

## The Election Committee's proposal regarding resolutions at the Annual General Meeting 2018

At the Annual General Meeting of Castellum AB (publ) held on March 23, 2017 it was resolved to establish an Election Committee, in preparation for the Annual General Meeting to be held in 2018, 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:

- Torbjörn Olsson (Chairman)      Sjätte AP-fonden
- Vincent Fokke                      Stichting Pensioenfonds ABP
- Hans Op't Veld                      PGGM
- 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 (2017 remuneration within brackets).
  - The Chairman of the Board of Directors: SEK 850,000 (SEK 825,000).
  - Each of the other members of the Board of Directors: SEK 370,000 (SEK 350,000).
  - Member of the Remuneration Committee, including the Chairman: SEK 50,000 (SEK 30,000).
  - Chairman of the Audit and Finance Committee: SEK 150,000 (SEK 100,000).
  - Each of the other members of the Audit and Finance Committee: SEK 75,000 (SEK 50,000).

The proposed Board remuneration, including remuneration for committee work, accordingly amounts to SEK 3,520,000 (SEK 3,215,000), provided that the number of committee members remains unchanged. The Board remuneration shall be at such level that Castellum can attract and retain qualified members of the Board. The requirements as regards Board members' workload and engagement increases. This is the case in particular in relation to the work carried out in the committees within the Board of Castellum. The Election Committee assessment is that a certain increase of the Board remuneration and the remuneration paid for committee work in Castellum is warranted.

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

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 for re-election as auditor in Castellum until the end of the Annual General Meeting 2019. If the Annual General Meeting resolves to elect Deloitte as auditor, Deloitte has announced that Hans Warén will continue as the main responsible auditor at Deloitte.
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 2019 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 2018 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, if 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. As an alternative to that the appointed member should resign and be replaced by a new member as mentioned above, the Election Committee may contact the shareholder who, at the time, is the largest ownership registered or otherwise known shareholder not yet represented in the Election Committee, and invite such a shareholder to appoint one member of the Election Committee. If such a shareholder should not wish to appoint

a member, the thereafter largest ownership registered or otherwise known shareholder should be consulted and so on. The total maximum number of members of the Election Committee shall be six. 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, if 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 shall also be altered, if 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. Six 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 concerning the results of the comprehensive evaluation of the Board of Directors, executed by a firm specialized in board evaluation, and has thereto conducted interviews with certain 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 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 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 and succession matters regarding the Board of Directors, (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 fulfil 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 successively 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. The last two years have been characterised by major changes of the business, inter alia, due to the acquisition of Norrporten, restructuring within the group and ongoing work to promote efficiency. The executive management has also been subject to several changes of personnel. Taking the above into account, the Election Committee considers that continuity within the Board of Directors is of importance and that re-election of all current members of the Board of Directors will give the Board of Directors the possibility to secure that the ongoing change process within Castellum is performed according to plan.

The Election Committee considers that the members of the Board of Directors of Castellum are competent and have extensive experience regarding real estate matters in a broad sense, sustainability matters, infrastructure matters and city planning, capital market matters and financing matters, customer service and changed customer behaviour, trend analysis, digitalization, 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.

Further information about the proposed Board members can be found on [www.castellum.com](http://www.castellum.com).

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 22, 2018  
The Election Committee in  
Castellum AB (publ)