

Annual General Meeting of Saab AB

The shareholders in Saab Aktiebolag (publ) are hereby invited to attend the Annual General Meeting in Kungliga Tennishallen in Stockholm on Wednesday, 5 April, 2006 at 18.00. Admission from 16.30. In connection with the meeting, there will be a presentation of Saab's activities. Light refreshments will be provided after the meeting.

RIGHT TO PARTICIPATE

Only shareholders appearing in the listing from the Shareholders' Register issued by the Securities Register Center, VPC AB, on Thursday, 30 March, 2006, are entitled to take part in the Annual General Meeting after submitting an application.

Shareholders who have appointed a bank's trustee department or other administrator to manage their shares must temporarily re-register the shares in their own name in order to be entitled to take part in the meeting after submitting an application. Shareholders must request temporary re-registration a sufficient number of working days before Thursday, 30 March, 2006 in order to be entered in the Shareholders' Register.

APPLICATION

Shareholders wishing to attend the Annual General Meeting must notify Saab by telephone (+46 13 18 20 55), by fax (+46 13 18 33 50), by post (with separately sent invitation), or via the Internet (www.saabgroup.com/arsstamma) no later than 12.00 noon on Thursday, 30 March, 2006.

The application form must include the shareholder's name, personal identity number (if applicable), address and telephone number, and notification of the attendance of any assistants. If the shareholder is represented through a power of attorney, a registration certificate or other authorization document, this should be sent to Saab AB, Corporate Legal Affairs, CJ-MG, SE-581 88 Linköping in good time before the Annual General Meeting.

The information you provide will be used only for the Annual General Meeting.

AGENDA

The Agenda for the Annual General Meeting will be as follows:

1. Election of Chairman for the Meeting
2. Drawing up and approval of the voting list
3. Approval of the Agenda
4. Election of persons to verify the Minutes
5. Motion as to whether the Meeting has been duly convened
6. Presentation of the Annual Report and the Auditors' report, the Consolidated Annual Report and the Consolidated Auditors' report
7. Address by the President
8. Resolutions on:
 - (a) Approval of the parent company's Income Statement and Balance Sheet, and the Consolidated Income Statement and Balance Sheet
 - (b) Allocations in respect of profit according to the approved Balance Sheet and record day for dividend
 - (c) Discharge from liability for the Members of the Board and the President
9. Stipulation of the number of regular Members and deputy Members of the Board, and in this connection report from the Nomination Committee
10. Stipulation of remuneration for the Board and the Auditors
11. Election of regular Members and deputy Members of the Board
12. The Board's proposal for a resolution on changes of the Articles of Association
13. The Board's proposal for decision to empower the Board to decide on acquisition and transfer of the company's own shares
14. The Board's proposal for a resolution on principles of remuneration and other terms of employment for the group management
15. Proposal for a resolution regarding the Nomination Committee

DIVIDEND AND RECORD DAY (item 8b)

The Board proposes a dividend of SEK 4.00 per share and that the record day should be Monday, 10 April, 2006. Based on this date, the Securities Register Center is expected to send out the dividend on Thursday, 13 April, 2006.

CHAIRMAN OF THE ANNUAL GENERAL MEETING, BOARD AND AUDITORS

(item 1, 9, 10 and 11)

In regard to Chairman at the Annual General Meeting, Chairman of the Board, the number of Board members, remuneration and election of Board members, holders of class A shares and class B shares (Investor, BAE Systems, Knut och Alice Wallenbergs Stiftelse, Robur and AMF Pension), who together represent about 70 % of the total number of votes in the company, have notified that they intend to vote in favour of the following proposals at the Annual General Meeting:

- Anders Scharp for Chairman of the Annual General Meeting.
- Nine Board members and no deputy Board members.
- Directors' fees of SEK 2,875,000 to be allocated as follows: SEK 1,000,000 to the Chairman of the Board, and SEK 375,000 to each of the other directors elected by the General Meeting who is not employed by the company, and a fee for committee work of SEK 450,000, to be allocated by resolution of the Board among the Board members who serve on a committee instituted by the Board, of which however SEK 250,000 shall be paid to the audit committee and SEK 200,000 to the remuneration committee. BAE Systems' Board members do not receive a fee.
- Auditors' fees to be paid according to approved invoice.
- Re-election of Erik Belfrage, Stephen Henwood, Peter Nygård, George Rose, Per-Arne Sandström, Åke Svensson, Lena Treschow Torell and Marcus Wallenberg.
- New election of Lennart Johansson, since 1 January 2006 a member of Investor AB's management group and responsible for Business Development, before this, Managing Director of the venture capital company b-business partners, with its registered office in Holland. He has worked for Atlas Copco between 1982-1985 and 1987-2000, first in accounting and internal control and thereafter in different management positions, from 1991 in group management.
- Marcus Wallenberg for Chairman of Saab AB.

Anders Scharp has declined re-election.

Information about all the Board members proposed for Saab AB's Board may be found on the Company's homepage.

At the Annual General Meeting in 2003, the registered accounting firm, Ernst & Young, was elected as auditor for a term of four years, and at the Annual General Meeting in 2005, the registered accounting firm, Deloitte & Touche was elected also for a period of years. No election of auditors this year.

Adine Grate Axén, Chairman (Investor), Peter Wallenberg Jr (Knut och Alice Wallenbergs Stiftelse), Mats Lagerqvist (Robur), Christer Elmehagen (AMF Pension) and Anders Scharp (Chairman of the Board of Saab) have participated in the nomination process.

ARTICLES OF ASSOCIATION (item 12)

The Board's proposal for changes of the Articles of Association is occasioned by the new Swedish Companies Act that entered into effect on 1 January 2006 and comprises in all material respects the following:

- § 5 To be deleted; the system with par value of the shares has been abolished.
A new § 5 shall provide as follows:
"The number of shares shall be not less than 46,875,000 and not more than 187,500,000."
- § 7 To be supplemented by a provision that the preferential right of shareholders in case of share issues shall comprise also issues by set-off; the prior provision concerned only cash issues. Furthermore, the preferential right of shareholders in case of a cash issue or an issue by set-off shall comprise also issues of warrants and convertible promissory notes.
A new third paragraph shall provide as follows:
"If the Company resolves to issue, through a cash issue or an issue by set-off, warrants or convertible promissory notes, the shareholders shall, respectively, have preferential right of subscription to the warrants as if the issue concerned the shares that may be subscribed under the warrant, and preferential right of subscription to the convertible promissory notes as if the issue concerned the shares that the convertible promissory notes may be exchanged for."
- § 8 The provision about the term of the Board members is to be deleted; this does not have to be stated according to the new Companies Act.

- § 9 To clarify that auditors may be elected both at the annual general meeting as at an extraordinary general meeting, a language adjustment is proposed.
- § 11 The provision that the General Meeting shall be opened by the Chairman of the Board of Directors or by a person appointed by the Board of Directors for this purpose is to be deleted; this is set forth in the act.
- § 12 The provision that a notice convening a General Meeting may be made in an "other national newspaper" is to be deleted in order not to contravene the new act.
The stipulated record day for participating in the General Meeting shall according to the new act be "five business days" before the General Meeting, instead of "ten days".
Furthermore, the new act expands the concept of being included as a shareholder "in a printout of the shareholders' register" to being included as a shareholder "in a printout or other representation of the shareholders' register".
- § 13 "Ordinary Annual General Meeting" is replaced by "Annual General Meeting".
- § 14 The new act defines the term CSD (Central Securities Depository) provision in a new manner. New wording: "The Company's shares shall be registered in a CSD (Central Securities Depository) register under the Financial Instruments Accounts Act (1998:1479)."

ACQUISITION AND TRANSFER OF THE COMPANY'S OWN SHARES (item 13)

The Board proposes that the Board for the period until the next Annual General Meeting be empowered to make decisions both on the acquisition of the company's own shares of share class B on the Stockholm Stock Exchange and on acquisitions in accordance with purchase offer, and on the transfer of shares on the Stock Exchange or in other way than on the Stock Exchange bestowing the right to decide on deviations from shareholders' preferential rights and that payment be possible in other than monetary form. Repurchase shall be permitted whereby the company's own holding amounts to at most one tenth of all shares in the company. The purpose of the proposed repurchase facility is to allow the Board increased scope for action in working with the company's capital structure or the financing of company acquisitions. The complete proposal of the Board is available from the Company and on the Company's homepage.

REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR THE

GROUP MANAGEMENT (item 14)

Group Management and Executive Management/Managers refer to the CEO and other members of the Group Management. The members of this group covered by the terms are presented on the Company's homepage.

Saab shall offer employment terms in line with market conditions to enable the company to recruit and retain Executive Managers. The remuneration structures should be predictable as far as possible, both in terms of costs for the company and benefit to the employee, and should be based on such factors as position, expertise, experience and performance. Terms shall be continuously checked against other relevant industries and markets.

The principles for remuneration must be adaptable to local conditions.

The Board's proposal is primarily based on existing agreements between Saab AB and each individual manager. No Board fee shall be payable for Group Management involvement in the boards of individual business units.

The Board has appointed a Remuneration Committee, whose responsibility it is to develop and review pay structure and other employment terms for the Group Management. The committee comprises the Board Chairman and a further two Board members not employed by the company.

Remuneration

Cash remuneration should comprise a fixed and a variable portion. The fixed salary is reviewed every other year from 1 January for all Group Management members, and the variable portion is regulated in agreements drawn up annually with each individual manager.

The CEO's variable portion is based on the degree to which pre-defined quantitative and qualitative goals have been accomplished. For other members of the Group Management, quantitative goals primarily apply.

The variable portion shall be a maximum of 50 % of the fixed salary for the CEO, and between 25 % and 35 % of the fixed salary for other Group Management members.

All Group Management members shall be entitled to a company car in line with Saab regulations.

Pension

A retirement age of 62 applies for all pension agreements entered into after 1 January 2005. Pension, over and above the ITP plan, shall be premium-based and provisions shall be made annually. For the CEO the provision amounts to 35 % of the fixed salary, and for other Group Management members the percentage is based on a system regulated in the 'Saab Plan'. The percentage depends on the number of years remaining until retirement age at the start of the plan.

Other terms of employment

All members of the Group Management, including the CEO, shall have a mutual period of notice of 6 months. In addition to salary during the period of notice, severance pay of one year's salary shall also be paid. A further year's salary may also be payable if the manager has failed to find a new position in the first 18 months.

For employment contracts signed after 1 January 2005, maximum severance pay of 18 months' salary shall apply, in addition to a period of notice of 6 months on the company's part. Salary during the period of notice and severance pay shall be reduced by an equivalent amount if other employment is found during the relevant periods.

NOMINATION COMMITTEE (item 15)

Owners of class A and class B shares (Investor, BAE Systems, Knut och Alice Wallenbergs Stiftelse, Robur and AMF Pension), who together represent approximately 70 % of the total number of votes in the company, have declared that they will submit the following proposals to the Annual General Meeting for resolution:

- That the company appoints a nomination committee consisting of one representative for each of the four shareholders with the largest number of votes, in addition to the Chairman. If any shareholder wishes to abstain from exercising his right to appoint a representative, the shareholder who thereby becomes the shareholder with the largest number of votes shall appoint a representative. The names of the four owner representatives and the names of the shareholders they represent shall be made public no later than six months before the Annual General Meeting of 2007 and shall be based on the known number of votes immediately before such publication. The term of the nomination committee shall continue until a new nomination committee has been appointed. Unless members agree on an alternative, the chairman of the nomination committee shall be that member who represents the shareholder with the largest number of votes.

- That if, during the term of the nomination committee, one or more of the shareholders who have appointed members of the nomination committee are no longer among the four shareholders with the largest number of votes, the members appointed by these shareholders shall offer their places for re-appointment and the shareholder/s subsequently classed among the four shareholders with the largest number of votes shall be entitled to appoint their representatives. Unless there are special reasons, no changes shall, however, be made to the composition of the nomination committee if only marginal changes have occurred in the number of votes or a change has occurred less than two months before the Annual General Meeting. A shareholder who has appointed a representative as member of the nomination committee shall be entitled to remove that representative and to appoint a new representative as member of the nomination committee. Changes in the composition of the nomination committee shall be made public as soon as they have taken place.

- The nomination committee shall produce proposals concerning the following items to be presented to the Annual General Meeting of 2007 for resolution:

- (a) nomination for Chairman of the meeting.
- (b) nominations for the Board,
- (c) nominations for Chairman of the Board,
- (d) proposals for remuneration to the Board, divided between Chairman and other members of the Board, and for remuneration for committee work,
- (e) nominations for auditors,
- (f) proposals for fees to the company's auditors, and
- (g) proposals for appointment of a new nomination committee

- That the nomination committee in its future work shall fulfil the duties that according to the company management code fall upon the nomination committee and that the company at the request of the nomination committee shall provide personnel resources such as a secretarial function in the nomination committee in order to facilitate the work of the committee. Where the need arises, the company shall also pay reasonable expenses for external consultants considered by the nomination committee to be necessary for the committee to fulfil its duties.

Linköping, March 2006

THE BOARD OF DIRECTORS



SAAB