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Policy and Procedure for the appointment and remuneration of advisers

1 VALIDITY

This document applies to everybody within the Saab Group, i.e. Saab AB and any company in which Saab AB has a controlling interest. Gripen International, jointly owned by Saab AB and BAE SYSTEMS is also covered by this document. However, should Gripen International request BAE SYSTEMS to appoint and administer Advisers on its behalf, such appointment shall be made in compliance with the policy of BAE SYSTEMS.

2 DEFINITIONS

‘Bribery’ means, under Swedish law, for any person to or on behalf of a third party accept, agreeing to accept, request or offering a bribe or other improper advantage in business activities.

‘Adviser’ means an independent intermediary, whose function is to promote, assist and support directly or indirectly, our marketing, sales and supply effort in relation to our business activities. The expression includes people and organisations commonly described as sales advisers, agents, middlemen, representatives or marketing consultants.

‘Group’ means Saab AB and any company in which Saab AB has a controlling interest. Saab AB has a controlling interest in a company if by reason of its shareholding, by agreement or by other means it has the power by itself to direct the affairs of that company. Gripen International, a company jointly owned by Saab AB and BAE SYSTEMS, is, for the purpose of this policy, to be treated as being part of the Group. However, should Gripen International request BAE SYSTEMS to appoint and administer Advisers on its behalf, such appointment shall be made in compliance with the equivalent policy of BAE SYSTEMS.

3 PURPOSE

The purpose of this document is to set out detailed policies for the Saab Group in order to comply with appropriate laws and standards in relation to the prevention of bribery and corruption in our business.

Bribery is a criminal offence under the laws of Sweden if it is done by a Swedish company or Swedish national anywhere in the world. Bribery of public officials is also commonly an offence in other countries in which we do business.

Bribery will not be tolerated or any attempt by way of gifts, payments or favours to influence improperly the decisions of our customers or suppliers. Employees who engage in such behaviour will be subject to disciplinary action.

Business shall be carried out in accordance with the principles of the OECD Convention on Combating Bribery of Foreign Government Officials in International Business Transactions (the 'OECD Convention') and we shall comply with the relevant national laws implementing these principles. By adopting this approach, we confirm our intention to do business in accordance with relevant legislation and the company's ethical guidelines.

It is often customary and appropriate to make gifts or to provide hospitality in the course of business. Gifts or hospitality may only be provided where the recipient is allowed to receive such a gift or hospitality under the laws of his country and such gift and hospitality is not, or is not intended to be, a bribe.

The Saab Group recognises that it is common practice to employ advisers in relation to international business activities to advise on business opportunities or the status of particular customers and local conditions, to provide services in support of a negotiation team and generally to promote our goods and services throughout the world.

The advisers are paid for the services they provide. Payment should be in proportion to the services provided and be commercially justifiable. Payment is always subject to applicable laws and regulations concerning payments to overseas destinations. Unfortunately, making payments to advisers can be open to abuse, for example, as a cover for passing bribes to corrupt officials. We need to take steps to ensure that our advisers observe the same high standards as we set ourselves and that arrangements entered into with advisers are not used as, and cannot be considered to be, vehicles to pay bribes.

If you are involved in the appointment or administration of advisers, awareness training will be made available so that you are fully aware of your and our obligations under this policy. Refresher training will be offered on a regular basis. If you think that you should receive awareness training, but have not been offered it, you should discuss this with your line manager.

4 THE POLICY

You must not engage in any way, directly or indirectly, in bribery.

In the context of our business, this means that you must not offer to anyone, or instruct, help, allow or encourage anyone else to offer to anyone, any gift, payment, hospitality, reward or advantage improperly to get or keep any business for the Saab Group or to gain some other improper advantage in relation to our business. In addition, you must not propose or maintain the appointment of an Adviser if you know that the Adviser will, or is substantially certain to, engage in bribery.

An Adviser should normally only be appointed if:

- the appointment is necessary to further our business;
- the appointment relates to specific products, services or duties and is for a limited time;
- the level of payment is appropriate and is commercially justifiable;
- proper enquiries have been made in accordance with this policy to ensure that any payment made to the Adviser, or by the Adviser to someone else, will comply with the requirements of this policy;
- the intended Adviser is not himself an official of a foreign government, an agent of such an official or an employee or agent of a customer and has no close family relationship to such a person;
- the payments to be made to the Adviser are, and will be, properly and accurately documented and recorded, and
- all necessary approvals required by this policy have been obtained.

You may not initiate or approve a proposal to appoint an Adviser unless you have received awareness training in accordance with this policy.

You may not make any commitment (whether oral or in writing) as to the financial or other terms of an agreement with a proposed Adviser until the making of such an agreement between the Adviser and the Saab Group has been approved in accordance with this policy.

If you do not comply with this policy, you will be subject to disciplinary action. In addition, by not complying, you may be breaking the criminal law of Sweden or other countries.

5 RESPONSIBILITIES

The Business Units are responsible for:

- identifying the objectives to be set in appointing the Adviser and the services and deliverables required of the Adviser;
- investigating the credentials of proposed Advisers to confirm their capability to perform the services required;
- determining whether the Adviser's proposed services appear reasonably likely to achieve the objectives for which the Adviser is to be appointed in a manner consistent with this policy;
- selecting and recommending the appointment of preferred candidates;
- preparing and entering into formal agreements, approved in accordance with this policy, with the Adviser;
- seeking advice and approval from Saab International, Corporate Legal Affairs and in specific cases HQ Finance prior to entering into agreements with Advisers;
- taking into account the export marketing costs when making proposals to customers;
- monitoring and verifying the Adviser's achievement of the identified services and deliverables;
- authorising the payment of expenses and in specific cases liaise with HQ Finance to make payments to the Adviser in accordance with the agreement;
- monitoring that the Adviser is acting in a manner consistent with this policy
- identifying employees who require awareness training under this policy and making arrangements for such training through Saab International;
- initiating renewal or termination of agreements with Advisers; and
- administering the registration and filing of agreements with Advisers.

Saab International is responsible for:

- investigating the credentials of proposed Advisers to confirm their suitability to be appointed as Advisers;
- reviewing and approving formal agreements prior to the Business Units entering into agreement with the Advisers;
- ensuring that appropriate awareness training is provided to SI and to everyone identified by BUs as being affected by this policy;
- maintaining a record of employees having attended awareness training;
- reviewing, at any time, all matters relating to Advisers to confirm compliance with this policy;
- advising employees of any non-compliance with this policy;
- monitoring the situation in the Adviser's territory to identify any suggestion that the Adviser may be acting improperly;
- investigating queries about a breach or possible breach of this policy;
- advising the Group's senior management, as appropriate, of substantiated breaches of this policy and recommending corrective action;
- in consultation with Corporate Legal Affairs, recommend and implement amendments to this policy as a result of changing legal requirements, industry best practice or breaches identified; and
- keeping a register of all Advisers appointed by the Saab Group.

HQ Finance is responsible for:

- liaising with Business Units that payments are made
- in specific cases approval of payment and agreements.

Corporate Legal Affairs is responsible for:

- reviewing and approving the formal agreements, from a legal perspective, with Advisers;
- maintaining a standard form agreement to be used to appoint Advisers;
- reviewing that business activities are conducted in compliance with this Policy; and
- in consultation with Saab International review and update this policy and the documents referred to herein as a result of changing legal requirements, industry best practice or breaches identified.

6 CONFIDENTIALITY

Information concerning Advisers and the terms of their appointments shall be treated as strictly confidential. Access to such information will be restricted to those within the Saab Group who need to receive it in order to do their jobs. Access by anyone else will only be allowed in exceptional circumstances or in order to comply with legal requirements.

7 ENQUIRIES CONCERNING CORRUPT PRACTICES

Consultation with Saab International and Corporate Legal Affairs must be sought before responding to any enquiries from anyone outside the Saab Group concerning our policies regarding appointments of Advisers or requests to make a commitment or statement concerning Advisers.

8 APPENDICES

Appendix 1 Procedure for the appointment and remuneration of advisers