



## The Election Committee's proposal regarding resolutions at the Annual General Meeting 2017

At the Annual General Meeting of Castellum AB (publ) held on March 17, 2016 it was resolved to establish an Election Committee, in preparation for the Annual General Meeting to be held in 2017, 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:

- Johan Strandberg, (Chairman) SEB Fonder
- Martin Jonasson Andra AP-fonden
- Rutger van der Lubbe Stichting Pensioenfonds ABP
- Charlotte Strömberg The Chairman of the Board of Directors

### The Election Committee's proposals to the Annual General Meeting

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 and the number of auditors is proposed to be one with no deputy auditor.
3. Remuneration to the members of the Board of Directors is proposed to be the following (2016 remuneration within brackets).
  - The Chairman of the Board of Directors: SEK 825,000 (SEK 720,000).
  - Each of the other members of the Board of Directors: SEK 350,000 (SEK 315,000).
  - Member of the Remuneration Committee, including the Chairman: SEK 30,000 (SEK 30,000).
  - Chairman of the Audit and Finance Committee: SEK 100,000 (SEK 50,000).
  - Each of the other members of the Audit and Finance Committee: SEK 50,000 (SEK 35,000).

The proposed Board remuneration, including remuneration for committee work, accordingly amounts to SEK 3,215,000 (SEK 2,820,000), provided that the number of committee members remains unchanged. The work of the Board of Directors in Castellum is characterized by a high activity level and requires considerable effort and great commitment. Castellum has during 2016, mainly through the acquisition of Norrporten, become a significantly larger and more complex company. The Board remuneration shall be at such level that Castellum can attract and retain qualified

members of the Board. The Election Committee has compared the Board remuneration in Castellum with the Board remuneration paid to Board members in other comparable companies and has, considering the above, found that an increase of the Board remuneration is warranted.

4. The proposed Board members are:
  - a) Charlotte Strömberg (Chairman)
  - b) Per Berggren
  - c) Anna-Karin Hatt
  - d) Christer Jacobson
  - e) Nina Linander
  - f) Johan Skoglund
  - g) Christina Karlsson Kazeem

All current members of the Board are accordingly proposed for re-election.

5. In accordance with the Audit and Finance Committee's recommendation, Deloitte is proposed as auditor in Castellum for a one-year term of office until the end of the Annual General Meeting 2018. If the Annual General Meeting resolves to elect Deloitte as auditor, Deloitte has announced that the current authorised auditor in the company, Hans Warén, will be the main responsible auditor at Deloitte.

The Election Committees' proposal on electing the auditor for a one-year term of office, requires that the Annual General Meeting resolves to amend the Articles of Association of the company regarding the term of office at the election of auditor.

6. It is proposed that the auditor's fee shall be paid as per approved accounts.
7. 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 2018 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 2017 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 been held by the Election Committee. In addition, the Election Committee has had contact via telephone and email. The Election Committee has received a presentation from the Chairman of the Board concerning the results of the evaluation of the Board of Directors, and has thereto conducted interviews with all members of the Board of Directors. The Election Committee has further taken note of the Audit and Finance Committees' recommendation to the Board of Directors regarding election of auditor.

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, (vi) questions relating to election of auditor and the auditor's fee and (vii) the procedure for establishing a new Election Committee for the Annual General Meeting to be held in 2018. The Election Committee has considered that the gender balance shall be maintained in the Board of Directors and that the Board shall be characterised by diversity and breadth regarding competence, experience and background. The Election Committee has applied rule 4.1 in the Swedish Corporate Governance Code as diversity policy when preparing the proposal regarding election of members of the Board of Directors.

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 presents.

## **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. The Election Committee is of the opinion that the existing Board of Directors of Castellum is a well-functioning body and that the Board members individually and as a group possesses a wide range of competence and experience that is relevant for Castellum's business. In recent years, the Board's competence and experience has been strengthened within important areas for the business. 2016 has been a year characterised by major changes of the business, *inter alia*, due to the acquisition of Norrporten and restructuring within the group. There is need for continuity and consolidation, while the Board shall procure that the ongoing change process is completed.

The Election Committee considers that the members of the Board of Directors of Castellum are competent and have extensive experience regarding real property matters in a broad sense, sustainability matters, infrastructure matters and city planning, capital market matters and financing matters, customer service and changed customer behaviors, trend analysis, digital conversion, insight in transformation trends at both private and public players, communication and marketing and regarding board work in general. Therefore, the Election Committee considers that the current Board members together constitute a Board of Directors, which 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. Considered the above, the Election Committee proposes that all current members of the Board of Directors are re-elected.

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 17, 2017  
The Election Committee in  
Castellum AB (publ)