

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 2019, 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 2019 achieve their purposes to facilitate the recruitment and retention of senior executives.

The Remuneration Committee has reviewed an external market analysis that shows that the remuneration to senior executives generally is in line with the applicable levels in industries and markets comparable to 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. Saab's long-term incentive program consists of three parts - a Share Matching Plan for all permanent employees, a Performance Share Plan for senior executives and other key employees and a Special Projects Incentive.

The evaluation of Saab's long-term incentive programs shows that the interest and commitment for the incentive programs in general continue to grow among the participants. The number of participants increases and they show a large interest in Saab and the Company's financial development. Furthermore, the business awareness among the participants in the Performance Share Plan is high. By implementing the Special Projects Incentive during 2017, there is now a clear focus and awareness within Saab on the special projects. The Remuneration Committee is of the opinion that the Special Projects Incentive is an effective and suitable incentive to motivate the key employees that are important for executing the special projects. The conclusion is that Saab's long-term incentive programs (consisting of three parts, Share Matching Plan, Performance Share Plan and Special Projects Incentive), are suitable and work well.

In light of the above, the Remuneration Committee has recommended the Board of Directors to propose to the Annual General Meeting 2020 to resolve on a long-term incentive program 2021 (LTI 2021), consisting of a Share Matching Plan 2021, a Performance Share Plan 2021 and a Special Projects Incentive 2021. LTI 2021 is proposed to have corresponding terms and conditions as the Long-Term Incentive program adopted by the Annual General Meeting 2019, with some changes to the performance targets and an increase of the number of

participants as regards the Performance Share Plan 2021 and the Special Projects Incentive 2021.

Overall, the Remuneration Committee is of the opinion that the current remuneration structure and the remuneration levels in the Company are in line with market competitive levels. As recommended by the Remuneration Committee, the Board of Directors proposes that the Annual General Meeting adopts guidelines for remuneration that are essentially in line with those that were resolved at the Annual General Meeting in 2019. In order to meet new legal requirements, the proposed guidelines for remuneration are more detailed than the previous guidelines but do not entail any changes in the remuneration structure.

Linköping in February 2020

The Board of Directors in Saab AB (publ)