

# The Nomination Committee's motivated statement regarding proposal for the Board of Directors of Saab AB, including a report on the Nomination Committee work, to the Annual General Meeting 2022

## **Background**

In accordance with the Nomination Committee procedure resolved at the Annual General Meeting in 2011, valid until further notice, each of the four largest shareholders as of 31 August 2021, that wished to participate in the Committee, has appointed one representative each to constitute, together with the Chairman of the Board of Directors, Saab's Nomination Committee.

The Nomination Committee consists of Petra Hedengran, Investor AB (Chairman), Peter Wallenberg Jr, Wallenberg Investments AB, Ossian Ekdahl, Första AP-fonden, Anders Algotsson, AFA Försäkring and Marcus Wallenberg, Chairman of the Board of Saab AB.

The four owner representatives represent approximately 51 percent of the votes of Saab AB.

## **The Nomination Committee's work prior to the Annual General Meeting 2022**

According to the Nomination Committee procedure, the Nomination Committee shall make the following proposals:

- Chairman of the Annual General Meeting
- Board of Directors
- Chairman of the Board
- Board fees, allocated among the Chairman and the other Board Members, along with compensation for committee work
- Auditor
- Fees to the Company's auditors

The Nomination Committee has held three minuted meetings. At one of these meetings, the Nomination Committee has received the CEO's presentation of the Company's strategy. In addition, the Nomination Committee has held a separate meeting with one of the Board Members and has interviewed the proposed new Board Member.

As a basis for its proposal for Board Members, the Nomination Committee has reviewed the result of the evaluation of the Board that has been carried out and has assessed the degree to which the Board fulfils the requirements that will be placed on the Board considering the Company's operations, situation and future direction.

The Nomination Committee has in its work applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy.

Furthermore, the Nomination Committee has in its work reviewed an analysis on Board fees in equivalent companies. A minor percentage increase of the Board fees for the Board Members elected by the General Meeting is proposed, as a market adjustment. The Nomination Committee further proposes increases of the compensation for work in the Audit Committee and the Remuneration Committee, as a market adjustment to equivalent companies.

As proposed by the Nomination Committee, the Board adopted in April 2011 a policy that entails that Board Members, who do not already have such a holding of Saab shares, are under a five year period expected to acquire Saab shares to a total market value of the holding that is expected to equal at least one year's Board fees before taxes, excluding any Committee compensation. The Nomination Committee does not propose any change in the current policy.

The registered audit firm PricewaterhouseCoopers AB (PWC) has been Saab's auditor since 2011. During 2020, the Saab Audit Committee has performed a public tender process according to the EU auditor regulation and thereafter PWC was re-elected at the Annual General Meeting 2021 for the period until the Annual General Meeting 2022. The Nomination Committee proposes, in accordance with Audit Committee's recommendation, a re-election of PWC as auditor for a period of one year, i.e. until the end of the Annual General Meeting 2023.

Regarding compensation to the auditor for the financial year 2022, the Nomination Committee proposes that the Annual General Meeting resolves that this is payable according to approved invoice.

The Annual General Meeting in 2011 resolved on a Nomination Committee procedure, valid until further notice, which among other things regulates the appointment of the Nomination Committee Members and the Nomination Committee's assignment, in connection with the Company's Annual General Meetings. The Nomination Committee does not propose any changes in the current Nomination Committee procedure.

## **The Nomination Committee's proposal for the Board of Directors**

The Nomination Committee proposes:

- Eleven Board Members and no deputy Board Members
- Re-election of the following present Board Members: Henrik Henriksson, Micael Johansson, Danica Kragic Jensfelt, Sara Mazur, Daniel Nodhäll, Johan Menckel, Bert Nordberg, Erika Söderberg Johnson, Marcus Wallenberg and Joakim Westh. New election of Lena Erixon. Cecilia Stegö Chilò has declined re-election.
- Marcus Wallenberg as Chairman of the Board of Saab AB

## **Motivated statement**

Saab is a global defence- and security company that develops, manufactures and sells some of the world's most advanced military- and civil solutions. Saab's operations are contingent upon political decisions and Swedish defence politics, but

are also heavily dependent on exports. It is part of Saab's business concept to constantly develop, adopt and improve new technology to be able to meet the changing customer needs. This requires the Board to be in possession of competence within industry and society matters, technology, research and development as well as a strategic ability to handle global adaptation to a changing world.

At the Annual General Meeting 2017, three new Board Members were elected - Daniel Nodhäll, Erika Söderberg Johnson and Danica Kragic Jensfelt - with competence within finance, new technology as well as research and development. At the Annual General Meeting 2019, Johan Menckel who possess industrial and operational competences was elected as new Board Member. At the Annual General Meeting 2020, Saab's CEO Micael Johansson was elected as new Board Member. At the Annual General Meeting 2021, Henrik Henriksson was elected as new Board Member with competence within industry and operational activities.

According to the Nomination Committee's opinion, the Saab Board work is functioning well. Considering the competence that Cecilia Stegö Chilò possesses, the Board needs to be strengthened with competence within society matters and the public sector. Therefore, the Nomination Committee proposes new election of Lena Erixon who possesses great competence within the defence industry and has long experience from the public sector. With the new election of Lena Erixon, the Nomination Committee believes overall that the competence and the experience which are essential to Saab, and that the Nomination Committee considers to be required to meet Saab's future challenges and needs, are well represented in the Board.

Furthermore, the Nomination Committee has in its work considered the need for diversity and that an equal gender representation should be strived for. Out of the Saab Board Members, elected by the General Meeting and not employed by the company, will 40 percent be women. The Nomination Committee considers that among the Board Members in Saab, there is a satisfying diversity and breadth concerning the Board Members' gender, competence, age, experience and background. The question on diversity and that an equal gender representation should be strived for are important and prioritized questions to the Nomination Committee. These questions should therefore continue to be prioritized by future Nomination Committees.

Considering the proposal on new election of Lena Erixon, the Nomination Committee considers that the Board of Directors will have an appropriate composition. The Nomination Committee therefore proposes re-election of all of the present Board Members that have not declined re-election.

The Nomination Committee has made the assessment that all of the proposed Board Members have the disposable time that is required to fulfill the assignment as a Member of Saab's Board of Directors.

The Nomination Committee deems that the proposed Board composition in Saab fulfils the requirements of the Swedish Corporate Governance Code regarding the number of independent Board Members in relation to the Company and its

management, and in relation to the Company's major shareholders. A full statement on the dependence or independence of the Board Members is available on the Company's website [www.saab.com/agm](http://www.saab.com/agm).

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**Stockholm in February 2022**

**The Nomination Committee of Saab Aktiebolag (publ)**