

Annual General Meeting of Saab AB (publ) on 12 April 2007

The Board's proposal for a resolution on principles of remuneration and other terms of employment for executive managers

Agenda item 13

Group management and executive managers comprise the President and CEO and other members of the group management. The members of this group are identified on the company's website.

Saab shall offer market terms, enabling the company to recruit and retain senior managers. Remuneration structures shall to the extent possible be characterized by predictability, both with respect to the cost for the company, and to the benefit for the employee, and be based on factors such as position, competence, experience and performance. Benchmarking shall continuously be performed against relevant industries and markets.

The remuneration principles shall be able to be variable depending on local conditions.

The Board's proposal is based mainly on agreements in effect between Saab AB and individual managers. No board fees are paid for the participation by members of the group management on the boards of the business units.

The Remuneration Committee is responsible for development and review of remuneration and other employment terms for the group management.

Remuneration

The cash remuneration shall consist of fixed and variable salary. The fixed salary shall be reviewed biannually as per 1 January for the entire group management and the variable part shall be regulated by an agreement to be made annually with each executive.

The variable salary for the President and CEO shall be based on the extent to which pre-determined quantitative and qualitative goals are reached. Mainly quantitative goals apply to the rest of the group management.

The variable part shall amount to not more than 50 % of the fixed salary for the President and CEO and between 25 % and 35 % of the fixed salary for the rest of the group management.

All executives in the group management shall have the right to a company car according to Saab regulations.

Pension

For pension agreements entered into after 1 January 2005, the pension age shall be 62. Pension, in addition to the ITP agreement, shall be premium-based and provisions shall be made annually. For the President and CEO, the provision shall be 35 % of the fixed salary and for other executives the percentage shall be based on a set of regulations in the so-called Saab plan. The percentage is dependent on the number of years remaining until the age of retirement upon joining the plan.

Miscellaneous terms

All executives in the group management, including the President and CEO, may terminate their employment by six months' notice. If the employment ends at Saab's initiative, the notice period shall also be six months, and in addition to salary during the notice period, severance pay of one annual salary shall be paid. One additional annual salary may be payable if no new employment has been obtained in the first 18 months.

With respect to employment agreements made after 1 January 2005, if the employment terminates at Saab's initiative, a maximum severance pay of 18 months shall be applied in addition to the 6-month notice period. Termination pay and severance pay shall be deducted against income from other employment during the corresponding time. In specific cases, the Board may have the right to deviate from the guidelines.