

## The Saab AB Board of Directors' report according to 9.1 and 10.3 in the Swedish Corporate Governance Code

The Remuneration Committee has evaluated the remuneration to the senior executives of Saab AB, including variable remuneration, the application of the guidelines for remuneration and other terms of employment to senior executives that were resolved at the Annual General Meeting in 2014, as well as the current remuneration structures and remuneration levels in the company.

The Remuneration Committee is of the opinion that the guidelines that were resolved in 2014 achieve their purposes to facilitate the recruitment and retention of senior executives.

The Remuneration Committee has studied an external market analysis which indicates that the remuneration to senior executives is generally in line with the applicable levels in industries and markets comparable to Saab.

The Remuneration Committee has also undertaken an evaluation of the long-term variable remuneration in the form of Saab's long-term share based incentive program, consisting of a Share Matching Plan for all permanent employees and a Performance Share Plan for senior executives and other key-employees. The evaluation shows that the number of participants has increased in percentage, in both the Share Matching Plan 2014 as well as the Performance Share Plan 2014, compared to earlier years. The conclusion is that the long-term incentive program, including the modifications of the Performance Share Plan resolved at the Annual General Meeting 2014, is effective and fulfils the purpose with the program. The Remuneration Committee has therefore recommended the Board of Directors to propose to the Annual General Meeting 2015 to resolve on a long-term incentive program 2015, consisting of a Share Matching Plan and a Performance Share Plan, unchanged compared to the program in 2014.

Altogether, the Remuneration Committee considers that the current remuneration structures and remuneration levels in the company are in line with market competitive levels. The Remuneration Committee has therefore recommended the Board of Directors to propose to the Annual General Meeting 2015 to adopt principles of remuneration with the same content as those that were resolved at the Annual General Meeting in 2014.

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**Linköping in March 2015**

**The Board of Directors in Saab AB (publ)**