

Report on how Saab's nomination committee has conducted its work

Background

In accordance with the resolution passed at the annual general meeting 2007, and following the waiver by BAE Systems of its right to appoint a representative, each of the four largest shareholders has appointed one representative to constitute, together with the chairman of the board of directors, Saab's nomination committee.

In this connection, mention should be made of a clause in the shareholders agreement between the main owners Investor and BAE Systems, under which Investor shall nominate three members and BAE Systems shall nominate two members.

The nomination committee for the annual general meeting of 2008 was comprised of: Petra Hedengran (Investor AB), chairman, Peter Wallenberg Jr (Knut and Alice Wallenberg's Foundation), Nils Petter Hollekim (Odin Funds Norway) and Mats Lagerqvist (Swedbank Robur Funds) as well as Marcus Wallenberg, chairman of the board of directors. The four owner representatives represent approximately 50 percent of the votes of Saab. BAE Systems, which holds 20 percent of the votes, has declared that it supports the recommendations of the nomination committee.

According to the resolution of the annual general meeting 2007, the nomination committee shall make the following recommendations:

- Recommendation for chairman of the annual meeting
- Recommendation for board members
- Recommendation for the chairman of the board
- Recommendation for board fees, allocated among the chairman and the other board members, along with compensation for committee work
- Recommendation for fees to the company's auditors
- Recommendation for appointment of a new nomination committee for the annual general meeting 2009

The work of the nomination committee

The nomination committee has held four minuted meetings and there have been contacts among the members between these meetings. The nomination committee has, as the basis for its recommendations, reviewed the result of the evaluation of the board of directors that has been carried out and assessed the extent to which the present board of directors meets the demands that will be

made of the board as a consequence of the company's current position and future direction.

Marcus Wallenberg became the chairman of Saab in 2006. The nomination committee recommends the re-election of Marcus Wallenberg as chairman.

The nomination committee has proposed Sten Jakobsson as a new board member. Since 2001, Sten Jakobsson is President and CEO of ABB Sweden. Sten Jakobsson has been active within ABB for thirty years, above all within the units of cable and voltage transmission. He has also carried out the large restructuring of the Swedish ABB organization during the years 2002-2003. The members of the nomination committee have met with Sten Jakobsson, and find that his solid management and leadership experience along with specific knowledge and experience of complicated construction and development projects will further broaden and supplement the competence of the board of directors. No other recommendations for board members have been received by the nomination committee.

The nomination committee thus recommends Sten Jakobsson for member of the board of directors of Saab. More detailed information about Sten Jakobsson is set forth on the company's web site.

The recommendation for the composition of the board fulfils the requirements of the Swedish Code of Corporate Governance regarding the number of members that are to be independent of the company and its management, as well as independent of major shareholders of the company. Sten Jakobsson is independent in relation to the company, as well as in relation to the company's larger shareholders. A full statement of the dependence or independence of the board members is set forth on the company's web site.

Since the introduction on the stock exchange in 1998, the board fees have only been increased two times. No increase was made last year. The workload for the board members, as well as the complexity of the board work is increasing. In order to retain and recruit relevant competence of the board, the nomination committee is of the opinion that the fees to the board of directors of Saab should be raised.

The nomination committee therefore recommends a raise of SEK 890,000, including the fee to the proposed new board member, to a total fee of SEK 4,215,000 (3,325,000) to be allocated with SEK 1,100,000 (1,000,000) to the chairman, and SEK 425,000 (375,000) to each of the other board members elected by the AGM and not employed by the company, with compensation for committee work SEK 565,000 (450,000) to be allocated as follows: SEK 150,000 (120,000) to the chairman of the audit committee, and SEK 100,000 (70,000) to each of the other members, and SEK 135,000 (120,000) to the chairman of the remuneration committee, and SEK 80,000 (70,000) to each of the other members.

The nomination committee is of the opinion that it is to the advantage of the company and its shareholders that the board members, regardless of whether they are already shareholders of the company, use part of the remuneration for

the board work to acquire shares in the company. The nomination committee has therefore decided to recommend the board of directors of Saab to continue to apply the policy for shareholding of the board members that was adopted in 2006. According to this policy, in order to facilitate financing of share purchases, the board of directors shall resolve that 25 % of the board fees be paid out as soon as possible after the annual meeting, in order to enable the members to use the post-tax net funds to acquire shares in the company early on during their term. The intention is that shares acquired for part of the board fees are to be retained for as long as each director person remains on the board of directors. It is noted that the policy has been followed by all remunerated members.

As to fees to the auditors for the financial year 2008, the nomination committee recommends the shareholders meeting to resolve that such fees shall be paid according to approved invoices, since the fees are not currently known.

The nomination committee's recommended resolutions

The nomination committee makes the following recommendations for resolutions:

- Marcus Wallenberg for chairman of the annual general meeting.
- Ten board members and no deputies.
- Board fees of SEK 4,215,000 to be allocated as follows: SEK 1,100,000 to the chairman and SEK 425,000 to each of the other board members elected by the annual general meeting and not employed by the company, with compensation for committee work of SEK 565,000 to be allocated as follows: SEK 150,000 to the chairman of the audit committee, and SEK 100,000 to each of the other committee members elected by the AGM, and SEK 135,000 to the chairman of the remuneration committee and SEK 80,000 to each of the other committee members elected by the AGM.
- Auditors' fees to be paid according to approved invoices.
- Re-election of members Erik Belfrage, Lennart Johansson, Peter Nygårds, Michael O'Callaghan, George Rose, Per-Arne Sandström, Åke Svensson, Lena Treschow Torell and Marcus Wallenberg.
- New election of Sten Jakobsson.
- Marcus Wallenberg for chairman of Saab AB.
- Appointment of nomination committee in accordance with the recommendation made in 2007.

Information about all proposed members of the board of directors of Saab AB is set forth on the company's web site.