

Report on how the election committee has performed its tasks

At the annual general meeting of Castellum AB (publ) ("Castellum") held on March 26 2009 it was resolved to establish an election committee, in preparation for the annual general meeting to be held in 2010, in order to fulfil the tasks set out in the Swedish Code of 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, in accordance with the annual general meeting's resolution, 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 2009, and inviting each of them to appoint one member of the election committee. Since one of the contacted shareholders refrained from appointing a member, the fourth largest registered or otherwise known shareholder at the end of the third quarter of 2009 was consulted and invited to appoint one member of the election committee. The so appointed members have, together with the chairman of the board of directors, constituted the election committee.

Four recorded meetings have been held by the election committee. At these meetings the election committee has considered all issues listed in the Swedish Code of 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 requirements that will be imposed on the board of directors as a result of Castellum's business and development phase, (ii) the size of the board of directors, (iii) the different areas of competence represented, and which should be represented, on the board of directors, (iv) the composition of the board of directors' with respect to gender, experience and background, and (v) remuneration to the members of the board of directors. When having these discussions, the election committee has, among other things, considered the evaluation report of the board of director's work.

The election committee has decided to propose re-election of all present board members, i.e. Mr. Jan Kvarnström, Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson and Mr. Göran Lindén, and to propose election of Mr. Johan Skoglund as members of the board of directors. Mr. Jan Kvarnström is proposed re-elected as 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' independence 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 being 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 1,825,000 out of which SEK 475,000 shall be allocated to the chairman of the board of directors and SEK 225,000 to each of the remaining members of the board of directors. The proposal entails that the overall remuneration is increased by SEK 300,000 since last year, as the board of directors is proposed to be extended with one member, and the remuneration per person is proposed to be increased by approximately five per cent.

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 2011, 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.
