

Corporate governance report

INTRODUCTION

Saab AB is a Swedish public limited liability company and the company's Series B shares are listed on Nasdaq Stockholm.

Saab's corporate governance is based on the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Nordic Main Market Rulebook for Issuers of Shares (Nasdaq Rulebook), the Swedish Code of Corporate Governance and other relevant Swedish and foreign laws, regulations and guidelines.

Saab has a Code of Conduct containing ethical guidelines in a number of areas on how the company and its employees are expected to act in contacts with customers, business partners and in society as well as their interaction with one another as colleagues. Saab's Code of Conduct is a part of the governance of Saab.

Swedish Code of Corporate Governance

Since Saab's shares are traded on Nasdaq Stockholm and it must follow good practices in the securities market, Saab is also obligated to comply with the Swedish Code of Corporate Governance (the Code). The Code is available at www.bolagsstyrning.se.

This Corporate Governance Report is prepared in accordance with the Annual Accounts Act and the Code, and describes how Saab applied the Code in the financial year 2021. Saab's website, www.saab.com, has a special section on corporate governance, which is updated continuously in accordance with the Code.

The Corporate Governance Report includes the Board of Directors' report on internal control over financial reporting.

This Corporate Governance Report has been reviewed by the company's auditor. Saab did not deviate from the provisions of the Code in 2021.

1 SHAREHOLDERS' MEETING AND OWNERSHIP STRUCTURE

The shareholders' meeting is the highest decision-making body in a company. At the shareholders' meeting, the shareholders have the opportunity to exercise their voting rights.

The Annual General Meeting (AGM) shall be held within six months of the end of each financial year. At the Annual General Meeting' shareholders vote, for example, on resolutions relating to the annual report, dividend, Board election, Board fees, auditor's fees, adoption of remuneration guidelines for senior executives and, when applicable, election of the external auditor and other matters stipulated in the Companies Act.

Preparations for and the execution of the AGM 2021 were carried out in accordance with the Code, and the AGM 2022 will also comply with the provisions of the Code. The Annual General Meeting of Saab was held on 13 April 2021 in Stockholm. Due to the coronavirus and in order to reduce the risk of spreading the disease, the Board of Directors decided that the Annual General Meeting 2021 should be conducted as a digital meeting in accordance with the temporary law applicable during 2021. The shareholders could exercise their voting rights by participating online in the digital meeting or by postal voting in advance. 288 shareholders were represented at the Meeting, corresponding to about 65 per cent of the total number of votes in the company.

This year the Annual General Meeting will be held on 6 April 2022 in Linköping, for more information, see page 159.

On 31 December 2021, Saab's share capital amounted to SEK 2,173,533,552 and consisted of 2,383,903 Series A shares and 133,461,944 Series B shares. Series A shares have ten votes each, while Series B shares have one vote each. A Series A share may, on demand of the owner, be converted to a 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 Stockholm's Large Cap list. The Series A shares are not listed. All Series A shares are owned by Investor AB.

The Board of Directors has an authorisation from the shareholders' meeting to repurchase own shares; see pages 94-95. As of 31 December 2021, Saab held 4,035,669 of its own Series B shares, corresponding to 3.0 per cent of the share capital. For more information on the ownership structure, see page 160.

Largest shareholders, 31 December 2021

Source: Modular Finance	% of capital	% of votes ¹⁾
Investor AB	30.2	40.7
Wallenberg Investments AB	8.7	7.7
AllianceBernstein	4.7	4.1
First Swedish National Pension Fund	3.2	2.8
Vanguard	2.1	1.9
Unionen	1.4	1.2
Norges Bank	1.3	1.2
Zadig Asset Management	1.3	1.1
Nordea Funds	1.2	1.1
BlackRock	1.1	1.0

¹⁾ % of votes is calculated based on the number of share, excluding treasury shares, at 31 December, 2021.

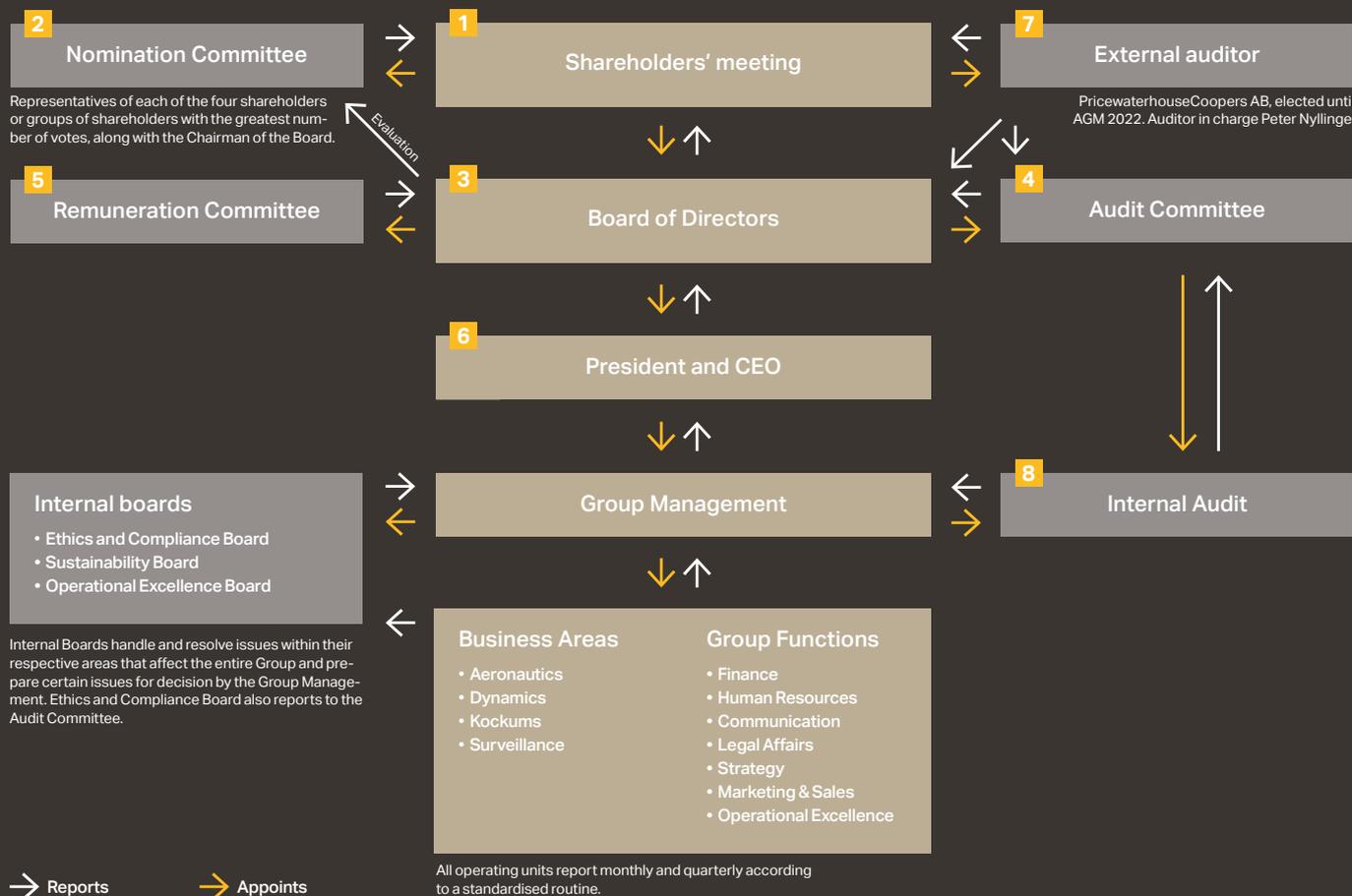
2 NOMINATION COMMITTEE

According to the Nomination Committee process adopted by the Annual General Meeting 2011, which 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 votes as per the last business day of August in 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 process, the Nomination Committee shall prepare a proposal on the following issues to be presented to the Annual General Meeting for resolution:

- Chairman of the shareholders' meeting
- Board of Directors
- Chairman of the Board
- Remuneration to the members of the Board, allocated between the Chairman and other members of the Board, and remuneration for committee work
- Election of auditor, (if applicable), and
- Fees paid to the company's auditor.

GOVERNANCE AND REPORTING



Prior to the Annual General Meeting on 13 April 2021, the Nomination Committee issued a proposal for resolution on the Chairman of the shareholders' meeting, the Board of Directors, Auditors, Board fees and auditor fee. The Nomination Committee has applied rule 4.1 of the Code as a diversity policy with respect to the Board. The goal of the policy is that the Nomination Committee's proposal shall lead to that Saab will have a board with an appropriate composition and with satisfactory diversity and breadth in terms of gender, competence, age, experience and background.

Prior to the Annual General Meeting on 6 April 2022, it was announced in a press release on 5 October 2021 that, in addition to Chairman of the Board Marcus Wallenberg, the following shareholder representatives had been appointed to the Nomination Committee (shareholder's name in parentheses): Petra Hedengran (Investor AB), Peter Wallenberg Jr (Wallenberg Investments AB), Ossian Ekdahl (Första AP-fonden) and Anders Algotsson (AFA Försäkring). Petra Hedengran is Chairman of the Nomination Committee.

The Nomination Committee members represent in the aggregate approximately 51 per cent of the votes in Saab based on the ownership structure as of 31 August 2021.

The proposals of the Nomination Committee for resolution at the Annual General Meeting 2022 has been announced in the notice of the Annual General Meeting 2022.

Members of the Nomination Committee for Annual General Meeting 2022

Member	Representing	% of votes, 31 Aug 2021	% of capital, 31 Aug 2021
Petra Hedengran	Investor AB	39.69	30.16
Peter Wallenberg Jr	Wallenberg Investments AB	7.52	8.71
Ossian Ekdahl	Första AP-fonden	2.76	3.20
Anders Algotsson	AFA Försäkring	0.95	1.10
Marcus Wallenberg	Chairman of the Board of Saab AB		

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BOARD OF DIRECTORS**Composition of the Board**

According to Saab's Articles of Association, the Board of Directors shall, in addition to the employee representatives, consist of at least six and not more than twelve members. Board members are elected annually by the shareholders' meeting. According to the resolution of the Annual General Meeting on 13 April 2021, Saab's Board of Directors shall consist of eleven members elected by the shareholders' meeting with no deputies. In addition, employee organisations appoint three Board members with an equal number of deputies.

At the Annual General Meeting on 13 April 2021, Danica Kragic Jensfelt, Sara Mazur, Johan Menckel, Daniel Nodhäll, Bert Nordberg, Cecilia Stegö Chilò, Erika Söderberg Johnson, Marcus Wallenberg, Joakim Westh and Micael Johansson were re-elected. Henrik Henriksson was elected as a new Board member. Sten Jakobsson had declined re-election. Marcus Wallenberg was elected Chairman of the Board.

The current composition of the Board is the result of the Nomination Committee's work prior to the Annual General Meeting 2021 applying the diversity policy. The members of the Board of Directors of Saab represent a diversity and breadth in terms of gender, competence, age, experience and background. In the aggregate, the Board combines the competence and experience that are important to Saab's operations and that the Nomination Committee deems are needed to meet Saab's future challenges and needs. Of the Board members elected by the shareholders' meeting, and not employed by the company, 36 per cent are women.

At the statutory Board meeting after the Annual General Meeting, Bert Nordberg was elected Deputy Chairman of the Board. Only CEO Micael Johansson is employed by the company and at the same time a member of the Board.

Information on remuneration to the members of the Board as resolved by the AGM 2021 is set forth in note 8.

Members of the Board elected by the shareholders' meeting

Marcus Wallenberg	Sara Mazur	Cecilia Stegö Chilò
Micael Johansson	Johan Menckel	Erika Söderberg Johnson
Henrik Henriksson	Daniel Nodhäll	Joakim Westh
Danica Kragic Jensfelt	Bert Nordberg	

Employee representatives

Regulars	Deputies
Stefan Andersson	Conny Holm
Göran Andersson	Tina Mikkelsen
Magnus Gustafsson	Lars Svensson

The Board members' other significant professional commitments, work experience, shareholdings etc. are set forth in the presentation of the Board of Directors on pages 88-89.

Independence requirement

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

Composition and independence of the Board in 2021

Member	Elected	Independent of company/management	Independent of major shareholders
Marcus Wallenberg	1992	Yes	No ¹⁾
Micael Johansson	2020	No ²⁾	Yes
Henrik Henriksson	2021	Yes	Yes
Danica Kragic Jensfelt	2017	Yes	Yes
Sara Mazur	2013	Yes	No ³⁾
Johan Menckel	2019	Yes	Yes
Daniel Nodhäll	2017	Yes	No ⁴⁾
Bert Nordberg	2016	Yes	Yes
Cecilia Stegö Chilò	2010	Yes	Yes
Erika Söderberg Johnson	2017	Yes	Yes
Joakim Westh	2010	Yes	Yes

¹⁾ Member of Investor AB's Board

²⁾ President and CEO of Saab AB

³⁾ Member of Investor AB's Board

⁴⁾ Employed by Investor AB

Accordingly, the company fulfils the Code's requirement that a majority of Board members appointed by the shareholders' meeting are independent of the company and its management, and that at least two are independent of the major shareholders.

Work of the Board

According to the Board's rules of procedure, seven ordinary meetings shall normally be held each year, in addition to the statutory meeting. The Board can also meet when circumstances demand. In 2021, the Board held one statutory meeting, seven ordinary meetings, six extra meetings, a total of fourteen meetings. The Board meetings in 2021 were held in Stockholm. The Board has also during October 2021 visited Aeronautics operations in Linköping.

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

The rules of procedure contain provisions on the number of Board meetings, 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 Chairman's role, as well as the division of duties between the Board and the CEO.

The instruction for the CEO sets forth the CEO's duties and authority, including matters which require a Board decision. Policies on investments, financing and reporting are also connected to the instruction.

During the year, the Board was assisted by the secretary of the Board of Directors, General Counsel Annika Bäreemo, who is not a member of the Board.

The Board of Directors' meetings follow an agenda. Prior to each meeting, 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 also presented at each Board

meeting and is addressed in detail prior to the publication of the interim reports and the year-end report. The Board regularly considers investments, research and development, organisational issues, management of significant risk areas, and acquisitions and divestments of companies. The Board's annual work includes deciding on the company's business plan and strategy, which in 2021 were addressed in December. The Board meeting in December also considers the company's budget for the coming year as well as Enterprise Risk Management. The Board then also addressed the performance targets in the company's two performance related share plans. In 2021, the Board especially focused on topics relating to major projects such as Gripen NG to Brazil, Gripen E to Sweden, A26 to Sweden, GlobalEye to the United Arab Emirates and the T-7A jet trainer to the U.S. Air Force as well as other significant export and marketing topics. The Board has also during 2021 worked with specific strategic matters related to the changed organisation, Saab's Gripen offer to Finland and matters related to effects of the COVID-19 pandemic. In 2021, the company arranged two special information sessions for the Board members, where they received detailed information on i.e. autonomy, the Company's work within the area sustainability as well as other important strategic matters.

The work in the committees represent an important part of the Board's work. After each meeting of the Audit and Remuneration Committees, the respective Chairman submits a report to the Board on the issues that were dealt with at the meeting. The Board then adopts resolutions on any matters prepared by the committees.

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BOARD OF DIRECTORS' COMMITTEE WORK

Audit Committee

In accordance with the principles set out in the Swedish Companies Act and the Code, the Board of Directors has appointed an Audit Committee consisting of three members. The work of the Audit Committee is mainly of a preparatory nature, i.e. preparing matters for resolution by the Board. The Audit Committee has certain limited decision-making power. For example, it has established guidelines for services other than auditing that the company may procure from the auditor. The Audit Committee's members following the Annual General Meeting 2021 are Joakim Westh (Chairman of the Committee), Daniel Nodhäll and Erika Söderberg Johnson, whereof both Joakim Westh and Erika Söderberg Johnson are independent of the company and its management as well as of the major shareholders. Moreover, all members of the committee have accounting or auditing competence. The General Counsel, Annika Bärems, was secretary to the Audit Committee in 2021.

The Audit Committee's assignment is set forth in the Board's rules of procedure. The Audit Committee shall, among other things, monitor the company's financial reporting and submit proposals to ensure the integrity of the financial reporting, monitor the efficiency of the company's internal control, internal audit and risk management in respect of the financial reporting, keep itself informed of the audit of the annual report and consolidated accounts, inform the Board of the results of the audit, review and monitor the auditor's impartiality and independence, assist the Nomination Committee in preparing the proposal for the shareholders' meeting's election of the auditor and in certain cases procure auditing

services, in addition to establishing guidelines for services other than auditing that may be provided by the company's auditor. Moreover, the Audit Committee shall annually monitor and evaluate the efficiency and adequacy of the company's anti-bribery and corruption program including the Code of Conduct, and keep itself informed of material deviations or non-compliance with the company's anti-bribery and corruption program, including whistle-blower reports, through regular reporting from the Ethics and Compliance Board. The company's external auditor normally participates in the meetings of the Audit Committee. In 2021, the Audit Committee focused especially on current issues relating to the company's financial position, matters related to effects of the COVID-19 pandemic, the financial reporting, execution of major projects, budget, risk management, internal control assisted the Nomination Committee with proposal for election of auditor and issues relating to the company's business ethical rules.

The Audit Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2021, the Committee held five meetings.

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Remuneration Committee

In accordance with principles set out in the Code, the Board of Directors has appointed a Remuneration Committee consisting of three members. The Remuneration Committee's members following the Annual General Meeting 2021 are Johan Menckel, Marcus Wallenberg and Bert Nordberg. Johan Menckel is the Chairman of the Committee. All are independent of the company and its management. The General Counsel, Annika Bärems, was secretary to the committee in 2021.

The Remuneration Committee's assignments are to prepare the Board's resolutions on remuneration principles, remuneration and other terms of employment for the Group Management, monitor and evaluate variable remuneration programmes for the Group Management, both ongoing and those ended during the year, and monitor and evaluate the application of the remuneration guidelines for senior executives adopted by the Annual General Meeting as well as the current remuneration structures and levels in the company. The Remuneration Committee also proposes remuneration guidelines for senior executives, which, following resolution by the Board of Directors, are submitted to the Annual General Meeting. Matters concerning the employment terms, remuneration and other benefits for the CEO are prepared by the Remuneration Committee for resolution by the Board. The Remuneration Committee is responsible for interpretation and application of the remuneration guidelines for senior executives and to prepare (on behalf of the Board) a report regarding remuneration in accordance with the guidelines. The Remuneration Committee has no decision-making powers of its own. In 2021, the Remuneration Committee focused especially on issues relating to the company's long-term incentive programmes, including the proposed performance targets in the company's two performance related share plans, a fourth complementing performance target in the Performance Share Plan related to CO2 reduction and the preparation of a remuneration report.

The Remuneration Committee keeps minutes of its meetings, which are distributed upon request to the other members of the Board. In 2021, the Committee held three meetings.

Evaluation

The Chairman of the Board annually performs an evaluation of the Board's work and possible improvement areas, in order to develop the forms and effectiveness of its work. The evaluation is made by having Board members respond to a questionnaire and give their opinions on the Board's work and performance. The results are then compared with previous years and discussed at the Board meeting in December.

The questionnaire consists of six parts covering the breadth of the Board's competence, how the Board conducts its work, the Chairman, the Board's composition, the

cooperative atmosphere and possible improvements. The Chairman of the Board does not participate in the Board's discussion on the results of the Chairman's evaluation.

The Nomination Committee is informed of the results of the evaluation in connection with preparing its proposal on the composition of the Board.

The Board continuously evaluates the CEO's work by monitoring the company's performance relative to established goals. The Board annually evaluates the CEO's work through its members' responses to a questionnaire on the CEO in the areas of performance, organisation, people and leadership. The CEO does not participate in this evaluation.

Attendance and board remuneration in 2021

Name	Audit Committee	Remuneration Committee	Board meetings attended ¹⁾	Committee meetings attended ²⁾	Board remuneration KSEK ³⁾	Audit Committee remuneration KSEK	Remuneration Committee remuneration KSEK	Total remuneration KSEK
Marcus Wallenberg		x	13	2	1,975		95	2,070
Micael Johansson			14					
Sten Jakobsson ⁴⁾		x						
Henrik Henriksson ⁵⁾			7		645			645
Cecilia Stegö Chiló			9		645			645
Danica Kragic Jensfelt			14		645			645
Sara Mazur			13		645			645
Johan Menckel ⁶⁾		x	14	2	645		155	800
Daniel Nodhäll	x		13	5	645	175		820
Bert Nordberg		x	12	3	725		95	820
Erika Söderberg Johnson	x		13	5	645	175		820
Joakim Westh	x		14	5	645	275		920

¹⁾ Of a total of 14 meetings in 2021.

²⁾ Of a total of 5 meetings of the Audit Committee in 2021 and 3 meetings of the Remuneration Committee in 2021.

³⁾ Refers to the remuneration resolved by the AGM 2021 for the period until the AGM 2022. CEO Micael Johansson does not receive remuneration.

⁴⁾ Left the Board at the Annual General Meeting 2021, when declined re-election. Received fee for the period January-March 2021 of SEK 212 500 and participated in 5 Board meetings and 1 committee meeting prior the Annual General Meeting 2021.

⁵⁾ Elected by the AGM in April 2021, thereafter a total of 7 Board meetings of a total of 8 Board meetings.

⁶⁾ New Chair in the Remuneration Committee after the Annual General Meeting 2021, thereafter participated in all meetings.

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CHIEF EXECUTIVE OFFICER

The President and CEO of Saab is Micael Johansson and he is also a member of the Board of Directors. His significant professional commitments outside the company, earlier positions and shareholding in the company are set forth in the presentation of the Board of Directors, see page 88. Micael Johansson does not have shareholdings or partnerships in any company with which Saab has important business relations.

GUIDELINES FOR REMUNERATION AND OTHER BENEFITS FOR SENIOR EXECUTIVES

The guidelines for remuneration and other benefits for senior executives are found on pages 92-95.

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THE COMPANY'S AUDITOR

On behalf of the shareholders and in accordance with current laws and regulations, the external auditor examines the financial statements, consolidated accounts, annual report, and administration and management of the company by the Board of Directors and the CEO, and carries out the statutory audit of the corporate governance report and sustainability report. A limited assurance on Saab AB's sustainability report has been conducted. The company's Q3 interim report has

been reviewed by the auditor as well. The auditor presents an auditors' report to the Annual General Meeting. On behalf of the Board, the company's auditor has also reviewed whether the performance targets for the Special Projects Incentive 2021 were met.

The shareholders' meeting elects the auditor. PricewaterhouseCoopers AB was re-elected as auditor by the Annual General Meeting 2021, for the period 2021-2022.

PricewaterhouseCoopers (PwC)

- Elected by the Annual General Meeting 2021 for the period 2021 through the Annual General Meeting 2022.
- Peter Nyllinge, Authorised Public Accountant, is auditor in charge since April 2020. Other major audit assignments: Sandvik AB and Getinge AB.

PricewaterhouseCoopers AB is a member of PwC's global network 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 familiarity with international business.

The Audit Committee is responsible for ensuring the independence of the auditor, including by staying updated on ongoing consulting assignments. The Audit Committee has also established guidelines on which services other than auditing the company may procure from the auditor. Where applicable, the committee will approve such services in accordance with these guidelines.

AUDIT FEES 2020–2021

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

PwC performed limited services on behalf of the company in 2021 in addition to its audit assignments by consulting on accounting and tax issues.

Auditor's fees for the Group 2020–2021

MSEK	2021	2020
Audit assignments:		
PwC	20	20
Other	4	4
Other assignments:		
PwC	2	2

THE BOARD'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors is responsible for internal control over financial reporting pursuant to the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

The Board assures the quality of the financial accounting through the Audit Committee and CEO. The entire Board reviews the interim reports before they are published. The Audit Committee follows up the internal control over financial reporting on a regular basis. After each meeting of the Audit Committee, a report is submitted to the Board.

The Audit Committee considers critical accounting issues and the financial reports presented by the company as well as matters of strategic importance, e.g. asset acquisitions and sales and the Group's financing. It also covers issues such as internal control, regulatory compliance, any significant uncertainty in reported values, post-statement events, changes in estimates and judgements, and other circumstances that may affect the quality of the financial statements. The auditor, elected by the Annual General Meeting, participated in 5 of 5 meetings of the Audit Committee in 2021.

The Board of Directors has met with the auditor to discuss their review of the company for the financial year 2021. The Board on the same occasion met with the auditor while not in the presence of the CEO or other members of the Group Management.

Internal control over financial reporting

The internal control system applies the principles of the Committee of Sponsoring Organizations' (COSO) framework and assists the business in achieving its financial goals by monitoring risk exposure in a structured way. Moreover, internal control aims to provide reasonable assurance of the reliability of the internal and external financial reporting and to ensure that it is prepared in accordance with laws, applicable accounting standards and other requirements for listed companies.

Control environment

Internal control is based on Saab's organisation, where operating responsibilities and authorities are delegated to the business areas and support units, which are also supported and monitored by Group functions. These Group functions issue guidelines that clarify responsibilities and powers.

Saab has a process for monitoring internal control where roles and responsibilities are defined, control matrixes and key controls included, and reporting clarified.

Risk assessment

Saab's operations are characterised by the development, production and supply of technologically advanced hardware and software for military and civil customers around the world. The business largely consists of large projects that stretch over long periods, often several years. Saab identifies and assesses risks with an impact on the financial reporting within a number of processes such as the annual accounts, investments, project implementation and procurement. In addition to the risk of inaccurate financial reporting, internal processes are also assessed on the basis of the risk of exposure to improprieties.

Group Finance continuously coordinates an overall risk assessment of the financial reporting. The current risk assessment is reviewed by Internal Audit and taken into account in the preparation of the annual internal audit plan, which is established by the Audit Committee.

Control activities

Key controls are defined within Saab's internal processes and functions to monitor the internal control. There are also general IT key controls. Key controls are performed according to a predefined schedule. The control activities are both manual and automated and include e.g. authorisation routines, account reconciliations, process compliance and access to programs and data.

Information and communication

Policies, Group directives and manuals are continuously updated, clearly communicated and available through Saab's internal enterprise management system. A web based tool used to monitor Saab's key controls clearly shows the status and results of performed controls. The results of performed controls are an integral part of Saab's financial closing process and are reported quarterly to the Group Management and the Audit Committee.

Monitoring and evaluation

- Each manager of a business area/legal entity and each accounting organisation is responsible for the financial information from their unit.
- The Audit Committee decides on the principles for accounting and financial reporting and monitors them.
- A semi-annual self-assessment on completed key controls. The self-assessment process also includes assessing whether the material risks in each internal process are managed with existing key controls.
- Saab's Internal Audit reports directly to the Audit Committee and the CFO. Internal Audit follows the internal audit plan adopted by the Audit Committee and performs independent and objective reviews in order to evaluate and increase the efficiency of the internal control. The function also performs an annual review of performed key controls and self-assessment.
- The company's auditor annually reviews the status of Saab's internal control over financial reporting.

Board of Directors



**MARCUS
WALLENBERG**

Chair of the Board since 2006
Deputy Chair of the Board 1993-2006 and Member of the Board since 1992. Member of Saab's Remuneration Committee.



**BERT
NORDBERG**

Member of the Board since 2016
Deputy Chair of the Board since 2021
Member of Saab's Remuneration Committee.



**MICHAEL
JOHANSSON**

Member of the Board since 2020
President and CEO of Saab AB.



**HENRIK
HENRIKSSON**

Member of the Board since 2021
CEO of H2 Green Steel.



**DANICA KRAGIC
JENSFELT**

Member of the Board since 2017
Professor, School of Electrical Engineering and Computer Science, Royal Institute of Technology (KTH).



**SARA
MAZUR**

Member of the Board since 2013
Director of Strategic Research, Knut and Alice Wallenbergs Foundation.



**JOHAN
MENCKEL**

Member of the Board since 2019
Chair of Saab's Remuneration Committee.
EVP, Chief Investment Officer, Investment AB Latour.



**DANIEL
NODHÄLL**

Member of the Board since 2017
Member of Saab's Audit Committee.
Head of Listed Companies, Investor AB.

MARCUS WALLENBERG

Born 1956
B.Sc. of Foreign Service, Georgetown University
Lieutenant in Royal Swedish Naval Academy
Shares in Saab: 125,000

Other board commitments:
Chair of SEB and FAM AB. Vice Chair of Investor AB and EQT AB. Board member of AstraZeneca PLC and the Knut and Alice Wallenberg Foundation.

Former employment and positions:
Chair of AB Electrolux, LKAB and Svenska ICC Service AB. President and CEO of Investor AB. Board member of, amongst others, Temasek Holding Ltd, Stora Enso Oyj, EQT Holdings AB.

BERT NORDBERG

Born 1956
Engineer
Shares in Saab: 10,625

Other board commitments:
Chair of Vestas Wind Systems A/S, Sigma Connectivity AB and AXIS AB. Board member of Svenska Cellulosa Aktiebolag (SCA) and Essity Aktiebolag (publ).

Former employment and positions:
Board member of AB Electrolux, SkiStar AB, Axis AB and Sigma Connectivity AB. Chair of TDC Group A/S, Imagination Technologies Group Plc. and Sony Mobile Communications AB. Chair and CEO of Sony Ericsson Communications AB. Various positions within the Ericsson group as well within Data General Corporation and Digital Equipment Corporation.

MICHAEL JOHANSSON

Born 1960
B.Sc.+ in Mathematics and Computer Science at University of Uppsala
Shares in Saab: 35,102

Other board commitments:
Board member of AeroSpace and Defence Industries Association of Europe (ASD).

Former employment and positions:
Deputy CEO of Saab AB. Senior Vice President and Head of Business Area Surveillance, Saab AB. President of Avtronics and various senior positions within the Saab group.

HENRIK HENRIKSSON

Born 1970
B.Sc. in Business Administration, Lund University
Shares in Saab: -

Other board commitments:
Board member of Hexagon AB, Electrolux AB and Svenskt Näringsliv.

Former employment and positions:
Various senior positions within Scania, including President and CEO from 2016-2021.

DANICA KRAGIC JENSFELT

Born 1971
Ph.D. Computer Science
M.Sc. Mechanical Engineering
Shares in Saab: 2,000

Other board commitments:
Board member of FAM AB, H&M Group and CROSEIR AB. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and Swedish Academy of Sciences (KVA).

Former employment and positions:
Board member of Institute for Future Studies. Deputy Director, School of Computer Science and Communication, KTH. Founding member of the Young Academy of Sweden.

SARA MAZUR

Born 1966
Associate Professor Electrical Engineering, Royal Institute of Technology (KTH)
Ph.D. Electrical Engineering, KTH
M.Sc. Electrical Engineering, KTH
Honorary Doctorate Luleå University of Technology
Shares in Saab: 4,500

Other board commitments:
Chair of Wallenberg Autonomous System and Software Program (WASP). Board member of Investor AB and Nobel Prize Outreach AB. Member of the Royal Swedish Academy of Engineering Sciences (IVA).

Former employment and positions:
Vice President and Head of Ericsson Research, Ericsson AB. Vice President System Management, Business Unit Networks, Ericsson AB. Board member of Combiant AB, Chalmers University of Technology AB, RISE Research Institutes of Sweden AB, RISE SICS North Swedish ICT AB.



**CECILIA STEGÖ
CHILÒ**

Member of the Board since 2010
Adviser to management of corporations and organisations.



**ERIKA
SÖDERBERG
JOHNSON**

Member of the Board since 2017
Member of Saab's Audit Committee.
Chief Financial Officer (CFO), Kinnevik AB.



**JOAKIM
WESTH**

Member of the Board since 2010
Chair of Saab's Audit Committee.



**STEFAN
ANDERSSON**

Member of the Board since 2008
President of the Local Salaried Employees' union Unionen at Saab Dynamics AB, Linköping.



**GÖRAN
ANDERSSON**

Member of the Board since 2020
Treasurer of the local trade union IF Metall at Saab AB, Linköping.



**MAGNUS
GUSTAFSSON**

Member of the Board since 2021.
Deputy Board member 2016-2021
President of the Local Swedish Association of Graduate Engineers at Saab AB, Linköping.



**CONN
Y
HOLM**

Deputy Board member since 2017 and 1995-2008. Member of the Board 2008-2017
President Saab Group IF Metall Union. Member of the local trade union IF Metall at Electronic Warfare and Aircraft Systems, Huskvarna.



**TINA
MIKKELSEN**

Deputy Board member since 2016
President of the Local Salaried Employees' union, Unionen at Saab AB, Järfälla.



**LARS
SVENSSON**

Deputy Board member since 2021
Chair of the Local Swedish Association of Graduate Engineers at Saab AB, Gothenburg.

JOHAN MENCKEL

Born 1971
M.Sc. Engineering (industrial engineering and management), Royal Institute of Technology (KTH)
Shares in Saab: 8,000

Other board commitments:
Chair of Nord-Lock Group and Bemsiq AB. Board member of Nederman Holding AB, Securitas AB and World Materials Forum, France.

Former employment and positions:
President and CEO of Gränges AB, Board member of Svenska postkodföreningen. CEO of Sapa Heat Transfer. Business Area President of Sapa Profiles Asia. MD of Sapa Heat Transfer Shanghai. Management consultant at Accenture and founder of addnature.com.

DANIEL NODHÄLL

Born 1978
M.Sc. in Economics and Business, Stockholm School of Economics
Shares in Saab: 2,500

Other board commitments:
Board member of Electrolux Professional AB and Husqvarna AB.

Former employment and positions:
Board member of Kunskapsskolan Education Sweden AB. Investment Manager, Head of Capital Goods at Investor AB.

CECILIA STEGÖ CHILÒ

Born 1959
Studies in political science and economics
Shares in Saab: 1,875

Other board commitments:
Board member of Investment AB Spiltan.

Former employment and positions:
Chair of Gotlands Bryggeri AB, Fortum Värme AB (current Stockholm Exergi Holding AB). Board member of Spendrup Bryggeri AB, AMF Fonder AB, Länsförsäkringar Liv, Linköping University Holding AB, Marginalen Group AB and Infostat AB. CEO of the Free Enterprise Foundation of Sweden. Head of think tank Timbro. Cabinet member and Head of the Ministry of Culture.

ERIKA SÖDERBERG JOHNSON

Born 1970
M.Sc. in Economics and Business, Stockholm School of Economics
Shares in Saab: 3,200

Other board commitments:
Board member of Lunar Group A/S.

Former employment and positions:
Chief Financial Officer of Biotage, Karo Bio AB, Affibody AB and Global Genomics AB. Investment Banking Advisor of Enskilda, SEB. Board member of Sectra AB, Qliro Group AB and MedCap AB.

JOAKIM WESTH

Born 1961
M.Sc. in Aeronautics, Royal Institute of Technology (KTH)
M.Sc. in Aerospace Engineering, Massachusetts Institute of Technology (MIT)
Shares in Saab: 10,000

Other board commitments:
Chair of Amexci AB. Board member of CGI Group Inc., Absolent Group AB and Swedish Match AB.

Former employment and positions:
Chair of EMA Technology AB and Absolent AB. Board member of Arcam AB, Intrum AB, Rörvik Timber AB, Telelogic AB and VKR Holding A/S. Deputy board member of Sony Ericsson Mobile Communications AB. Senior Vice President of Group Function Strategy & Operational Excellence and member of the Group Management Team, LM Ericsson AB. Group Vice President and member of the Executive Management Group of Assa Abloy AB and Partner at McKinsey & Co. Inc.

Employee representatives

STEFAN ANDERSSON

Born 1974
B.Sc. Mechanical Engineering, Dalarna University
Shares in Saab: 2,962

GÖRAN ANDERSSON

Born 1972
Shares in Saab: 1,840

MAGNUS GUSTAFSSON

Born 1965
M.Sc. in Applied Physics and Electrical Engineering, Linköping Institute of Technology
Shares in Saab: 1,034

Deputies

**CONN
Y
HOLM**

Born 1947
Upper secondary engineering education
Shares in Saab: 1,579

TINA MIKKELSEN

Born 1973
Electrical Engineering, Stockholms Tekniska Institut (STI)
Shares in Saab: 2,089

LARS SVENSSON

Born 1972
M.Sc.E.E. Chalmers University of Technology
Shares in Saab: 50

Group Management



MICAEL JOHANSSON

President and Chief Executive Officer (CEO)
 Born 1960
 B.Sc.
 Employed 1985
 Shares in Saab 35,102



CHRISTIAN LUIGA

Deputy CEO and Chief Financial Officer
 Economics studies, Stockholm University
 Born 1968
 Employed 2020
 Shares in Saab 14,115



ANDERS CARP

Deputy CEO
 Born 1971
 Employed 2001
 Shares in Saab 14,614



CHARLOTTA BJÖRKLUND

Senior Vice President and Head of Operational Excellence
 Born 1965
 Employed 2018
 Shares in Saab 1,085



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 20,386

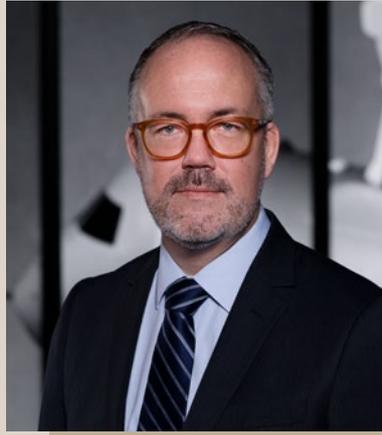


LENA ELIASSON

Senior Vice President and Head of Group Human Resources
 Born 1967
 M.Sc. in Engineering
 Employed 2012
 Shares in Saab 22,801

**CHRISTIAN HEDELIN**

Senior Vice President and
Chief Strategy Officer
Born 1969
MSc Electronic Engineering
Employed 2018
Shares in Saab 4,202

**PÄR HENRIKSSON**

Acting Head of Group Communications
Born 1974
Employed 2017
Shares in Saab 95

**DEAN ROSENFELD**

Senior Vice President and
Chief Marketing Officer
Born 1968
Degree MMgt
Employed 2001
Shares in Saab 4,119

**CARL-JOHAN BERGHOLM**

Senior Vice President and
Head of Business Area Surveillance
Born 1967
Employed 2003
Shares in Saab 1,642

**JONAS HJELM**

Senior Vice President and
Head of Business Area Aeronautics
Born 1971
Employed 2006
Shares in Saab 7,873

**GÖRGEN JOHANSSON**

Senior Vice President and
Head of Business Area Dynamics
Born 1964
MBA
Employed 2004
Shares in Saab 22,997

**LARS TOSSMAN**

Senior Vice President and
Head of Business Area Kockums
Born 1962
Employed 1986
Shares in Saab 18,280

Changes in the Group Management

During the second quarter, Carl-Johan Bergholm was appointed as the new head of Saab's Business Area Surveillance and Charlotta Björklund was appointed as the head of the new function Operational Excellence, both becoming members of Saab's Group Management.

As of 1 July 2021, Saab's new business area structure came into effect and Ellen Molin, Head of Business Area Support & Services took on the role as Deputy Head of Business Area Aeronautics, and Jessica Öberg, Head of Business Area IPS took on the role as CEO of Combitech. Both therefore left the Group Management.

During the fourth quarter 2021, Sebastian Carlsson left the role as Head of Group Communication and Saab's Group Management to take on the role as Deputy CEO of Combitech.

Remuneration and long-term incentive programmes

GUIDELINES ON REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR EXECUTIVES 2021

Pursuant to the Swedish Companies Act, the Board of Directors shall, at least every fourth year, present a proposal for remuneration guidelines for the company's senior executives to be adopted by the Annual General Meeting. The Annual General Meeting 2021 adopted the Board's proposed guidelines for senior executives which is described below.

During the year, the Remuneration Committee has evaluated the application of the remuneration guidelines. The Remuneration Committee is of the opinion that the guidelines adopted in 2021 achieve their purposes to facilitate the recruitment and retention of senior executives and therefore no changes are proposed to the remuneration guidelines.

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 certain specific cases, these guidelines may also comprise Board Members of Saab AB, as described below. 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. These guidelines do not apply to any remuneration resolved by the Shareholders' Meeting.

These guidelines apply from the Annual General Meeting 2021 and are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting.

The guidelines' promotion of Saab's strategy, long-term interests and sustainability

A prerequisite for the successful implementation of Saab's business strategy and safeguarding of the Company's long-term interests, including its sustainability, is that the Company is able to recruit and retain senior executives. To this end, it is necessary that Saab offers a competitive total remuneration on market terms, adapted to the Company's development and situation, which these guidelines enable. 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.

For information regarding the Company's business strategy, please see the external website www.saab.com.

Fixed remuneration

Fixed remuneration shall consist of cash salary. The fixed salary shall be reviewed annually as per 1 January for all members of the Group Management. The fixed salary 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. The 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. Hence, Saab does not normally offer any short-term variable cash remuneration to the President or other members of the Group Management. Instead, the variable remuneration consists of long-term share based incentive programs which are adopted by the Shareholders' Meeting and therefore not subject to these guidelines. The President and other members of the Group Management are entitled to participate in these programs. The Board of Directors proposes that the Annual General Meeting 2021 resolve on a long-term incentive program (LTI 2022). The Board's intention is to propose such long-term incentive programs also to future Annual General Meetings. The terms and estimated costs for the Company's long-term incentive programs are presented in the Board's complete proposal to each Annual General Meeting.

In extraordinary circumstances, agreements of a one-off 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. Such remuneration shall not qualify for pension benefits unless otherwise provided by mandatory collective agreement provisions. 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.

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. Other benefits may for example be a company car, travels, housing and medical insurance.

The total value of the benefits shall be equivalent to what is considered reasonable in relation to market practice. The value for benefits such as company car and medical insurance shall amount to not more than 5 per cent of the fixed annual salary. In addition to this, senior executives may, on an individual basis, be entitled to housing and travels amounting to not more than 25 per cent of the fixed annual salary.

Senior executives who are stationed in a country other than their home country may receive additional remuneration and other benefits to the extent reasonable in light of the

special circumstances associated with the arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such benefits shall in total not exceed 30 per cent of the fixed annual salary.

Pension

The pension age shall be 65 years. Senior executives shall be entitled to pension benefits under the ITP plan and may also be covered by the New Saab plan. Pension benefits under the New Saab plan shall be premium based and pension contributions shall be made monthly. According to the New Saab plan, contributions are made for old age pension benefits from the age of 65 on salary levels exceeding 30 income base amounts per year, unless it is not already made under ITP1. The New Saab plan entails contributions of 30 per cent on the part of the annual salary that is not insured by the ITP plan. Annual provisions for pension benefits for an individual senior executive shall in total not amount to more than 40 per cent of the fixed annual salary.

According to the New Saab plan, all senior executives, including the President, may also be entitled to enhanced invalidity pension and survivors' pension benefits. Enhanced invalidity pension is offered in addition to national health insurance as well as the health insurance included in the ITP plan and is calculated as a percentage of the pensionable salary; 10-65 percent in various salary levels. The additional invalidity pension may be received up to 65 years of age at a maximum. Saab maintains contributions for old age pension benefits in case of invalidity pension. Survivors' pension for senior executives, including the President, is based on the highest of either 12 months' salaries or the accumulated funds in the insurance.

Adjustments to local regulations

For employments governed by rules other than Swedish, remuneration may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Miscellaneous terms

All executives in the Group Management, including the President, may terminate their employment with a maximum of six months' notice. If the employment is terminated by Saab, severance pay equal to not more than 18 months may be paid, in addition to a notice period of normally six months. Fixed salary during the period of notice and severance pay may not together exceed an amount equivalent to 24 months' fixed salary.

Remuneration may be paid for possible non-compete undertakings. Such remuneration shall compensate for possible loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the monthly fixed cash salary at the time of notice of termination of employment and relate to the time the non-compete undertaking applies, however

not for more than 18 months following termination of employment.

A reduction of severance pay shall normally be made against income from other employment during the corresponding time.

Consultancy 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 (including services performed through a Board Member's wholly-owned company) shall be paid at market terms, provided that such services contribute to the implementation of Saab's business strategy and safeguarding of Saab's long-term interest, including its sustainability.

Additional information in the Annual Report

The notes of the Annual Report includes a description of remuneration for senior executives, including fixed and variable compensation, long-term incentive programs, pension and other benefits.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account. This was made by including information on the employees' total income, the components of the remuneration and remuneration development over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The remuneration principles for establishing salary, long-term incentive programs, pension and other benefits are applied in a similar way to both senior executives and other employees within the Saab Group.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing a proposal for guidelines for executive remuneration on behalf of the Board, which, after decision by the Board of Directors, is submitted to the Annual General Meeting. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting for adoption. The guidelines shall be in force until new guidelines are adopted by the Shareholders' Meeting. The Remuneration Committee shall also prepare the Board's decisions as regards remuneration principles, remuneration and other terms of employment for senior executives, monitor and evaluate programs for variable remuneration for the Group Management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The President and other

members of the Group Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This also includes any resolutions to derogate from the guidelines.

INFORMATION IN THE ANNUAL REPORT NOTE 8

Note 8 of the Annual Report includes a description of current remuneration for senior executives, including fixed and variable compensation, long-term incentive programmes and other benefits.

INCENTIVE PROGRAMME PROPOSED TO THE ANNUAL GENERAL MEETING 2021

The Board of Directors proposed that the Annual General Meeting 2021 resolve to adopt long-term incentive programme 2022 (LTI 2022), consisting of Share Matching Plan 2022, Performance Share Plan 2022 and Special Projects Incentive 2022, with some changes to the performance targets as regards the Performance Share Plan 2022. The Annual General Meeting resolved in accordance with the Board's proposal.

SAAB'S LONG-TERM INCENTIVE PROGRAMMES AND AUTHORISATION TO REPURCHASE SHARES

The Annual General Meeting of Saab has resolved for a number of years to offer a long-term incentive programme consisting of three parts: a Share Matching Plan, a Performance Share Plan and a Special Projects Incentive. The Board considers it important that Saab's employees share a long-term interest in the appreciation of the company's shares.

Share Matching Plan

Since 2007, Saab offers permanent employees the opportunity to participate in the Share Matching Plan. Employees can withhold up to 5 per cent of their gross base salary to purchase Series B shares on Nasdaq Stockholm during a twelve-month period. Provided that a participant retains the purchased shares for three years after the investment date and is still employed by the Saab Group, the participant will be allotted a corresponding number of Series B shares free of charge. Currently, Share Matching Plans 2018–2022 are ongoing.

According to the resolution of the 2021 Annual General Meeting, the Share Matching Plan comprises a maximum of 1,005,000 shares.

Performance Share Plan

Since 2008, Saab also has a Performance Share Plan for senior executives and key employees. The Performance Share Plan is directed at a limited number of key employees, including the President. Participants can save up to 7.5 per cent of their base salary to purchase Series B shares during a twelve-month period, while participating in the Share Matching Plan

as well, but only up to a maximum of 5 per cent of base salary. Depending on which category they belong to, participants are entitled to 2–7 performance shares for each purchased share.

Participants are entitled to matching of performance shares, free of consideration, provided that the performance targets are achieved and the participants have retained the purchased shares for three years after the investment date and remain employed by the Saab Group.

The number of performance shares is linked to the performance targets established by the Board of Directors. The terms for the performance matching are based on three independent targets for a one-year performance period: organic sales growth, EBIT margin and free cash flow. The relative apportionment between the targets is as follows: 30 per cent of the allotment is attributable to organic sales growth, 30 per cent to EBIT margin and 40 per cent to free cash flow. The performance targets are established by the Board of Directors with a minimum and maximum level for each target. The Board of Directors decides on the performance matching after the end of the one-year performance period.

If the performance outcome falls short of the maximum level but exceeds the minimum level, a linear proportionate performance matching will occur. No performance matching will occur if the performance outcome is equal to or below the minimum level. Before the performance matching is ultimately determined, the Board of Directors will assess whether it is reasonable in relation to the company's financial results and position, conditions in the stock market and other circumstances. If it determines that this is not the case, the Board of Directors will reduce the number of performance shares that will be matched to the lower number of shares it considers appropriate. Performance shares are allotted three years after the investment. Currently, Performance Share Plans 2018–2022 are ongoing.

According to the resolution of the 2021 Annual General Meeting, the Performance Share Plan comprises a maximum of 200,000 shares.

Special Projects Incentive

In 2017, the Annual General Meeting decided to introduce a new programme, the Special Projects Incentive (SPI), as a complement to the Performance Share Plan. The Special Projects Incentive is directed at a limited number of key employees, including the President. Participation in SPI presupposes participation in the Performance Share Plan or the Share Matching Plan. The programme entitles the employee to allotment of performance shares corresponding to 15–52.5 per cent of the cash base salary for the current financial year depending on group affiliation, provided that the employment remains for three years and that performance targets are reached. For the President and other members of the Group Management, the total allotment of shares in SPI and the Performance Share Plan together amounts to a maximum of 75 per cent of the cash base salary for the President and 60 per cent of the cash base salary for the other members of the Group Management.

Performance shares are allotted after three years based on the achievement during the current financial year of eight equally weighted performance targets in SPI 2018–SPI 2020. As of SPI 2021, the programme is based on 10 equally weighted performance targets.

According to the resolution of the 2021 Annual General Meeting, the Special Projects Incentive comprises a maximum of 165,000 shares.

Share repurchases

The Annual General Meeting in 2021 authorised the Board of Directors to repurchase a maximum of 1,370,000 series B shares to secure delivery of shares to participants in Saab's long-term incentive programmes 2022.

The Annual General Meeting 2021 also decided to authorise the Board, before the next Annual General Meeting, to decide on the acquisition of series B shares up to a maximum of 10 percent of the total number of shares in the company. The purpose of the authorisation is to be able to adjust the company's capital structure and thereby contribute to increased share-reholder value as well as to enable continued use of repurchased shares in connection with potential acquisitions of companies and for the company's share related incentive programmes.

In June, the Board of Directors decided to utilise its authorisation to repurchase own shares of series B in order to secure delivery of shares to participants in Saab's long-term incentive programmes. In the third quarter of 2021, series B shares were repurchased for SEK 246 million.

INCENTIVE PROGRAMME PROPOSED TO THE ANNUAL GENERAL MEETING 2022

The Board of Directors proposes that the Annual General Meeting resolve to adopt long-term incentive programme 2023 (LTI 2023), which consists of three parts: Share Matching Plan 2023, Performance Share Plan 2023 and Special Projects Incentive 2023. The terms and conditions and costs of the above-mentioned programmes are presented in the Board's complete proposal to the Annual General Meeting.