

# CORPORATE GOVERNANCE REPORT

## Introduction

Saab AB is a Swedish public limited liability company and the company's shares are listed on NASDAQ OMX Stockholm.

Saab's corporate governance is based on Swedish legislation, primarily the Swedish Companies Act, the Swedish Annual Accounts Act, NASDAQ OMX Stockholm Rules for Issuers – which also includes the Swedish Code of Corporate Governance – and other relevant Swedish and foreign laws and guidelines.

Saab has a Code of Conduct with ethical guidelines in a number of areas for how the employees are expected to act in contacts with customers, business partners and in the society and with each other as colleagues. Saab's Code of Conduct is a part of the governance of Saab. For further information, please refer to page 37 of the Annual Report.

## Swedish Code of Corporate Governance

The Saab shares are admitted to trading at NASDAQ OMX Stockholm and Saab must therefore follow good practices in the securities market, which also includes an obligation to comply with the Swedish Code of Corporate Governance ("the Code"). The Code is available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se)

Saab applies the Code and strives to maintain a high standard in its corporate governance. This Corporate Governance Report is in accordance with the Annual Accounts Act and the Code, and describes how Saab applied the Code during the financial year 2013. Moreover, the Annual General Meeting 2013 was planned and carried out in accordance with the Code and the Annual General Meeting in 2014 will also be planned and carried out pursuant to the provisions of the Code. Saab's website has a special area for corporate governance issues, which is updated in accordance with the Code.

The Board annually issues a report on how the internal control of financial reporting is organised, which can be found at the end of this report.

This Corporate Governance Report has been reviewed by the company's auditor pursuant to the Annual Accounts Act, see the Auditor's Report attached to the Corporate Governance Report.

Saab has not deviated from the provisions of the Code during 2013.

## 1 Shareholders' Meeting and ownership structure

Pursuant to the Swedish Companies Act, the Shareholders' Meeting is the highest decision-making body within a company. At a Shareholders' Meeting, the shareholders are given the possibility to exercise their voting rights. The Annual General Meeting shall be held within six months after the end of each financial year. At the Annual General Meeting, resolutions are made relating to matters such as the annual report, dividend, election of Board members, Board fees and auditors fees as well as adoption of principles for remuneration of senior executives and, when applicable, election of external auditor and other matters stipulated in the Companies Act. The Annual General Meeting of Saab was held on the 17 April 2013 in Stockholm. 517 shareholders were represented at the meeting, corresponding to approximately 68 per cent of the total voting rights in the company. This year the Annual General Meeting will be held on the 8 April 2014 in Stockholm. For further information please see page 131.

Saab's share capital amounted to SEK 1,746,405,504 on 31 December, 2013 and consisted of 1,907,123 series A shares and 107,243,221 series B shares. Series A shares have ten votes each, while series B shares have one vote each. One series A share may, on demand of the owner, be converted into one series B share. The Saab shares are registered with Euroclear Sweden AB. The quota

value per share is SEK 16. The series B shares are listed on NASDAQ OMX Stockholm on the Large Cap list. The series A shares are not listed. All series A shares are owned by Investor AB.

## Largest shareholders, 31 December 2013

According to SIS Ownership Service	Share of capital, %	Share of votes, % <sup>1)</sup>
Investor AB, Sweden	30.0	40.4
Wallenberg Foundations, Sweden	8.7	7.7
Swedbank Robur Funds, Sweden	4.8	4.2
AFA Insurance, Sweden	4.6	4.0
Unionen, Sweden	2.7	2.3
Norwegian Bank Investment Mgt, Norway	2.2	1.9
SEB Funds, Sweden	2.1	1.9
SHB funds, Sweden	2.0	1.7
Fourth AP Fund, Sweden	1.5	1.3
Nordea Funds, Sweden	1.4	1.2
Total	60.0	66.6

<sup>1)</sup> Share of votes, % is calculated based on the number of shares, excluding Treasury shares, at year-end.

At the end of December 2013, Saab held 2,736,200 own shares of series B shares, corresponding to approximately 2.5 per cent of the share capital. For additional information about the ownership structure, see pages 132-134. The Board of Directors has an authorisation from the Shareholders' Meeting to repurchase shares, see page 57 for further information.

## 2 Nomination Committee

According to the Nomination Committee process, which was adopted at the Annual General Meeting in 2011 and applies until further notice, Saab shall have a Nomination Committee consisting of one representative of each of the four shareholders or groups of shareholders with the greatest number of votes, along with the Chairman of the Board. The names of the four shareholder representatives and the shareholders they represent shall be announced at least six months prior to the Annual General Meeting based on known voting rights as per the last business day in August the year before the Annual General Meeting. The nomination committee process includes procedures, where necessary, to replace a member who leaves the committee before its work has been completed.

According to the nomination committee process, the Nomination Committee shall provide proposals regarding the following issues, to be presented to the Annual General Meeting for resolution:

- the Chairman of the Shareholders' Meeting,
- the Board of Directors,
- the Chairman of the Board,
- the remuneration to the members of the Board, allocated between the Chairman and other members of the Board, and remuneration for committee work,
- election of auditors, if applicable, and
- fees to Saab's auditors.

Before the Annual General Meeting of Saab AB on 8 April 2014, it was announced through a press release on 4 October 2013 that, in addition



The Board Members' other significant professional commitments, work experience, holding of shares etc. are set forth in the presentation of the Board of Directors. See pages 128–129.

#### Employee representatives

Regulars	Deputies
Stefan Andersson	Göran Gustavsson
Catarina Carlqvist	Jan Kovacs
Conny Holm	Nils Lindskog

#### Independence requirement

The following table sets forth the members of the Board elected by the Shareholders' Meeting who, according to the provisions of the Code, are considered independent in relation to the company and the management of the company, as well as in relation to the company's major shareholders.

#### Composition and independence of the Board in 2013

Board member	Elected	Independent of the company/management	Independent of major shareholders
Marcus Wallenberg	1992	Yes	No <sup>1)</sup>
Håkan Buskhe	2011	No <sup>2)</sup>	Yes
Johan Forssell	2010	Yes	No <sup>3)</sup>
Sten Jakobsson	2008	Yes	Yes
Sara Mazur	2013	Yes	Yes
Per-Arne Sandström	2005	Yes	Yes
Cecilia Stegö Chilò	2010	Yes	Yes
Lena Treschow Torell	2005	Yes	No <sup>4)</sup>
Joakim Westh	2010	Yes	Yes

- 1) Member of Investor AB's Board  
 2) President and CEO of Saab  
 3) Employed by Investor AB  
 4) Member of Investor AB's Board

Accordingly, the company fulfils the requirements of the Code that a majority of the Board Members appointed by the Shareholders'

Meeting are independent of the company and the management of the company, and that at least two of them are independent of the major shareholders.

#### Work of the Board

According to the Board's rules of procedure, six ordinary meetings shall normally be held each year, in addition to the statutory meeting. The Board may also meet whenever circumstances demand. During 2013, the Board held one statutory meeting, six ordinary meetings and two extraordinary meetings, totalling nine meetings. All of the Board meetings during 2013 were held in Stockholm. In December 2013 the Board visited the subsidiary Saab Seaeve in Great Britain.

The Board annually adopts rules of procedure, an instruction on the allocation of work between the Board and the President and CEO, as well as an instruction on financial reporting to the Board.

The rules of procedure contain, i.a. provisions on the number of board meetings to be held, a list of matters to be considered at the meetings, reporting from the auditor and special decisions to be taken at the statutory meeting. The rules of procedure and special instruction for the CEO set forth the delegation of responsibilities between the Board and its two committees, the Remuneration Committee and the Audit Committee, including the role of the chairman of the Board as well as between the Board and the CEO. The instruction for the CEO sets out the CEO's duties and authority, including which matters that requires a Board resolution. The instruction also includes policies on investments, financing and reporting.

During the course of the year, the Board was assisted by the Secretary of the Board of Directors, General Counsel Annika Bärems, who is not a member of the Board.

The Board of Directors' meetings follow an agenda. Prior to the meetings the Board Members receive documentation and supporting material for the issues on the agenda. At each Board meeting, the CEO presents a Market and Operations Report. A financial report is presented at each Board meeting and particularly detailed before the quarterly reports and year-end report. Financial reports are also put together in between the Board meetings and sent to the Board. The Board regularly reviews and considers investments, matters on research and development, organisational issues as well as mergers and acquisitions, and divestments of companies. Included in the Board's annual work is to decide on the company's

#### Attendance and Board remuneration

Name	Audit Committee	Remuneration Committee	Attendance		Fees kSEK			Total kSEK
			Board meetings <sup>1)</sup>	Committee meetings <sup>2)</sup>	Board <sup>3)</sup>	Audit Committee	Remuneration Committee	
Marcus Wallenberg		X	9	6	1,185		80	1,265
Håkan Buskhe			9					
Johan Forssell	X		9	5	460	100		560
Sten Jakobsson		X	9	6	490		80	570
Sara Mazur <sup>4)</sup>			5		460			460
Per-Arne Sandström	X		9	5	460	150		610
Cecilia Stegö Chilò			9		460			460
Åke Svensson <sup>5)</sup>			2					
Lena Treschow Torell		X	9	6	460		135	595
Joakim Westh	X		9	5	460	100		560

- 1) Of a total of 9 meetings during 2013.  
 2) Of a total of 5 meetings for Audit Committee and 6 meetings for Remuneration Committee during 2013.  
 3) Refers to the fee by the Annual General Meeting 2013 agreed fee for the period until the Annual General Meeting 2014.  
 The President and CEO Håkan Buskhe does not receive a fee.  
 4) Elected 2013, thereafter 5 meetings in total.  
 5) Left the Board of Directors in connection with the Annual General Meeting 2013, when he declined re-election. He received fees for the period January-March 2013 amounting to SEK 112 500 and participated in 2 of 4 meetings until the Annual General Meeting 2013.

Saab's Board of Directors visiting Saab Seaeve in the UK during 2013



business plan and strategy, which is normally resolved by the Board in June. Every year in December the Board meeting considers the company's budget for the coming year. During 2013 the Board has particularly worked on the agreement with Swedish Defence Materiel Administration (FMV) concerning development and modification of Gripen E to Sweden as well as a possible order of new productions of Gripen E from Switzerland and other questions related to Gripen E. Furthermore, the Board has worked on a joint development agreement with Boeing on a new T-X Family of Systems training solution, part of an procurement process to the US Air Force.

During the year, the Board has also worked with essential export and marketing strategies, the company's business ethical standards as well as efficiency measures within the Group.

The Board of Directors and Group Management also received anti-corruption training in 2013, under the direction of the General Counsel. The training session, approximately three hours in duration, dealt with topics including international legislation, Saab's risk environment and the company's internal rules and regulations.

Committee work represents an important part of the Board's work. After each meeting of the Audit- and Remuneration Committees, the issues that have been handled are reported by respective Chairman of the committees to the Board, and resolutions are thereafter adopted on issues where the committees have prepared matters for resolution by the Board.

#### Board of Directors' committee work

##### 4 Audit Committee

The Board of Directors has, in accordance with the principles set out in the Swedish Companies Act and the Code, appointed an Audit Committee consisting of three members. The work of the Audit Committee is mainly of a preparatory nature, i.e., it prepares matters for the ultimate resolution by the Board. However, the Audit Committee has certain limited decision-making power. The Audit Committee has e.g. established guidelines for services other than auditing that the company may procure from the company's auditors.

The Audit Committee consists of the following members: Per-Arne Sandström (Chairman of the Committee), Johan Forssell and Joakim Westh, of whom Per-Arne Sandström and Joakim Westh are independent of the company and the management of the company as well as of the major shareholders. All members of the committee have accounting competence or auditing competence. The General Counsel, Annika Bärems, was Secretary to the Audit Committee during 2013.

The Audit Committee's assignment is set forth in the Board's rules of procedure. Among other things, the Audit Committee shall monitor the company's financial reporting, monitor the efficiency of the company's internal control, internal audit and risk control in respect of the financial reporting, keep itself informed about the audit of the annual report and the group accounts, review and monitor the auditor's neutrality and independence, and assist the Nomination Committee in preparing proposals for the Shareholder Meeting's decision on election of auditors. The Audit Committee has during 2013 been given the task to annually review, monitor and evaluate the effectiveness and appropriateness of the company's compliance program for business ethical conduct and keep itself informed of material deviations or non-compliance with the com-

pany's business ethical standards, including "whistle-blower"-reports, through regular reporting from the Ethics and Compliance Board. The company's external auditor is co-opted to the meetings of the Audit Committee. During 2013, the Audit Committee focused particularly on the financial reporting, the budget, quarterly audits, internal control, questions related to the company's business ethical standards as well as questions concerning risk exposures.

The Audit Committee keeps minutes of its meetings, which are promptly distributed to the other members of the Board.

In 2013, the Committee held 5 meetings.

##### 5 Remuneration Committee

The Board of Directors has in accordance with principles set out in the Code appointed a Remuneration Committee consisting of three members: Marcus Wallenberg, Sten Jakobsson and Lena Treschow Torell. Lena Treschow Torell is Chairman of the committee. All of the members are independent of the company and the management of the company. The General Counsel, Annika Bärems, was secretary to the committee during 2013.

The Remuneration Committee's assignment is to prepare Board matters concerning principles for remuneration, remunerations and other terms of employment for the Group Management, monitor and evaluate programmes for variable remuneration for the Group Management, both ongoing and those that have ended during the year, and monitor and evaluate the application of the guidelines for remuneration of senior executives that the Annual General Meeting has adopted as well as the current remuneration structures and levels in the company. The Remuneration Committee shall also propose guidelines for remuneration of senior executives to be submitted to the Annual General Meeting following resolution by the Board of Directors. Matters concerning employment terms, compensation and other benefits for the CEO are prepared by the Remuneration Committee and adopted by the Board. It is the Remuneration Committee who is responsible for the interpretation and application of the guidelines of remuneration for senior executives. The Remuneration Committee has no decision-making powers of its own. During 2013, the Remuneration Committee was particularly involved in the revision of the long-term incentive program – Performance Share Plan 2014 – for the company's senior executives and strategic key employees as well as an overview of the guidelines for the senior executives.

The Remuneration Committee keeps minutes of its meetings, which are promptly distributed to the other members of the Board. In 2013, the Committee held 3 ordinary meetings and 3 extraordinary meetings.

## Evaluation

The Chairman of the Board annually performs an evaluation of the quality of the Board's work and possible improvements in order to develop the forms and efficiency of the Board work. The evaluation is made by the Board members responding to a questionnaire on their opinions of how well the Board is functioning. The result is then compared with previous years. The questionnaire consists of five parts covering the breadth of competence represented in the Board, the manner in which its work is performed, the Chairman, the Board's composition and the co-operative atmosphere. The purpose of the evaluation is to understand the Board Members' opinion about the Board's work. The results are then discussed by the Board. The Chairman of the Board does not participate in this evaluation. No external consultants are involved in the evaluation.

The Nomination Committee is also informed of the results of the evaluation in connection with its analysis, evaluation and development of proposals to the composition of the Board.

The Board continuously evaluates the CEO's work by monitoring business results in relation to established objectives. During 2013 the Board Members have also evaluated the CEO's work by responding to a questionnaire about the CEO within the areas of strategy, performance, organisation, people and leadership. The CEO does not participate in this evaluation.

## 6 President and CEO

The President and CEO of Saab, Håkan Buskhé, is also a member of the Board. His significant professional commitments outside the company, earlier positions and holding of shares are set forth in the presentation of the Board of Directors and the Group Management, see pages 128 and 130. Håkan Buskhé does not own shares, nor is he a partner, in any company with which Saab has material business ties.

### Guidelines for remuneration and other benefits for senior executives

The guidelines for remuneration and other benefits for senior executives can be found in the administration report.

## 7 Auditor

On behalf of the shareholders and in accordance with current laws and regulations, the external auditor examines the financial statements, group accounts, annual report and administration and management of the company by the Board of Directors and the CEO and also carry out statutory audit of the Corporate Governance Report. In addition, the Q1 interim report, the Q2 interim report as well as the Q3 interim report have been reviewed by the auditor. The auditor also presents an Auditor's Report to the Annual General Meeting.

The Shareholders' Meeting elects the auditors. The firm that was elected as new auditor by the Annual General Meeting 2011 is the registered accounting firm PricewaterhouseCoopers AB.

### PricewaterhouseCoopers AB

- Elected in 2011 for the term until the Annual General Meeting 2015.
- Håkan Malmström, Authorised Public Accountant, Auditor in charge. Other audit assignments: Axel Johnson, Karo Bio, NCC, Nordstjärnan.
- Anna-Clara Af Ekenstam, Authorised Public Accountant. Other audit assignments: Svenska Cellulosa SCA AB and Knowit AB.

PricewaterhouseCoopers AB is a member of PwC's global network with operations in around 150 countries. PwC has competence and experience in areas important to Saab: auditing of large and listed companies, accounting issues, industry experience and experience in international business.

The Audit Committee is responsible for ensuring that the independent position of the auditor is maintained, i.a. by staying informed of ongoing consulting assignments. The Audit Committee has also established guidelines for the services other than auditing that the company may procure from its auditors.

### Audit fees

Saab's auditor receives a fee according to approved invoices as resolved by the Annual General Meeting.

PwC has during 2013 carried out services on behalf of the company in addition to their audit assignments, consisting of consultations closely associated with the audit, including accounting and tax issues.

### Auditors' fees for the Group, 2012–2013

MSEK	2013	2012
<b>Audit assignments:</b>		
PwC	16	15
Others	2	2
<b>Other assignments:</b>		
PwC	4	6

### The Board's report on internal control of the financial reporting

Under the provisions of the Swedish Companies Act and the Code, the Board of Directors is responsible for internal control. This report on internal control of financial reporting has been prepared pursuant to the provisions of the Swedish Annual Accounts Act.

#### Financial reporting

The Board of Directors documents the manner in which it ensures the quality of the financial reports and how it communicates with the company's auditor.

The Board of Directors ensures the quality of financial accounting through its Audit Committee, according to the report submitted above. The Audit Committee considers not only critical accounting questions and the financial reports presented by the company, but also matters of internal control, regulatory compliance, potential material uncertainty in reported values, post-statement events, changes in assessments and evaluations and other circumstances that may affect the quality of the financial statements. The auditor has participated in all meetings with the Audit Committee during 2013.

The entire Board of Directors reviews the interim reports before they are published.

The Board of Directors has met with the auditor to discuss their review of the company for the financial year 2013. The Board of Directors has also met on one occasion with the auditor without the presence of the CEO or any other members of the Group Management.

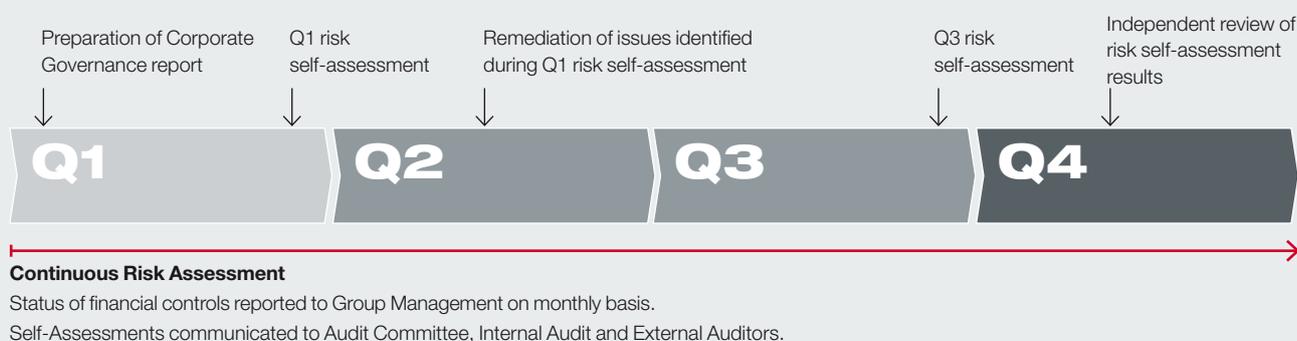
#### Internal control over financial reporting

Saab's system of internal control is designed to assist the business in achieving its goals and managing associated risks. Internal control over financial reporting is a part of all internal control processes within Saab, the framework for which is developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Internal control over financial reporting aims to provide reasonable assurance of the reliability of external financial reporting and to ensure that it is prepared in accordance with legislation, applicable accounting standards and other requirements for listed companies.

#### Control environment

Delegation of responsibilities is based on the Board of Directors' rules of procedure and a directive which sets forth the roles, responsibilities and activities of the Board and the CEO.

## The annual assessment process of internal financial controls



Internal control is based on Saab's organisation, where operating responsibilities and powers are delegated to business areas and support units, which are also supported and supervised by Group functions with specific competencies. These Group functions issue Group guidelines that clarify responsibilities and powers and constitute part of the internal control in specific areas such as finance, accounting, investments and tenders.

### Risk assessment

Saab's operations are mainly characterised by the development, production and supply of technologically advanced hardware and software for customers around the world. The major parts of sales are generated from countries outside of Sweden. As a rule, projects entail considerable sums of money, stretch over long periods of time and involve technological development or refinement of products.

Based on Saab's operations, the material risk areas in financial reporting are project accounting, acquisitions and goodwill, development costs, hedging and other financial transactions, leasing operations, taxes and accounting for pensions. In addition to business risks and risks of inaccurate financial reporting, the processes are also assessed on the basis of the risk of exposure to any improprieties. Group Finance continuously coordinates an overall risk assessment of financial reporting. This process involves self-assessments by Group functions and business areas. The current risk assessment is reviewed with Saab's Internal Audit, which adjusts its annual audit plan accordingly. Information on developments in essential risk areas as well as a report on planned and executed activities in these areas are communicated regularly to Saab's Audit Committee. Saab's risk assessment is also communicated regularly to Saab's external auditors.

### Information, communication and control activities

Internal control within Saab is based on clearly defined areas of responsibility and authority, issued Group guidelines, processes and controls. Uniform handling of financial reporting is assured by adopting and issuing Group guidelines approved by the CEO or by function managers appointed by the CEO. All Group directives are updated on an ongoing basis, are clearly communicated and are available on the internal website.

Each business area designs its risk management routines and structure for internal control based on overall routines and Group guidelines.

The most significant risks identified as regards financial reporting are managed through control structures within the business areas and Group functions and are based on Saab's minimum requirements for good internal control in significant processes.

### Monitoring and evaluation

All operating units report monthly and quarterly according to a standardised routine.

Quarterly reports are the basis of Saab's external financial reporting. In operating reports, each business area's measures of profitability and financial position are consolidated to measure the Group's total profitability and financial position. Accounting managers and controllers are in regular contact with Group Finance concerning any questions related to finance and accounting.

To assist in evaluating internal control in each business area, Saab uses an annual self-assessment. In addition to the processes that form the basis of financial reporting, these assessments cover operating risks, reputational risks and compliance with laws, regulations and internal rules. This is also reported to the Audit Committee.

- 8 The Internal Audit department, part of the internal control structure, is a dedicated resource for independent review of the effectiveness of internal control processes. At the same time, Internal Audit supports locally-applied internal controls and the central controller staff. Together these serve as a resource for monitoring financial reporting routines. Internal Audit's assignments are initiated by the Audit Committee, Group Management and its members, and on its own initiative.

### Activities in 2013

During 2013, risk self-assessments were conducted on a regular basis in the Swedish, Danish and Australian operations. One independent evaluation was conducted on one occasion in these countries. Implementation of the self-assessment process was concluded in Saab's operations in South Africa and the US during 2013. The focus on internal control increased throughout the year since the Business Areas and Group functions have been reporting the status of their risk self-assessments on a quarterly basis to Group Finance. In addition a simplified process of the risk self-assessment has been implemented in the various Market Areas, i.e. the Nordic region, Americas, Asia Pacific, India, South Africa, Europe and Middle East & North Africa.

### Focus in 2014

In 2014 a minimum of two self-assessments will be performed in all Saab business areas and the Group functions. At least one independent evaluation will be conducted. The implementation of the risk self-assessment process will be finalised in Germany, the Czech Republic and the Netherlands. At the same time, improvements to existing control systems are continuously being made.

# THE BOARD OF DIRECTORS



## MARCUS WALLENBERG

Chairman of the Board since 2006  
Deputy Chairman of the Board 1993–2006 and Member of the Board since 1992  
Member of Saab's Remuneration Committee  
Born 1956  
B.Sc. of Foreign Service  
Lieutenant in Royal Swedish Naval Academy  
Shares in Saab: 100,000

### Other board commitments:

Chairman of SEB, Electrolux AB, LKAB and Foundation Asset Management AB, Board member of AstraZeneca PLC, Stora Enso Oyj, Investor AB, Temasek Holding Ltd, EQT Holdings AB and the Knut and Alice Wallenberg Foundation

### Former employment and positions:

President and CEO, Investor AB  
Director, Stora Feldmühle AG, Düsseldorf, Skandinaviska Enskilda Banken, Stockholm and London  
Citicorp (Hong Kong) Citibank N.A. (New York)



## HÅKAN BUSKHE

Member of the Board since April 2011  
President and CEO of Saab AB  
Born 1963  
M.S.c., Licentiate of Engineering (transport and Logistics)  
Employed 2010  
Shares in Saab: 27,477

### Other board commitments:

Board member of Vattenfall AB  
Board member of the Association of Swedish Engineering Industries (Teknikföretagen)

### Former employment and positions:

President and CEO of E.ON Nordic AB and E.ON Sverige AB, Executive Vice President E.ON Sverige AB, Senior Vice President E.ON Sverige AB, Chairman of the Board of Directors Green Cargo, CEO Land Operations, Schenker AG, CEO of Schenker North, CEO Schenker-BTL AB, CEO Storel, CEO Carlsberg and Coca-Cola Distribution AB Production  
Director Carlsberg Sverige



## JOHAN FORSELL

Member of the Board since 2010  
Member of Saab's Audit Committee  
Member of the Management Group Investor AB, Head of Core Investments  
Born 1971  
M.Sc. in Finance, Stockholm School of Economics  
Shares in Saab: 7,000

### Other board commitments:

Board Member of Atlas Copco

### Former employment and positions:

Head of Research Core Investments at Investor AB, Head of Capital Goods and Healthcare Sector at Investor AB, Head of Capital Goods Sector at Investor AB, Analyst Core Holdings at Investor AB



## STEN JAKOBSSON

Member of the Board since 2008 and Deputy Chairman since 2010  
Member of Saab's Remuneration Committee  
Born 1949  
M.Sc. in Engineering  
Shares in Saab: 5,500

### Other board commitments:

Chairman of Power Wind Partner, Board member of LKAB, Board member of Stena Metall AB, Board member of FLSmidth A/S, Board member of Xylem Inc

### Former employment and positions:

President and CEO, ABB Sweden  
Executive Vice President, Asea Brown Boveri AB, Sweden, Business Area Manager, Business Area Cables, President, ABB Cables AB, President, Asea Cylinda Production, Manager, Asea Low Voltage Division Asea central staff – Production, Asea trainee



## SARA MAZUR

Member of the Board since 2013  
Vice President and Head of Ericsson Research, Ericsson AB  
Born 1966  
Ph.D. Electrical Engineering, KTH Royal Institute of Technology  
M.Sc. Electrical Engineering, KTH Royal Institute of Technology  
Shares in Saab: 500

### Other board commitments:

Member of the Strategic Advisory Board of the School of Electrical Engineering, KTH Royal Institute of Technology, Member of the Royal Swedish Academy of Engineering Sciences (IVA), Division XI – Education and Research

### Former employment and positions:

Vice President System Management, Business Unit Networks, Ericsson AB, Director Wireless Access Networks Research, Ericsson Research, Ericsson AB, Member of the Board of the School of Electrical Engineering, KTH Royal Institute of Technology  
Member of the Board of the Wireless@KTH, Royal Institute of Technology

The shares held by Board members include any holdings by closely affiliated persons.

**PER-ARNE SANDSTRÖM**

Member of the Board since 2005  
Chairman of Saab's Audit Committee  
Born 1947  
Upper secondary engineering school  
Shares in Saab: 3,000

**Other board commitments:**

Board Member of Telia Sonera AB

**Former employment and positions:**

Deputy CEO and COO of Telefonaktiebolaget L M Ericsson President and CEO, Ericsson Inc., USA, Vice President and General Manager, GSM Business Unit, Ericsson Radio Systems AB, Executive Vice President and Managing Director, Cellular Systems, Ericsson Ltd, UK Vice President and General Manager, GSM Western Europe, Ericsson Radio Systems AB, Vice President and General Manager, Airborne Radar Division, Ericsson Microwave Systems AB, Department Manager, Naval Command and Control Systems, Ericsson Microwave Systems AB

**CECILIA STEGÖ CHILÖ**

Member of the Board since 2010  
Adviser to management of corporations and organisations  
Born 1959  
Studies in political science and economics  
Shares in Saab: 600

**Other board commitments:**

Chairman of Fortum Värme AB, Chairman of Gotlands Bryggeri AB, Board member of Spendrups Bryggeri AB, Board member of Linköping University Holding AB, Board member of Investment AB Spiltan, Board Member of the Expo Foundation, Board member of the Yump Foundation Sweden

**Former employment and positions:**

Board member of AMF Fonder, Länsförsäkringar Liv, and Marginalen Kredit och Finans AB CEO of the Free Enterprise Foundation of Sweden and of the think tank Timbro Cabinet member and Head of the Ministry of Culture Editorial writer and foreign politics commentator at Svenska Dagbladet Commentator at Sveriges Radio, Swedish Employer's Confederation Swedish Conservative Party

**LENA TRESCHOW TORELL**

Member of the Board since 2005  
Chairman of Saab's Remuneration Committee  
Professor in Physics  
Born 1946  
B.Sc. and Ph.D. in Physics  
Shares in Saab: 5,400

**Other board commitments:**

Vice Chairman of ÅF AB, Board member of Investor AB and SKF AB, Chairman of the Chalmers University of Technology Chairman of the Foundation for Strategic Environmental Research (MISTRA)

**Former employment and positions:**

President and Chairman of the Royal Swedish Academy of Engineering Sciences (IVA) Board member of Getinge AB, Telefonaktiebolaget L M Ericsson, Gambio AB and Micronic Mydata AB Chairman of European Council of Applied Sciences Technology and Engineering (Euro-CASE) Director, Joint Research Centre, European Commission (Brussels) Vice President, Chalmers, Gothenburg Professor of Material Physics, Chalmers, Gothenburg, Professor of Solid State Physics, Uppsala University

**JOAKIM WESTH**

Member of the Board since 2010  
Member of Saab's Audit Committee  
Born 1961  
M.Sc. in Aeronautics, (KTH) Royal Institute of Technology  
M.Sc. in Aerospace Engineering, (MIT) Massachusetts Institute of Technology  
Shares in Saab: 8,000

**Other board commitments:**

Chairman of EMA Technology AB, Board member of CGI Group Inc., Board member of Absolent AB, Board member of Swedish Match AB, Board member of Intrum Justitia AB

**Former employment and positions:**

Chairman of Absolent AB  
Board member of Rörvik Timber AB  
Board member of Telelogic AB and VKR Holding A/S Deputy Board member of Sony Ericsson Mobile Communications AB Senior Vice President, Group function Strategy & Operational Excellence, Ericsson, and member of the Group Management Team, Ericsson J Westh Företagsutveckling AB Group Vice President and member of the Executive Management Group, Assa Abloy AB Partner McKinsey & Co. Inc

**STEFAN ANDERSSON**

Member of the Board since 2008  
President of the Local Salaried Employees' Union Unionen at Saab Dynamics AB, Linköping  
Born 1974  
B.Sc.  
Shares in Saab: 1,977

**CATARINA CARLQVIST**

Member of the Board since 2007  
Saab Vice Chairman of the Local Swedish Association of Graduate Engineers, Saab Dynamics AB, Karlskoga  
Born 1964  
Luleå University of Technology  
Shares in Saab: -

**CONNY HOLM**

Member of the Board since 2008 and Deputy Board member 1995–2008  
President of the Local Trade Union IF Metall at Electronic Defence Systems, Saab AB, Jönköping  
Born 1947  
Upper secondary engineering education  
Shares in Saab: 1,181

**Deputies, Employee Representatives****GÖRAN GUSTAVSSON**

Deputy Board member since 2008  
President of the Local Trade Union IF Metall at Saab AB, Linköping  
Born 1953  
Shares in Saab: 1,408

**JAN KOVACS**

Deputy Board member since 2008  
President of the Local Salaried Employees' Union Unionen at Saab, Linköping  
Born 1960  
Upper secondary technical school  
Shares in Saab: 1,632

**NILS LINDSKOG**

Deputy Board member since 2007.  
Member of the Local Swedish Association of Graduate Engineers at Saab AB, Gothenburg  
Born 1955  
M.S.E.E. from Chalmers University of Technology  
Shares in Saab: 613

**Auditors**

PRICEWATERHOUSECOOPERS AB  
**HÅKAN MALMSTRÖM**  
Authorised Public Accountant,  
Auditor in charge

**ANNA-CLARA AF EKENSTAM**

Authorised Public Accountant

# GROUP MANAGEMENT



**HÅKAN BUSKHE**

President and Chief Executive Officer (CEO)  
Member of the Board of Saab AB since April 2011  
Born 1963, M.Sc., Licentiate of Engineering (Transportation and Logistics)  
Employed 2010  
Shares in Saab: 27,477

**Other board commitments:**

Board member of Vattenfall AB  
Board member of the Association of Swedish Engineering Industries (Teknikföretagen)

**Former employment and positions:**

President and CEO of E.ON Nordic AB and E.ON Sverige AB, Executive Vice President E.ON Sverige AB, Senior Vice President E.ON Sverige AB, Chairman of the Board of Directors Green Cargo, CEO Land Operations, Schenker AG, CEO of Schenker North/, CEO Schenker-BTL AB, CEO Stora, CEO Carlsberg and Coca-Cola Distribution AB, Production Director Carlsberg Sverige



**LENNART SINDAHL**

Deputy CEO, Senior Executive Vice President and Head of Business Area Aeronautics  
Born 1956, M.Sc. in Engineering  
Employed 1986  
Shares in Saab: 13,181



**MAGNUS ÖRNBERG**

Executive Vice President and Chief Financial Officer (CFO)  
Born 1965, MBA  
Employed 2012  
Shares in Saab: 2,597



**GÖRGEN JOHANSSON**

Senior Vice President and Head of Business Area Dynamics  
Born 1964, MBA  
Employed 2004  
Shares in Saab: 2,353



**MICAEL JOHANSSON**

Senior Vice President and Head of Business Area Electronic Defence Systems  
Born 1960, B.Sc.  
Employed 1985  
Shares in Saab: 4,254



**GUNILLA FRANSSON**

Senior Vice President and Head of Business Area Security and Defence Solutions  
Born 1960, M.Sc. and Ph.D. (Tec. Lic.)  
Employed 2008  
Shares in Saab: 4,412



**LARS-ERIK WIGE**

Senior Vice President and Head of Business Area Support and Services  
Born 1954  
Employed 2001  
Shares in Saab: 3,194



**ANNIKA BÅREMO**

Senior Vice President and Head of Group Legal Affairs, General Counsel, Secretary of the Board of Directors  
Born 1964, LLB  
Employed 2012  
Shares in Saab: 1,622



**DAN JANGBLAD**

Senior Vice President and Chief Strategy Officer (CSO), Head of Group Strategy  
Born 1958, M.Sc. in Engineering  
Employed 2000  
Shares in Saab: 17,863



**LENA ELIASSON**

Senior Vice President and Head of Group Human Resources  
Born 1967, M.Sc. in Engineering  
Employed 2012  
Shares in Saab: 2,921

Carina Brorman, Senior Vice President and Head of Group Communications was a part of Group Management up to 13 February 2013 when she left her position. Peter Sandhed, Senior Vice President and Head of Group Corporate Investments, left his position in Group Management 1 March 2013.

# AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders of Saab AB Corporate identity number 556036-0793

It is the Board of Directors who is responsible for the Corporate Governance Report for 2013 on pages 122–130 and for ensuring that it has been prepared in accordance with the Annual Accounts Act. We have read the Corporate Governance Report and based on this reading and our knowledge of the company and the group are of the opinion that we have a sufficient basis for our statement. This means that our statutory review of the Corporate Governance Report has a

different approach and is of a significantly lesser scope than an audit according to the International Standards on Auditing and accepted auditing standards in Sweden.

In our opinion, a Corporate Governance Report has been prepared and its statutory content is consistent with the Annual Report and the consolidated accounts.

Stockholm, 21 February 2014

PricewaterhouseCoopers AB

**Håkan Malmström**  
Authorised Public Accountant  
Auditor in charge

**Anna-Clara Af Ekenstam**  
Authorised Public Accountant

## INFORMATION TO SHAREHOLDERS

### Annual General Meeting

The Annual General Meeting will be held at 3:00 pm (cet) on Wednesday, 8 April 2014 at Annexet, Stockholm Globe Arenas, Entrance 2, Globentorget 10, Stockholm, Sweden.

### Notification

Shareholders must notify the company of their intention to participate in the meeting not later than Wednesday, 2 April 2014.

- by telephone +46 13 18 20 55
- by mail with separate invitation
- by mail: Saab Annual General Meeting, Box 7839, 103 98 Stockholm, Sweden
- online: [www.saabgroup.com/arsstamma](http://www.saabgroup.com/arsstamma)

Please indicate your name, personal ID number (Swedish citizens), address and telephone number. If you are attending by power of proxy, registration certificate or other authorisation, please submit your documentation well in advance of the meeting. The information you provide will be used only for the Annual General Meeting.

Shareholders or their proxies may be accompanied at the Annual General Meeting by a maximum of two people. They may only attend, however, if the shareholder has notified Saab AB as indicated above.

### Right to participate

Only shareholders recorded in the share register maintained by Euroclear Sweden AB on Wednesday, 2 April 2014 are entitled to participate in the meeting.

Shareholders registered in the names of nominees through the trust department of a bank or a brokerage firm must temporarily re-register their shares in their own names to participate in the meeting. To ensure that this re-registration is recorded in the share register by Wednesday, 2 April 2014, they must request re-registration with their nominees several business days in advance.

### Dividend

The Board of Directors proposes a dividend of SEK 4.50 per share and 11 April 2014 as the record day for the dividend. With this record day, Euroclear Sweden AB is expected to distribute the dividend on 16 April 2014.

### Distribution of the annual report

The annual report will be available on Saab's website, [www.saabgroup.com](http://www.saabgroup.com), approximately four weeks prior to the Annual General Meeting on 8 April. It can also be ordered from Saab's head office, Investor Relations. A printed version of the annual report will be distributed to those who became shareholders in December 2013, January and February 2014, as well as other shareholders who request a printed version.