

CASTELLUM

The report by the board of directors of Castellum AB (publ) on the remuneration committee's evaluation of remuneration to the executive management

According to the Swedish Code of Corporate Governance, the board of directors shall establish a remuneration committee, whose task is to prepare the board's decisions in matters concerning remuneration principles, remunerations and other terms of employment regarding the executive management, monitor and evaluate ongoing and during the year finished programs for variable remunerations to the executive management, and monitor and evaluate the application of such guidelines for remunerations to the executive management that the Annual General Meeting, by law, shall decide upon, and current remuneration structures and levels of remuneration in the company.

Castellum's remuneration committee

The board of directors of Castellum has established a remuneration committee which, up to and including the 2013 annual general meeting, consists of all members of the board of directors. The board of directors has decided to establish a separate remuneration committee consisting of three board members, including the chairman of the board of directors as chairman of the remuneration committee. The remuneration committee shall, in relation to the board of directors, have a preparatory function in respect of principles for remuneration, remunerations and other terms of employment regarding the executive management.

The remuneration committee's work

During 2012, the remuneration committee has held four meetings. In addition thereto, a separate recruitment committee within the remuneration committee has this fall and forward on-going prepared the question regarding the recruitment of a new managing director. This matter has also been presented in connection with board meetings. The remuneration committee has mainly worked with the following issues:

- Review of the status in respect of the three-year share price based remuneration program and the annual profit based remuneration program including the decision regarding the outcome in respect of the annual profit based remuneration program.
- Evaluation of the remuneration structures and the remuneration levels in Castellum, including follow-up and evaluation of the current remuneration program;
- Proposal to the board of directors regarding revision of the remuneration package of the group executive management;
- Proposal to the board of directors in respect of renewal of the incentive program to the executive management;
- Evaluation of the application of the guidelines for remuneration to the executive management resolved upon by the Annual General Meeting;
- Annual evaluation of the managing director's performance;

- Proposal to the board of directors regarding the report in respect of the evaluation tasks and other work that the remuneration committee has performed during the year; and
- Preparation of the recruitment of a new managing director.

The remuneration committee's evaluation and assessment

In its work, the remuneration committee has taken into consideration that Castellum shall uphold such remuneration levels and terms of employment necessary to recruit and maintain a competent group executive management with capacity and incentive to achieve established objectives, at costs adapted to the group. The overall principles in respect of the remuneration to the executive management in Castellum shall thus be terms adjusted to general market practice and competitiveness.

In its assessment, the remuneration committee has found that on-going, and during the year finished, incentive programs as well as the remuneration structures and the remuneration levels in Castellum are appropriate for this purpose. This also applies to other conditions of employment for the executive management. The remuneration committee has further concluded that the compensation provided to the executive management has been in accordance with the guidelines established by the Annual General Meeting. The application of the guidelines regarding compensation to executive management has, thus, been correct.

Gothenburg January 22, 2013
CASTELLUM AB (publ)
The board of directors