

## The election committee's proposal regarding resolutions at the annual general meeting 2015

At the annual general meeting of Castellum AB (publ) held on March 20, 2014 it was resolved to establish an election committee, in preparation for the annual general meeting to be held in 2015, 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 duly established. It consists of the following shareholder representatives and the chairman of the board of directors:

- Mr. Björn Franzon (chairman)    The Szombatfalvy family and Stiftelsen Global Challenges Foundation
- Mr. Rutger van der Lubbe        Stichting Pensioenfonds ABP
- Mr. Johan Strandberg            SEB Fonder
- Mrs. Charlotte Strömberg        The chairman of the board of directors

### **The election committee's proposals**

1. The lawyer Mr. 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 (resolution 2014 within brackets).
  - The chairman of the board of directors: SEK 640,000 (SEK 585,000).
  - Other members of the board of directors: SEK 300,000 (SEK 275,000).
  - 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).
  - Other members of the board of directors' audit and finance committee: SEK 35,000 (SEK 35,000).

The proposed total remuneration to the members of the board of directors, including remuneration for committee work, accordingly amounts to SEK 2,650,000 (SEK 2,445,000). The election committee is of the opinion that the activity level, the workload and the required commitment by the board members of Castellum have increased during recent years. These circumstances are expected to continue to apply in the future. The election committee has also compared the board remuneration in Castellum with the board remuneration paid to board members in other comparable

companies. It is against this background, the election committee proposes an increase of the total remuneration to the members of the board of directors.

4. The existing board members Mrs. Charlotte Strömberg, Mr. Per Berggren, Mr. Christer Jacobson, Mr. Jan Åke Jonsson, Mrs. Nina Linander and Mr. Johan Skoglund are proposed to be re-elected as board members. Mrs. Marianne Dicander Alexandersson, board member since 2005, has declined re-election. Further, Mrs. Anna-Karin Hatt is proposed to be elected as new member of the board of directors. Mrs. Charlotte Strömberg is proposed to be re-elected as chairman of the board of directors.

Mrs. Anna-Karin Hatt, born in 1972, has a degree in political science from the University of Gothenburg. During 2010-2014 Mrs. Anna-Karin Hatt was the minister for information technology and energy in the Swedish government. From 2006 until 2010 she was state secretary at the Prime Minister's Office and between 2003-2006 she was chief of staff of the Centre Party's executive staff. Further, Mrs. Anna-Karin Hatt has been managing director of the school company Didaktus Skolor AB and its subsidiary Didaktus Hälso- och Sjukvårdsutbildningar AB during 2002-2003, and she has also been consultant and deputy managing director of the public relations firm Kind & Partners AB between 2000-2001. Before that she worked as, among other things, a speech-writer, the head of secretariat, international secretary and editorial writer. In addition, Mrs. Anna-Karin Hatt has many years' experience from board assignments in innovation organizations and leading positions in both Swedish and international organizations and is the second deputy chairman of the Centre Party since 2011.

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 2016 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 2015 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.

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**

Four recorded meetings have 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 2016. The election committee has especially considered how to maintain the gender balance 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. Four out of seven existing members of the board of directors have been elected during the years 2010-2014. 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 will be maintained.

The election committee has made the assessment that it would be desirable to enforce the board of directors with a member with extensive experience of sustainability matters, with focus on environmental and energy related matters. The profile also includes that the candidates should have a solid understanding of urban trends, infrastructure matters and community planning. The election committee has further made the assessment that a qualified candidate also should have experience from working within the public sector and/or within the political system in Sweden. The final candidate should also be assessed as being able to function well within the board of directors of Castellum.

The election committee considers that Mrs. Anna-Karin Hatt has the competence and experience described above as desirable for the board of directors of Castellum. Further, the election committee considers that Mrs. Anna-Karin Hatt 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 three out of seven board members of the company will be women, including the chairman of the board of directors. Further information about the proposed board members can be found on [www.castellum.se](http://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.

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January 16, 2015  
The election committee in  
Castellum AB (publ)