

Saab Group UK tax policy

Scope

Saab serves the global market with world-leading products, services and solutions from military defence to civil security. With operations on every continent, Saab continuously develops, adapts and improves new technology to meet customers' changing needs.

Saab's market offering is broad and consists of complex systems involving a great deal of research and development as well as services with a high degree of repetition.

Saab AB is incorporated in Sweden and its shares are publicly traded on the Swedish Stock Exchange (Nasdaq OMX).

Aim

Our business activities around the world incur a substantial amount and variety of business taxes. We pay corporate income taxes, customs duties, excise taxes, stamp duties, employment and many other business taxes in all jurisdictions where applicable. In addition, we collect and pay employee taxes and indirect taxes such as Value Added Tax (VAT). The taxes we pay and collect represent a significant contribution to the countries and societies in which we operate.

Saab AB is committed to full transparency and compliance with all statutory obligations and full disclosure to tax authorities. This document is intended to satisfy the requirements under Section 161 and Schedule 19 (2) of the UK Finance Act of 2016.

This tax strategy applies to Saab AB and the group of companies headed by Saab AB worldwide.

This tax strategy applies from the date of publication until it is superseded.

1) Group approach to Risk Management and Governance arrangements

Saab believes that a responsible approach to tax is essential for the sustainability of its business. Since most of Saabs customers are Governments, it is in Saabs best interest to maintain complete transparency and forthrightness in its approach to tax. Saabs approach is built on and conforms with Saabs Code of Conduct, which lays out an ethical framework in which Saab commits to operating.

The Global Tax team reports to the Vice President Group Tax, who reports to the Group's Deputy Chief Financial Officer. The Tax team consists of experienced professionals who have experience operating in complex international environments.

Saab ensures that its tax team has the necessary skills and tools to manage its tax position globally towards its international stakeholders. External Tax advice may be sought for significant and/or complex transactions as well as for issues subject to uncertainty.

Saab aspires to report the right and proper amount of tax due according to where value is created and is committed to paying the taxes legally due and ensuring complying with all legislative requirements around the world.

2) Group attitude towards tax planning

Saab complies with all tax rules and regulations on a worldwide basis and only engages in tax planning that is aligned with its commercial business activities. Saab adheres to relevant guidance issued by the Organisation for Economic Co-operation and Development (OECD) for international tax matters.

3) Level of risk related to local taxation the Group is prepared to accept

Saab's tax arrangements are based on its commercial business and economic activities. Saab monitors and reviews its operations worldwide in order to realign its tax arrangements when necessary to be compliant with the tax rules and regulations, including transfer-pricing guidelines.

Saab aligns its transfer pricing policy with the OECD guidelines as well as the guidelines of the various jurisdictions in which Saab operates. Consistent with Saab's tax policy, it regularly seeks professional opinions and advice from independent external advisors on tax matters.

4) Approach of the Group towards dealings tax authorities

As a multinational group with operations and sales in various jurisdictions, Saab is subject to a number of different tax laws. It is the Group's objective to adhere to the relevant tax regulations and to ensure tax compliance in each country.

Saabs' policy is to have its economic results taxed in a compliant manner in all countries where it creates value.

The Group decisions on its structure and on the transactions it enters into are based on its own fair interpretations of applicable tax laws and regulations. The Group aims for certainty on the tax positions it adopts, though in a complex environment with increasing uncertainty, there can be no assurance that the tax authorities will not seek to challenge such interpretations, consequently the Group or its affiliates could become subject to tax claims.

The Group will always act to minimise the risk associated with a tax position, while aiming for tax efficiency as described in this Tax Strategy document. Where tax law is unclear or subject to interpretation, the Group may decide to take a written opinion from an independent third party tax advisor, detailing the facts, risks and conclusions, to support the decision-making process, or to engage with tax authorities to secure alignment on interpretation of tax rules. The level of risk will be deemed acceptable where strong technical arguments exist to support the position and where stakeholders have been consulted appropriately according to the value at stake.