proposal for the resolution below entails that the Annual General Meeting resolves a) to implement LTI 2016, b) to authorize the Board of Directors to resolve on acquisitions of own shares on Nasdaq Stockholm and that the acquired shares may be transferred, free of consideration, to the participants in LTI 2016, 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.

### **13 a) Implementation of LTI 2016**

LTI 2016 comprises of two parts, Share Matching Plan 2016 and Performance Share Plan 2016. Participation in LTI 2016 requires own investment in shares in Saab. Investment made under the Performance Share Plan 2016 counts also as a basis for participation in the Share Matching Plan 2016, however, only up to an amount of maximum 5 per cent of the cash base salary.

### **Share Matching Plan 2016**

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Share Matching Plan 2016 comprising a maximum of 900,000 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 2016, with the exception of what is mentioned in item 3) below, will be offered to participate in the Share Matching Plan 2016.

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- 2) Employees who participate in the Share Matching Plan 2016 can during a twelve-month period save up to a maximum of 5 per cent 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 2016 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 2016 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Share Matching Plan 2016.

### **Performance Share Plan 2016**

The Board of Directors proposes that the Annual General Meeting resolves on a long-term Performance Share Plan 2016 for a number of key employees, comprising a maximum of 440,000 shares of series B in Saab. The principal guidelines of the proposal are listed below.

- 1) Up to 175 key employees, including the President, with the exception of what is mentioned in item 4) below, will be offered to participate in the Performance Share Plan 2016.
- 2) Employees who participate in the Performance Share Plan 2016 can during a twelve-month period save up to a maximum of 7.5 per cent 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 as set out below, free of consideration. The Board of Directors may grant limited exemptions from the requirement of employment during the full three-year period.

**Group 1** Up to 142 employees in Management Teams, certain specialists and Project Managers may be entitled to a performance match of up to two shares for each purchased share.

**Group 2** Up to 20 Senior Managers may be entitled to a performance match of up to four shares for each purchased share.

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Group 3 Up to 12 members of the Group Management may be entitled to a performance match of up to five shares for each purchased share.

Group 4 The President 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 three independent targets: Organic sales growth<sup>1</sup>, EBIT margin<sup>2</sup> and free cash flow<sup>3</sup>. The relative apportionment between the targets is:

- Up to 30 per cent of the maximum allotment is attributable to organic sales growth during the financial year 2017.
- Up to 40 per cent of the maximum allotment is attributable to EBIT margin during the financial year 2017.
- Up to 30 per cent of the maximum allotment is attributable to free cash flow during the financial year 2017.

The performance targets will be established by the Board of Directors with a minimum level and a maximum level for each performance target. The Board of Directors will resolve on the outcome of the performance matching after the end of the one-year performance measuring period, i.e. the financial year 2017 and will in connection therewith give information on the performance targets. If the maximum levels for the performance targets are reached or exceeded, the performance matching will amount to (and not exceed) the maximum number of 440,000 shares. If the performance outcome falls short of the maximum level but exceeds the minimum level, a linear proportioned performance matching will occur. No performance matching will occur if the performance outcome amounts to or falls short of the minimum level. Performance shares are allotted three years after the investment under item 2) above, i.e. normally during 2020 and in February 2021.

4) Participation in the Performance Share Plan 2016 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 2016 is not advisable. Such alternative incentive solution shall, as far as practically possible, correspond to the terms for the Performance Share Plan 2016.

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<sup>1</sup> Adjusted for acquisitions and divestments, and exchange rates differences.

<sup>2</sup> Adjusted for acquisitions and divestments, and non-recurring items.

<sup>3</sup> Adjusted for acquisitions and divestments, and non-recurring items.

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- 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.

### **13 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 2016**

#### 13 b).I - 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 may only be effected on Nasdaq Stockholm.
- A maximum of 1,340,000 shares of series B in Saab may be acquired to secure delivery of shares to participants in Saab's long-term Share Matching Plan and Performance Share Plan and for subsequent transfers on Nasdaq Stockholm to cover certain costs associated with LTI 2016, mainly social security costs.
- 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.
- The authorization may be utilised on one or several occasions, however, only until the Annual General Meeting 2017.

#### 13 b).II - Resolution on transfers of acquired own shares of series B to participants in LTI 2016

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 1,340,000 shares of series B in Saab may be transferred, free of consideration, to participants in LTI 2016.

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- 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 2016. 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 2016, transfer the shares to such persons within the Saab Group who participate in LTI 2016.
- 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 2016 have the right to acquire shares, i.e. normally during the financial year 2020 and in February 2021.
- The number of shares of series B in Saab that may be transferred under LTI 2016 may be subject to recalculation as a result of an intervening bonus issue, split, rights issue and/or other similar corporate events.

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

In the event that the required majority under item 13 b) above cannot be reached, the Board of Directors proposes that the Annual General Meeting resolves that the expected financial exposure of LTI 2016 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 2016. Additional costs for such equity swap agreement amount to approximately MSEK 8.

### **Conditions**

The General Meeting's resolution to implement LTI 2016 in accordance with item 13 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 2016 of acquired own shares of series B in Saab in accordance with item 13 b) above, or that an equity swap agreement with a third party may be entered into in accordance with item 13 c) above.

### **Majority requirements**

The General Meeting's resolution to implement LTI 2016 under item 13 a) above requires that more than half of the votes cast are in favour 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 2016 under items 13 b).I and 13 b).II 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

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resolution that Saab may enter into an equity swap agreement with a third party under item 13 c) above requires that more than half of the votes cast are in favour of the proposal.

## Other

For a description of Saab's other share-related incentive programs, reference is made to note 10 in Saab's Annual Report for the financial year 2015.

## THE BOARD'S PROPOSAL ON ACQUISITION AND TRANSFER OF OWN SHARES (item 14)

### 14 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.
- 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 for the Company's share-related incentive programs.

### 14 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

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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.
- Transfers may take place as set out in Chapter 19, Sections 35-37 of the Swedish Companies Act, i.e. in other way than on the Stock Exchange.
- Transfers in connection with acquisitions of companies or business shall take place 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 businesses.

#### **14 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 2017, transfer a maximum of 1,200,000 shares of series B, in order to cover certain costs, mainly social security costs, that may arise in relation to Share Matching Plan 2012, 2013, 2014 and 2015 as well as Performance Share Plan 2012, 2013, 2014 and 2015. Transfers of the shares shall be effected at Nasdaq Stockholm at a price within the

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price range (spread) applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price.

### **Majority requirements**

Resolutions in accordance with item 14 a), 14 b) and 14 c) above 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.

### **SHARES AND VOTES**

As of 10 March 2016, the Company has in total 109,150,344 shares, of which 1,907,123 are shares of series A with ten votes per share and 107,243,221 are shares of series B with one vote per share, which together represent 126,314,451 votes. As of the same day, the Company holds 3 124 665 own shares of series B, corresponding to 3 124 665 votes that cannot be represented at the Annual General Meeting.

### **INFORMATION AT THE ANNUAL GENERAL MEETING**

The Board of Directors and the President shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the Group. Shareholders that wish to submit questions in advance may send them to Saab AB, CEO Office, Box 12062, SE-102 22 Stockholm, Sweden.

### **DOCUMENTS**

The Board's statement pursuant to Chapter 19, Section 22 in the Swedish Companies Act considering the proposals under items 13 b) and 14 a) is available at the Company, Saab AB, CEO Office, Box 12062, SE-102 22 Stockholm, Sweden, and on the website of the Company [www.saabgroup.com/arsstamma](http://www.saabgroup.com/arsstamma).

Accounting documents and the Audit Report are available at the Company, Saab AB, CEO Office, Box 12062, SE-102 22 Stockholm, Sweden, and on the website of the Company [www.saabgroup.com/arsstamma](http://www.saabgroup.com/arsstamma). The Auditor's statement pursuant to Chapter 8, Section 54 pursuant to the Swedish Companies Act regarding remuneration guidelines to senior executives is also available at the Company and on the Company's website (as above).

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

## Linköping in March 2016

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

***For further information, please contact:***

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*Saab serves the global market with world-leading products, services and solutions within military defence and civil security. Saab has operations and employees on all continents around the world. Through innovative, collaborative and pragmatic thinking, Saab develops, adopts and improves new technology to meet customers' changing needs.*

*The information was submitted for publication on 10 March 2016 at 11.00 (CET).*

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