

Report on how the election committee has performed its tasks

At the annual general meeting of Castellum AB (publ) ("Castellum") held on March 22, 2012 it was resolved to establish an election committee, in preparation for the annual general meeting to be held in 2013, 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 appointing 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 2012, 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 2012 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.

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 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, (v) remuneration to the members of the board of directors. The election committee has, among other things, considered the evaluation report of the board of directors' work and has inquired whether the present members of the board of directors are at disposal for re-election.

The election committee has decided to propose re-election of all the present board members; Mrs. Charlotte Strömberg, Mr. Per Berggren, Mrs. Marianne Dicander Alexandersson, Mrs. Ulla-Britt Fräjdin-Hellqvist, Mr. Christer Jacobson, Mr. Jan Åke Jonsson and Mr. Johan Skoglund. Mrs. Charlotte Strömberg is proposed to be re-elected as chairman of the board of directors.

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 obtained information on the proposed members of the board of directors. As a result, the election committee has assessed that all 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.

The level of remuneration to the members of the board of directors is proposed to be SEK 2,025,000, out of which SEK 525,000 shall be allocated to the chairman of the board of directors and SEK 250,000 to each of the other members of the board of directors (including remuneration for work in the audit committee). The board of directors has decided to establish a separate remuneration committee within the board of directors. The remuneration committee shall include three board members, including the chairman of the board of directors, who also will be the chairman of the remuneration committee. The level of remuneration for work on the remuneration committee is proposed to be SEK 30,000 per person, in total SEK 90,000. Compared with last year, the proposal entails an increase of the total remuneration with SEK 135,000 and a total remuneration to the members of the board of directors, including remuneration for work in the remuneration and audit committees, of SEK 2,115,000.

The election committee has further prepared a proposal for establishing an election committee in preparation for the annual general meeting to be held in 2014. The proposal is slightly revised in relation to the process applied in previous years meaning that the composition of the election committee shall be based on the shareholder status as per the last day of share trade in August 2013 (instead of as per September 30, 2013) and the names of the members of the election committee shall be made public no later than six months before the annual general meeting 2014 (instead of in the financial report for the third quarter of the year). Otherwise the proposal is unchanged in relation to the principle previously applied for the establishment of an election committee in Castellum.

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.

January 16, 2013
The election committee in
Castellum AB (publ)