

Proposal of the board of directors of Castellum AB (publ) in respect of guidelines for remuneration to members of the executive management of the company

The board of directors of Castellum AB (publ) (“Castellum”) proposes that the annual general meeting to be held on March 25, 2010 resolve to approve the following guidelines for determining salary and other remunerations to members of the executive management of the company, to be applicable up until the end of the annual general meeting to be held in 2011.

General

Castellum shall uphold such remuneration levels and terms of employment which are necessary in order to recruit and keep a management with a good level of competence and capacity to reach set goals. Market rate levels shall thus be the overall principle in respect of salary and other remunerations for members of the executive management in Castellum.

Preparation of matters regarding the remuneration to members of the executive management

Castellum has a remuneration committee, consisting of all members of the board of directors. The remuneration committee shall prepare a proposal in respect of guidelines for remuneration to members of the executive management of the company, which shall be presented to, and resolved upon, by the annual general meeting. The remuneration committee shall also assess the application of the guidelines resolved upon by the annual general meeting. Furthermore, the remuneration committee shall, within the scope of the guidelines resolved upon by the annual general meeting, resolve on the remuneration to the managing director and to other members of the executive management of the company. The remuneration committee shall evaluate the managing director’s performance on a yearly basis, and attend to any questions regarding the recruitment and appointment of the managing director. Also, the remuneration committee shall observe and assess programs for flexible remuneration to members of the executive management that are on-going or completed during the year.

The executive members to which the remuneration guidelines apply

The guidelines encompass the group executive management, i.e. managing director, deputy managing director, finance director and financial director of Castellum, and the managing directors of Castellum’s subsidiaries.

Fixed remuneration

A fixed salary shall be paid for work performed in a satisfactory manner. The fixed salary shall be based on market rate level premises, and shall be established considering competence, responsibilities and performance.

Pension terms

The pension terms for the members of the executive management shall correspond to what is general market practise in respect of members of an equivalent executive management, and shall be based on pensions schemes with fixed charges.

Non-monetary benefits

The non-monetary benefits (such as car- and mobile phone benefits) shall facilitate the work to be performed and shall correspond to what is considered to be reasonable in accordance with general market practise.

Termination of employment

The notice period shall, upon termination of the company, not exceed 24 months in respect of the managing director, with a duty to continue his or her work during the first six months, and 12 months in respect of other members of the executive management of the company, with a duty to continue his or her work during the first six months. The notice period shall, upon termination of the managing director or the member of the executive management of the company, be six months. During the notice period, salary and other benefits are paid, with deductions for salary and remuneration deriving from another employment or activity.

Flexible remuneration

In addition to the fixed salary, flexible remuneration may be offered in order to reward clearly goal-referenced achievements by simple and transparent constructions. Flexible remuneration should aim at creating long term value within the group.

The remuneration to the members of the executive management of the company under an incentive program shall be based on (a) growth of the income from property management per share, (b) the development of soft factors, such as customer and personnel satisfaction, and (c) to what extent set goals in respect of the development of the share price have been reached, in relation to both an absolute amount and in comparison to one or several, given the ownership structure of the company, relevant indices for real estate shares.

The undertaking made by Castellum in respect of an incentive program shall not exceed the fixed salary in respect of each member of the executive management of the company during the relevant time period.

The received remuneration under an incentive program shall be paid as salary and shall not be a pension qualifying income.

The board of directors proposes the annual general meeting 2010 to resolve upon the introduction of a new incentive program for members of the executive management.

Information regarding remuneration resolved upon but not due for payment

The present incentive program, which was adopted by the shareholders at the annual general meeting held in 2007 and which essentially was an extension of previous incentive programs, consists of a potential annual profit based remuneration for the years 2008, 2009 and 2010 as well as a potential three-year share price based remuneration for the period June 2008 - May 2011. The maximum outcome in respect of the annual profit based remuneration for 2010 is half of the annual fixed salary, which is correspondent to an annual cost for Castellum of SEK 10 million in total. The maximum outcome in respect of the three-year share price based remuneration is one and a half of the annual fixed salary for the three-year period June 2008 - May 2011, which is correspondent to a cost for Castellum of SEK 29 million in total.

Deviation from the guidelines when there are special reasons for such deviation

The board of directors may deviate from the guidelines if, in particular circumstances, there are special reasons to do so.

Gothenburg, January 20, 2010
CASTELLUM AB (publ)
The board of directors