

Report on how the election committee has performed its tasks

At the annual general meeting of Castellum AB (publ) ("Castellum") held on March 27, 2008 it was resolved to establish an election committee, in preparation for the annual general meeting to be held in 2009, in order to fulfil the tasks set out in the Swedish Code for Corporate Governance and in order to give a proposal in respect of a procedure for setting up a new election committee. The election committee was duly established by the chairman of the board of directors contacting the three largest registered or otherwise known shareholders at the end of the third quarter of 2008 and inviting each of them to appoint one member of the election committee. Since two of the contacted shareholders refrained from appointing a member, the fourth and fifth largest registered or otherwise known shareholders were consulted. The so appointed members have, together with the chairman of the board of directors, constituted the election committee.

Three recorded meetings have been held by the election committee. At these meetings the election committee has considered all issues listed in the Swedish code for corporate governance as being under the responsibility of the election committee. The election committee has discussed, inter alia, (i) to what extent the current board of directors fulfils the demands that will be made on the board of directors as a result of Castellum's position and future direction, (ii) the size of the board of directors, (iii) the different areas of competence represented and which ought to be represented in the board of directors, (iv) remuneration to the members of the board of directors. The election committee has considered the minutes of meetings prepared by the previous year's election committee and the evaluation report of the board of director's work.

The election committee has decided to propose re-election of Mr Jan Kvarnström, Mr Per Berggren, Mrs Marianne Dicander Alexandersson, Mrs Ulla-Britt Fräjdin-Hellqvist, Mr Christer Jacobson and Mr Göran Lindén as members of the board of directors. Mr Jan Kvarnström is proposed chairman of the board of directors. The election committee has given the reasons for its proposals as stated in Appendix 3(a).

In order to be able to appraise the proposed members of the board of directors' independency in relation to Castellum and its executive management as well as to the larger shareholders in Castellum, the election committee has assembled information on the proposed members of the board of directors. Out of this, the election committee has assessed that only Mr Jan Kvarnström, member of the board of directors since 1994, is to be considered in a position of dependence in relation to Castellum and its executive management.

The level of remuneration to the members of the board of directors is proposed to be SEK 1,525,000 out of which SEK 450,000 shall be allocated to the chairman of the board of directors and SEK 215,000 to each of the remaining members of the board of directors. The proposal entails that the remuneration per person remains the same but that the overall remuneration is reduced by SEK 215,000 since the board of directors is reduced by one member.

The election committee has further prepared a proposal for setting up an election committee in preparation for the annual general meeting to be held in 2010, see Appendix 3(b).

Finally, the election committee has, in order to make sure that Castellum is able to fulfil its obligation to duly inform its shareholders, informed Castellum on how the election committee has performed its tasks and on the proposals that the election committee has decided to present.
