



The Election Committee's proposal regarding resolutions at the Annual General Meeting 2016

At the Annual General Meeting of Castellum AB (publ) held on March 19, 2015 it was resolved to establish an Election Committee, in preparation for the Annual General Meeting to be held in 2016, in order to fulfil the tasks set out in the Swedish Corporate Governance Code and in order to give a proposal in respect of a procedure for establishing a new Election Committee. The Election Committee has been established and consists of the following shareholder representatives and the Chairman of the Board of Directors:

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| • Johan Strandberg, (Chairman) | SEB Fonder |
| • Rutger van der Lubbe | Stichting Pensioenfonds ABP |
| • Björn Franzon | The Szombatfalvy family and Global Challenges Foundation |
| • Charlotte Strömberg | The Chairman of the Board of Directors |

The Election Committee's proposals

1. The lawyer Sven Unger is proposed to be appointed as Chairman at the Annual General Meeting.
2. The number of Board members is proposed to be seven.
3. Remuneration to the members of the Board of Directors is proposed to be the following (2015 remuneration within brackets).
 - The Chairman of the Board of Directors: SEK 720,000 (SEK 640,000).
 - Each of the other members of the Board of Directors: SEK 315,000 (SEK 300,000).
 - Member of the Board of Directors' Remuneration Committee, including the Chairman: SEK 30,000 (SEK 30,000).
 - Chairman of the Board of Directors' Audit and Finance Committee: SEK 50,000 (SEK 50,000).
 - Each of the other members of the Board of Directors' Audit and Finance Committee: SEK 35,000 (SEK 35,000).

The proposed Board remuneration, including remuneration for committee work, accordingly amounts to SEK 2,820,000 (SEK 2,650,000) provided that the number of committee members remains unchanged. The high activity level and the workload together with the required commitment by the Board members of Castellum are expected to continue to apply in the future. The Election Committee has compared the Board remuneration in Castellum with the Board remuneration paid to Board members

in other comparable companies. Against this background the Election Committee proposes an increase of the Board remuneration in Castellum.

4. The proposed Board members:
- Charlotte Strömberg, Chairman (re-election)
 - Per Berggren (re-election)
 - Anna-Karin Hatt (re-election)
 - Christer Jacobson (re-election)
 - Nina Linander (re-election)
 - Johan Skoglund (re-election)
 - Christina Karlsson Kazeem (new election)

The Board member Jan Åke Jonsson has declined re-election.

Christina Karlsson Kazeem, born in 1965, holds a MSc from the Royal Institute of Technology KTH and since 2012 Christina is the CEO of the B2B firm, Hilanders, with offices in Stockholm and Shanghai. Since the fall of 2015 she is also the Chairman of the Board of Directors of Tomorrow China, with registered office in Hongkong and headquarters in Shanghai. The companies are part of the communication group Intellecta AB (publ) and offer trademark development and strategic communication for a global market to several of the leading export companies in Sweden. Before that, Christina Karlsson Kazeem was market communication manager at Niscayah Group. Between 1999 and 2012 she held several leading positions at digital companies such as Razorfish and Creuna. During the years 1991 to 1998 she was working within city planning and development at the Traffic and Public Transport Authority and Property Management Administration at the City of Stockholm.

5. It is proposed that the Annual General Meeting resolves to establish a new Election Committee in preparation for the Annual General Meeting to be held in 2017 as follows.

The Chairman of the Board of Directors will be instructed to contact the three largest ownership registered or otherwise known shareholders as per the last share trading day in August 2016 and invite them to each appoint one member of the Election Committee. If such a shareholder should not wish to appoint a member, the fourth largest ownership registered or otherwise known shareholder should be consulted and so on. The members appointed shall, together with the Chairman of the Board of Directors (being responsible for the summoning procedure), constitute the Election Committee. The names of the members of the Election Committee shall be announced no later than six months prior to the next Annual General Meeting. The Election Committee shall appoint a Chairman amongst its members. The Election Committee shall fulfil the tasks set out in the Swedish Corporate Governance Code and shall propose a procedure for establishing a new Election Committee.

Should any of those shareholders who have appointed a member of the Election Committee, dispose a significant part of its shares in the company before the Election Committee has fulfilled its task, the member in question must resign, should the Election Committee so decide, and be replaced by a new member appointed by the shareholder who, at the time, is the largest ownership registered or otherwise known shareholder not yet represented in the Election Committee. In the event that any of the members of the Election Committee should cease to represent the shareholder having

appointed the member before the Election Committee has fulfilled its task, the member in question must resign, should the Election Committee so decide, and be replaced by a new member appointed by the shareholder in question. If the ownership of the company should otherwise be altered significantly before the Election Committee has fulfilled its task, the composition of the Election Committee should also be altered, should the Election Committee so decide, in accordance with the principles stated above.

The established Election Committee, as described above, shall serve until a new Election Committee commences its service. A member of the Election Committee shall before the assignment is accepted carefully consider whether any conflict of interest exists.

No remuneration shall be paid to the members of the Election Committee. At the request of the Election Committee, the company shall provide the Election Committee with resources such as administration services in order to facilitate the work of the Election Committee. Furthermore, the company shall bear reasonable costs, e.g. for external consultants, which the Election Committee considers necessary for the fulfilment of the Election Committee's obligations.

Report on how the Election Committee has performed its tasks

All members of the Election Committee have carefully considered and concluded that there is no conflict of interest to accept the assignment as member of the Election Committee of Castellum. Four recorded meetings have thereafter been held by the Election Committee. In addition, the Election Committee has had contact via telephone and email. The Election Committee has received a detailed presentation of the results of the comprehensive evaluation of the Board of Directors, which was carried out with the assistance of a company specializing in evaluations of Board of Directors. The Election Committee has further carried out a recruitment process which involved contacts with an executive search firm, drawing up a profile for the recruitment of a Board member and meetings with candidates to the Board of Directors.

The Election Committee has considered all tasks stated in the Swedish Corporate Governance Code under the responsibility of the Election Committee. The Election Committee has discussed and considered, *inter alia*, (i) to what extent the current Board of Directors fulfills 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 that are and should be represented on the Board of Directors, (iv) the composition of the Board of Directors with respect to experience, gender and background, (v) remuneration to the members of the Board of Directors and (vi) the procedure for establishing a new Election Committee for the Annual General Meeting to be held in 2017. The Election Committee has considered that the gender balance shall be maintained in the Board of Directors during its review of the evaluation of the Board of Directors, the recruitment process and the Election Committee's work in general.

Finally, the Election Committee has – in order for the company to fulfill its information obligation to the shareholders – informed the company on how the Election Committee has performed its tasks and on the proposals that the Election Committee has resolved to present.

Motivated statement in respect of the Election Committee's proposal regarding the Board of Directors

The Board of Directors of Castellum has continuously been renewed but with maintained continuity. Based on, *inter alia*, the evaluation report of the Board of Directors' work, which the Election Committee has considered, the Election Committee is of the opinion that the existing Board of Directors of Castellum is a well-functioning body. As a result of the Election Committee's proposal for Board of Directors, the continuous renewal process will proceed within the Board of Directors. At the same time the Board of Directors is being reinforced with important competence as described below and the gender balance of the Board of Directors is maintained.

The Election Committee considers that the Board of Castellum as a whole, is competent and has extensive experience regarding real property matters in a broad sense, sustainability matters, infrastructure matters and city planning, capital market matters and financing matters, customer relations, insight in transformation trends at both private and public players and regarding board work in general. In efforts to find a successor to Jan Åke Jonsson in the Board, a candidate profile has been prepared in relation to a candidate with good understanding of customer relations and changes in customer behavior, trend analysis, digital conversion and modernization of traditional business operations and within international organizations, and concerning communication and marketing.

The Election Committee considers that Christina Karlsson Kazeem has the competence and experience described above as desirable for a new Board member of Castellum. The fact that she also has been working with matters concerning urban trends, infrastructure projects and city planning is an advantage. Further, the Election Committee considers that Christina Karlsson Kazeem together with the other proposed Board members will constitute a Board of Directors, which all in all has the versatility and competence, experience and background required with respect to Castellum's business, development phase and other circumstances. The Election Committee's proposal implies that four out of seven Board members of the company will be women. Further information about the proposed Board members can be found on www.castellum.se.

In order to be able to evaluate 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 obtained information on the proposed members of the Board of Directors. As a result, the Election Committee has assessed that all of the proposed members of the Board of Directors are to be regarded as independent in relation to Castellum, its executive management and its largest shareholders.

January 15, 2016
The Election Committee in
Castellum AB (publ)