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# Corporate Governance report

Sound corporate governance is the foundation of a trusting relationship with shareholders and other key stakeholders in the company's business environment. Governance is also an important component in managing Castellum sustainably and responsibly - all in accordance with the applicable laws, rules and best practices, and customised based on Castellum's operations. This Corporate Governance Report starts off with comments from the Chairman of the Board, followed by information on the structure of corporate governance, shareholders and the Annual General Meeting, the Nomination Committee, the auditor, the Board of Directors and committee work, Executive Management, and compliance and internal control, and the proposals from the Board of Directors regarding remuneration guidelines.



# Time to pass the torch



**CHARLOTTE STRÖMBERG**  
Chairman of the Board

To our esteemed shareholders:  
At the meeting of the Nomination Committee following its appointment in October, I announced that after the 2021 Annual General Meeting it would be time for me to focus on other engagements after nine intense and stimulating years with Castellum. It is with some sadness, but also strong faith in the future, that I address myself to you for the last time in a summation of the past year.

Let me touch on some of the focus areas the Board of Directors has prioritised over the past few years to steer Castellum into a position where we can future-proof value creation and deliver on the promise of a long-term sustainable total return for the share, with a low risk profile.

The shift in the asset portfolio to products and areas with secure, healthy growth is about developing existing holdings, but it is also about letting go of holdings to provide scope for new investments. Under its current management and in strong teamwork with the Board, Castellum has transformed from being a stable but somewhat slow and anonymous property management company to one of Sweden's foremost urban and property developers, with a rapid business tempo.

## **Business that creates values**

In early 2013, the company's property value totalled SEK 36 billion. At the end of 2020, the company's value was listed at nearly SEK 103 billion. Over these eight years - which otherwise coincide with CEO Henrik Saxborn's time at the wheel - 280 acquisitions with an aggregate value of SEK 45 billion have been completed, and extensions and reconstructions to existing holdings are estimated at close to SEK 11 billion. Moreover, approximately SEK 7 billion has been invested in the development of new properties. During the same time period, 280 properties at a value of nearly SEK 20 billion were sold. In total, gross activity of close to SEK 85 billion, nearly 2.5 times the value of the original holdings.

Out of all the decisions on the Board's agenda, investment matters are among the most critical for driving and protecting value. Having the courage to take risks, and the wisdom to let things be. Despite the challenges following from COVID-19, the year just concluded has been no exception where activity is concerned. There were a large number of Board meetings: 20 in all, primarily digital. I am extraordinarily proud of the level of commitment, the breadth of competence and the strong integrity that the current Board demonstrated during the year. A mix of members with long and varied experience in major listed companies, and members with more limited Board experience but with expertise in relevant fields have enabled efficient Board activities.

## **Yield at low risk**

Another focus area for the Board goes by the name of business cycle- and trend-proof operations. After a number of years with extremely favourable conditions for the property management industry, with significant increases in rents and falling required investment yields, initiatives to reduce the risk commenced a few years ago. Portfolio risk has been reduced through increased focus on quality and tenants with a stable base, such as government agencies. Efforts that also manifested Castellum as an international leader in sustainability - or, expressed in more international terms, "taking the yellow jersey in Environmental, Social and Governance (ESG)" - have lowered operating risk while driving profitability.

Access to financing under attractive terms is the single largest risk for a property management company. Castellum's CFO has consciously led the company to a position at the forefront as an attractive borrower through successful work on its credit rating as well as access to various financing sources, which have reduced financial risk.

Investors – both domestic and international – are continually raising the bar for ESG and in contrast to other alternatives, Castellum stands out as “investment-worthy” based on these criteria. This is a position worth defending and safeguarding. Wavering confidence can have consequences for financing from both the stock market and creditors.

### Gaze fixed on the road ahead

Predictions about the future testified to changed preferences among our customers long before the pandemic, which gave Castellum a head start in developing its customer offering, especially through the acquisition of the co-working pioneer United Spaces two years ago.

The fact that Castellum was already out of the starting gate in comprehensive efforts to change in relation to customers would be a success factor when crisis management in the wake of COVID-19 came to dominate the agenda. It is my conviction that being this close to the customer, which became a must in the spring, will lead to deeper long-term and profitable relationships for Castellum.

During the year, the Board adopted two road maps for climate neutrality by 2030: a more traditional one pertaining to property management, another ground-breaking one in the more challenging field of project development. One important measure towards achieving these goals is the ongoing massive expansion of solar cells on new and existing properties, which both creates dependability and reduces costs, and promotes more renewable electricity in the Swedish power grid.

### Passing the torch on

In the years since the company’s listing in 1997, Castellum’s Board of Directors and its management have regarded the annual meeting in Gothenburg as a high point where we have had the opportunity to meet many of our owners, both large and small.

Not only to listen, but to talk about Castellum’s challenges and successes. As a consequence of the COVID-19 pandemic, we were unable to meet in 2020. Nor will the 2021 Annual General Meeting provide opportunities for physical meetings.

It thus remains for me to pass the torch to a new Chairman of Castellum – and a Board of Directors with a new composition – remotely.

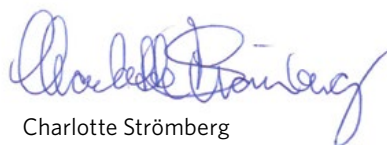
As shareholders, you have a particularly great responsibility at the Annual General Meeting on 25 March 2021 to vote for the future, and Castellum’s management, with all due consideration.

You have a choice between two different proposals for the Board, which is unique in modern Swedish corporate governance. It may seem difficult, but I want to encourage you to carefully study both alternatives and think beyond what’s just around the corner.

My hope is that Castellum will retain its distinctive character as an independent player, with high ambitions for order and clarity and reliable corporate governance that strengthens the confidence of the world around us in the Swedish stock market. Over the last ten years, this model has delivered an average total return of 14% to Castellum’s shareholders despite lower financial leverage than most Swedish listed property companies. For the 23rd year in a row, you as our shareholders will take a position on a proposal from the Board for an increased dividend.

For my part, I look forward to seeing you at the 2022 Annual General Meeting, but then only in my capacity of a devoted shareholder in Castellum, like all the rest of you.

Gothenburg, 15 February 2021



Charlotte Strömberg

# Overall governance structure

## Articles of Association

The name of the Company is Castellum Aktiebolag and the company is a public limited company. The head office of the Company is in Gothenburg. The objective of the Company's operations is to acquire, administer, develop and sell properties and securities, directly or indirectly through wholly or partially owned companies, and to conduct other operations compatible with these. Changes to Castellum's Articles of Association are made in accordance with the provisions of the Companies Act. The Articles of Association in their entirety can be accessed at the company's website, [www.castellum.se](http://www.castellum.se).

## The Swedish Corporate Governance Code

Corporate governance covers the various means of decision-making by which the shareholders directly and indirectly control the Company. Corporate governance in Swedish listed companies has been developed through laws, recommendations and statements as well as through self-regulation. The Swedish Corporate Governance Code (the "Code") is important for corporate governance in Swedish listed companies.

The model below describes the overall structure of corporate governance at Castellum.

## Compliance with the Code

In the opinion of the Board, Castellum complied with the Code in all respects in 2020 and has no deviations to report or explain.

## Shareholders and shares

Castellum Aktiebolag (publ) is a Swedish public limited company governed by the Swedish Companies Act, the Nasdaq Stockholm Rulebook for Issuers, the Code and the Articles of Association.

### EXTERNAL REGULATIONS

The external framework for corporate governance includes:

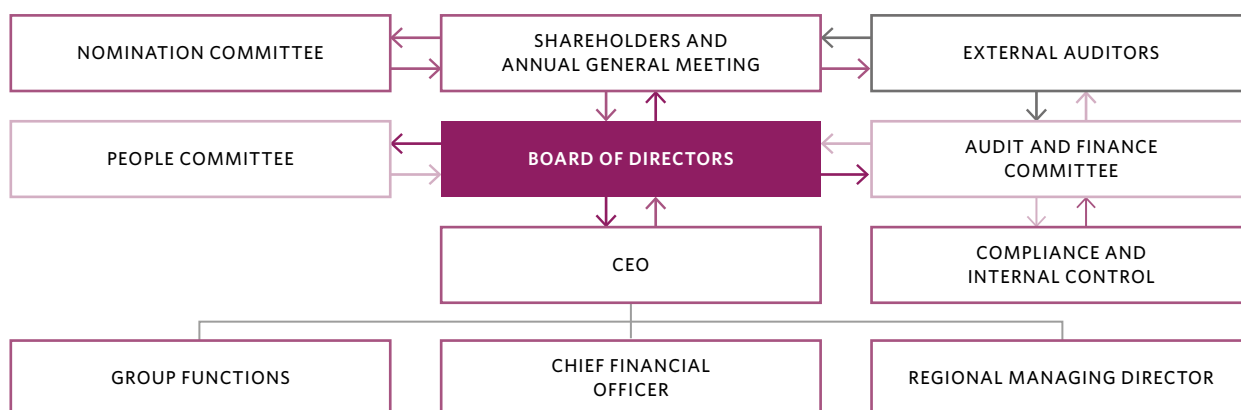
- The Swedish Companies Act
- The Nasdaq Stockholm Rulebook for Issuers
- The Swedish Corporate Governance Code (the Code)
- IFRS standards.
- EU accounting regulations
- The UN Global Compact
- The EU Market Abuse Regulation (MAR)

### IMPORTANT INTERNAL REGULATIONS

- Articles of Association
- The Board of Directors' rules of procedure
- Resolution procedure
- Policy regarding the composition of the Board, authorised signatories, proxy forms and authorisations
- Rules of procedure for subsidiary Boards of Directors
- Communication policy, financial policy, tax policy, insider policy, sustainability policy, Code of Conduct, Code of Conduct for suppliers and crisis management policy
- Manuals and guidelines for important parts of operations
- Processes for internal control and risk management

The Castellum share is traded on Nasdaq Stockholm Large Cap. At 31 December 2020, Castellum had approximately 85,000 shareholders. Of the total share capital, 52% was owned primarily by Swedish institutions, funds and private individuals, and 48% by foreign investors. The largest owner of Castellum is Rutger Arnhult, who owns 17.8% of the shares outstanding through a company, which is the only registered shareholder with holdings exceeding 10% of the shares in the Company.

The share capital amounts to SEK 138,631,455.50 distributed among 277,262,911 registered shares with a quotient value of SEK 0.50. Each share entitles the holder to one vote and carries an equal right to a share in Castellum's capital. There are no warrants, convertible bonds or similar securities which may lead to additional shares in the Company.



# Annual General Meeting

The Annual General Meeting (the "AGM") is Castellum's supreme decision-making body, where shareholders have the right to take decisions concerning the Group's affairs.

The AGM is held in Gothenburg during the first half-year after the end of the financial year.

The AGM elects the Board of Directors and the Company's auditor, as well as passing resolutions on items including the distribution of profits and the discharge from liability of the Board and the Chief Executive Officer.

Decisions at the AGM are usually taken by simple majority (i.e. with the support of more than half of the votes cast at the meeting). On certain issues, however, the Swedish Companies Act stipulates that proposals must be approved by a larger proportion of the shares represented and votes cast at the AGM.

## Annual General Meeting 2020

The latest AGM was held on March 19, 2020, in RunAn, Chalmers Student Union, Chalmersplatsen 1, in Gothenburg. 628 shareholders were represented at the Meeting, representing 58% of the number of shares and votes. The company's auditor was in attendance at the meeting. In order to reduce the spread of COVID-19, only a limited number of people from the Board, corporate management and the Nomination Committee were in attendance.

The AGM adopted the financial reports for 2019 and discharged the Board of Directors and the CEO from liability regarding operations for 2019.

At the AGM on 19 March 2020, the following was decided:

- A dividend of SEK 6.50 per share for the 2019 financial year, divided into two equal payouts (March and September, respectively) of SEK 3.25 per share;
- That remuneration to the members of the Board of Directors is to be KSEK 4,640, of which KSEK 1,215 should be allocated to the Chairman of the Board of Directors and KSEK 425 to each of the other Board members. Fees to the Chairman of the People Committee are to be KSEK 100 and KSEK 75 to the remaining members. Fees to the Chairman of the Audit and Finance Committee are to be KSEK 200 and KSEK 100 to the remaining members;
- Re-election of Board members Charlotte Strömberg, Per Berggren, Anna-Karin Hatt, Christer Jacobson, Christina Karlsson Kazeem and Nina Linander. Election of Zdravko Markovski and Joacim Sjöberg as new members. Re-election of Charlotte Strömberg as Chairman of the Board of Directors; re-election of Deloitte as auditor. Authorised public accountant Hans Warén is Castellum's auditor in charge.

- Approval of the proposed guidelines for remuneration to senior executives.
- Mandate for the Board to resolve, for the purpose of issuing shares as payment or for financing property investments, on new issue of shares.
- Mandate for the Board to resolve, for the purpose of adjusting the Company's capital structure and to transfer treasury shares as payment or for financing of property investments, on the acquisition and transfer of treasury shares.

## The 2021 AGM

For the AGM on 25 March 2021 the Board of Directors proposes a dividend of SEK 6.90 per share, divided into two payments of SEK 3.45 each.

Two proposals regarding the Board of Directors have come in ahead of the AGM.

- The Nomination Committee, represented by its majority – Patrik Essehorn, Magnus Strömer and Christina Tillman – propose that the number of Board members should be seven, and that members Per Berggren, Christina Karlsson Kazeem, Zdravko Markovski and Joacim Sjöberg be re-elected. Furthermore, the election of new members Rutger Arnhult, Anna Kinberg Batra and Anna-Karin Celsing is proposed. The election of Rutger Arnhult as the new Chairman of the Board is proposed.
- Stichting Pensioenfonds ABP, and Nomination Committee members Vincent Fokke and Charlotte Strömberg, propose that the number of Board members should be seven and that members Per Berggren, Anna-Karin Hatt, Christer Jacobson, Christina Karlsson Kazeem, Nina Linander, Zdravko Markovski and Joacim Sjöberg be re-elected. The election of Per Berggren as the new Chairman of the Board is proposed. Anna-Karin Hatt, Christer Jacobson and Nina Linander have announced that they will not stand for re-election if Rutger Arnhult is elected as a Board member of Castellum.

The Nomination Committee proposes the following:

- Fees to be paid to Board members as follows.
  - Chairman of the Board: SEK 1,015,000.
  - Each of the other Board members: SEK 425,000.
  - People Committee: Chairman SEK 100,000/each of the other members: SEK 75,000.
  - Audit and Finance Committee: Chairman SEK 200,000/each of the other members: SEK 100,000.

At the individual level, the proposed Board fees are thus unchanged from the previous year.

- Re-election of Deloitte as auditor. Deloitte has announced that Harald Jagner will be the new auditor in charge, if the AGM appoints Deloitte as auditor.

- That the meeting resolve to inaugurate a new Nomination Committee ahead of the 2022 AGM through the Chairman of the Board contacting the four largest registered or otherwise known shareholders, excepting such shareholders that the Chairman of the Board may represent, as of the last share trading day of August 2021 and asking them to appoint one member each. The four members thus appointed, plus the Chairman of the Board, will constitute the Nomination Committee. The Nomination Committee appoints a Chairman from its members. The names of the Nomination Committee members will be announced no later than six months before the next AGM.

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## Nomination Committee

The 2020 AGM resolved that a Nomination Committee should be appointed for the 2021 AGM in order to present proposals for: the number of members of the Board of Directors; election of members to the Board of Directors, including Chairman; election of auditors; remuneration to Board members and auditors; and a model for appointing a new Nomination Committee for the 2022 AGM.

The Nomination Committee's proposal will be announced at the latest in connection with the notice to attend the AGM, and shareholders will be given the opportunity to contact the Nomination Committee with proposals for nomination.

At the 2020 AGM, it was resolved that the Nomination Committee up until the 2021 AGM would consist of the Chairman of the Board as well as one member elected by

each of the four largest registered or otherwise known shareholders on the last share trading day of August 2020.

For the 2021 AGM, the Nomination Committee consists of Patrik Essehorn, appointed by Rutger Arnhult through his company; Vincent Fokke, appointed by Stichting Pensioenfond ABP; Magnus Strömer (replacing Johannes Wingborg), appointed by Länsförsäkringar Fonder; Christina Tillman, appointed by Corem Property Group; and Chairman of the Board Charlotte Strömberg. Patrik Essehorn is the Chairman of the Nomination Committee. When the Nomination Committee was formed, the members of the Nomination Committee all together represented approximately 26.4% of the total number of shares and votes in the Company.

## Board of Directors

The Board has overall responsibility for Castellum's strategy and organisation and manages Castellum's business on behalf of the shareholders. Under the Articles of Association, Castellum's Board is to consist of no less than four and no more than eight members. The shareholders elect the Board members at the AGM and hold office for the period until the conclusion of the first AGM following their appointment. For 2020, the Board consisted of eight members. The Board works in accordance with established rules of procedure containing instructions on the allocation of work between the Board and the CEO. No Board member is entitled to remuneration upon their assignment coming to an end.

New Board members receive an introduction to the company and its operations and undergo the stock exchange's training programme for board members of listed companies. Subsequently, the Board continually receives information on subjects including changes to regulations, issues that concern operations and the Board's responsibility in a listed company.

The rules of the Companies Act apply to Board decisions, meaning that both more than half of the members in attendance and more than one third of the total number of members must vote for a decision. In the event of a split vote, the Chairman has the deciding vote.

### Responsibility of the Board

According to the Swedish Companies Act and the Board of Directors' rules of procedure, the Board is responsible for:

- Preparing business decisions and supporting management.
- Developing, preparing and monitoring overall, long-term strategies and objectives, budgets and business plans.
- Establishing guidelines to ensure that the Company's operations create value over the long term.
- Reviewing and approving the accounts.
- Review of the auditors' conclusions from the audit and the Auditor's report.
- Taking decisions on issues concerning investments and sales.
- Capital structure, dividend policy and decisions on financing.
- Developing the Group's policies.
- Ensuring that there are control systems for monitoring compliance with policies and guidelines.
- Ensuring that there are systems for monitoring and controlling the Company's operations and risks, which also include climate-related risks and opportunities.
- Significant changes to Castellum's organisation and operations.
- Appointing the Company's Chief Executive Officer and setting the CEO's salary and other benefits.

Board members	Remuneration, KSEK	Meeting attendance			
		Board of Directors <sup>1)</sup>	People Committee	Audit and Finance Committee	Independent
Charlotte Strömberg	1,215	21 of 21	4 of 4	4 of 4	Yes
Per Berggren	500	21 of 21	4 of 4		Yes
Anna-Karin Hatt	500	19 of 21	4 of 4		Yes
Christer Jacobson	425	21 of 21			Yes
Christina Karlsson Kazeem	425	20 of 21			Yes
Nina Linander	625	21 of 21		4 of 4	Yes
Zdravko Markovski	525	19 of 19		3 of 3	Yes
Joacim Sjöberg	425	18 of 19			Yes

1. The large number of Board meetings should be viewed in the light of the ongoing coronavirus pandemic and a high level of activity on the transaction market.



Each member is to act independently and with integrity, and to look after the interests of the Company and all shareholders. The experiences of the Board members as part of the work of the Board is covered by confidentiality.

A description of the Board's work year is presented below.

### Board of Directors' rules of procedure

The Board of Directors establishes rules of procedure for Board work every year. The rules of procedure describe the work of the Board and the allocation of responsibility between the Board and the CEO. The rules of procedure also indicate which topics should be covered at each Board meeting, and provide instructions regarding financial reporting to the Board of Directors.

The rules of procedure also prescribe that the Board is to have an Audit and Finance Committee as well as a People Committee. The Committees prepare and produce recommendations to the Board on various matters. Members of the Committees are appointed yearly by the Board of Directors. The Chairman of the People Committee is to be the Chairman of the Board of Directors, whereas the Chairman of the Audit and Finance Committee must not be the Chairman of the Board.

### Chairman of the Board

The Chairman of the Board of Directors is responsible for ensuring that Board members regularly receive, through

the agency of the CEO, the information required to monitor the Company's financial position, earnings, liquidity, financial planning and development. The Chairman of the Board is also obliged to carry out decisions made by the AGM regarding establishment of a Nomination Committee, and to participate in its work.

### The work of the Board in 2020

Castellum's Board held 21 meetings in 2020, of which one was the Board meeting following election. According to the prevailing rules of procedure, the Board is to hold at least seven scheduled Board meetings per calendar year, of which one is a Board meeting following election.

The Board meetings are held in connection with the Company's financial reporting: annual accounts, proposals for appropriation of profits, and issues in connection with the AGM are covered in January; interim reports in April, July and October; strategy in June and the budget for the coming year in December.

At each of the scheduled Board meetings, matters of significance for the company such as investments, sales of properties and financing, are covered. Further, the Board is informed of the current business situation in both the rental and property markets and the credit and stock markets. Issues concerning work environment, incident reports and customer-related questions are addressed regularly by the Board, and each Board meeting normally concludes with an

### THE BOARD'S YEAR

In addition to permanent issues such as business conditions, future outlooks, investments, sales, financing, reporting from the chairmen of the respective committees regarding committee work, work environment issues, customer-related issues and incident reporting.

JAN	FEB	MAR	APR	MAY	JUN
<p><b>Board Meeting</b></p> <ul style="list-style-type: none"> <li>Net income for the year</li> <li>Annual Report incl. Sustainability Report</li> <li>Documents for the AGM</li> <li>Proposed appropriation of profits</li> <li>Review of the auditors' conclusions from the audit</li> <li>Individual meeting, auditors</li> </ul>		<p><b>Board Meeting</b></p> <ul style="list-style-type: none"> <li>Preparations for the AGM</li> </ul> <p><b>Board Meeting following election</b></p> <ul style="list-style-type: none"> <li>Authorised signatory appointed</li> <li>Composition of the committees decided</li> </ul>	<p><b>Board Meeting</b></p> <ul style="list-style-type: none"> <li>Q1 interim report</li> <li>Decision log</li> <li>Monitoring investments and letting plans</li> <li>Rules of procedure and policy documents adopted</li> </ul>		<p><b>Board Meeting</b></p> <ul style="list-style-type: none"> <li>Strategy review</li> <li>Review of operational risks in the business and financial risks</li> </ul>
<p><b>Audit and Finance Committee</b></p> <ul style="list-style-type: none"> <li>Financial position</li> <li>Review with auditors of year-end audit</li> <li>Audit plan</li> <li>Incident reporting, Whistleblower</li> <li>Review of disputes</li> <li>Evaluation of Committee work</li> </ul>		<p><b>Annual General Meeting</b></p>	<p><b>Audit and Finance Committee</b></p> <ul style="list-style-type: none"> <li>Financial position</li> <li>Risk management</li> <li>Internal control</li> <li>Incident reporting, Whistleblower</li> <li>Evaluation of audit work</li> <li>Review and evaluation of strategic objectives</li> <li>Procurement of audit</li> </ul>		<p><b>People Committee</b></p> <ul style="list-style-type: none"> <li>Review of incentive plans</li> <li>Review of remuneration policies for senior executives</li> </ul>

executive session, without the presence of Group Management.

The Board also holds meetings with the auditors without the presence of corporate management.

Routine matters the Board addressed in 2020 further include Company-wide policies, the overall strategy plan, the Board's rules of procedure, capital structure and financing needs, sustainability initiatives, operational model and organisational issues as well as the Company's insurance situation.

In addition, the Board devoted several meetings to enhancing their knowledge of operations through themed meetings. The Board's activities in 2020, apart from the aforementioned routine matters, focused on initiatives linked to the ongoing coronavirus pandemic, oriented in particular on contingency plans, and initiatives on Castellum's resistance to the effects of the pandemic, as well as monitoring tenants' financial positions and credit issues. The Board continued work on shifting the asset portfolio, based in part on a quality perspective and in part on greater density, and with a clearer orientation on Nordic growth cities, where significant strides have been made in countries including Finland. The Board also continued to invest time and energy into initiatives around the project development process, as well as in issues concerning innovation and technology-based business development, climate initiatives, efficiency enhancement measures and issues

concerning succession and recruitment, as well as risk management. In the final quarter of 2020, the activities of the Board focused largely on public takeover bids that were submitted to the Norwegian property company Entra ASA.

In the autumn of 2020, the Board assessed its work through an internal evaluation based on the report produced by the external consultant who assisted in the comprehensive Board assessment conducted in autumn 2019. The evaluation indicated an open and constructive Board climate and a decision-making process that functions well.

The evaluation has been presented and submitted to the Nomination Committee and was discussed by the Board. Topics reviewed in the evaluation include working climate, forms of work concerning the business process, crisis management, strategic issues, monitoring and control systems, access to – and the need for – particular Board competence, order of succession, morals, ethics and communication.

The evaluation and subsequent Board discussion serve as a basis for the ongoing development of the Board's work methods and ensure that the Board can take decisions that are as well-informed as possible.

The Board evaluation complies with the guidelines for board evaluations in the Code.

No compensation other than remuneration for Board work and Committee work has been paid.

#### Board Meeting

- Q2 interim report
- Review of the audit of the half-year report

#### Board Meeting

- Q3 interim report
- Decision log
- Insurance review
- Monitoring investments and letting plans

#### Board Meeting

- Budget
- Evaluation of the Board and CEO

JUL

AUG

SEP

OCT

NOV

DEC

#### Audit and Finance Committee

- Financial position
- Review of financial reporting process
- Review of policy compliance
- Incident reporting, Whistleblower
- Recommendation for election of auditor to the Nomination Committee

#### People Committee

- Guidelines, remuneration principles
- Preparing incentive outcome
- Preparing CEO evaluation

#### Audit and Finance Committee

- Financial position
- Review of financial reporting
- Incident reporting, Whistleblower
- Review of changed regulations
- Discussions with the auditors about the audit of the quarterly report and internal control

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## People Committee

The Board's People Committee routinely evaluates the terms of remuneration to senior executives in light of current market conditions. The Committee prepares matters in this area for decision by the Board. The members of the Remuneration Committee are appointed annually by the Board.

The People Committee consists of three Board members, including the Chairman of the Board, who is also Chairman of the Remuneration Committee. The Committee's rules of procedure are included in the Board of Directors' rules of procedure and are ratified annually. The tasks of the People Committee are:

- Preparing recruitments to Group Management and succession issues regarding Executive Management as well as preparing questions regarding talent supply and management expansion within the Group.
- Discussing management by objectives concerning gender equality and diversity issues.
- Preparing and proposing guidelines for remuneration principles, remuneration and terms of employment for the CEO and other senior executives, as well as a separate remuneration report. The guidelines for remuneration are to be submitted to the Board, which in turn will submit remuneration proposals for resolution at the AGM. The same applies as regards the separate remuneration report.
- The People Committee will also Monitor and evaluate programmes – both ongoing and concluded during the year – for variable remuneration to Executive Management.
- Annually evaluating the efforts of the CEO, which is also done by an external expert, including interviews with both the Board of Directors and those reporting directly to the CEO.

The People Committee is to meet at least twice a year. In 2020, the Committee held four meetings. Issues addressed at the meetings included the review of remuneration to the CEO and other senior executives; proposals to the Board regarding the revision of the Executive Management's remuneration package; monitoring and evaluation of incentive plans in effect; and proposals drawn up for parameters for the individually targeted factors in the annual performance-based incentive programme as well as HR and succession issues. Additionally, the People Committee has prepared suggestions for a separate remuneration report as well as guidelines for remuneration to senior executives.

### PEOPLE COMMITTEE

The People Committee consists of Chairman Charlotte Strömberg as well as members Per Berggren and Anna-Karin Hatt.

The primary tasks of the People Committee are:

- Guidelines for remuneration policies.
- Remuneration to senior executives.
- Preparation of incentive plans.
- Evaluation of the CEO.
- Preparation of recruitments to Executive Management and succession issues.
- Preparation of issues concerning management expansion and talent supply.
- Management by objectives for equality and diversity.

## Audit and Finance Committee

The Board's Audit and Finance Committee monitors such issues as financing and audits, and prepares matters in these areas for decisions by the Board.

Members of the Committee, and its Chairman, are elected yearly by the Board.

The Audit and Finance Committee consists of three Board members not employed by the company. The Committee's rules of procedure are included in the Board of Directors' rules of procedure and are ratified annually. It is the business of the Audit and Finance Committee to:

- Monitor financial reporting and submit recommendations and proposals for ensuring the reliability of the financial reports.
- With regard to financial reporting, monitor the efficiency of the company's internal control, internal audits (if any) and risk management.
- Monitor the work on capital structure and other financing issues, as well as prepare financing issues for decisions by the Board.
- Monitor the work on operational risks and regulatory compliance, and ensure that there are appropriate systems for control and monitoring.
- Issue an annual report on internal control and ensure that the Corporate Governance Report describes the Board's measures for ensuring that internal control functions properly.
- Stay informed about the Annual Report and the consolidated accounts.
- Inform the Board of the results of the audit and how they promoted the reliability of financial reporting.
- Stay informed about the findings of the Swedish Inspectorate of Auditors' control of the auditors.
- Review and monitor the auditor's impartiality and independence, paying particular attention to whether the auditors provide other services besides auditing, as well as evaluating the audit work and informing the company's Nomination Committee of the results of the evaluation.
- Take note of the auditors' report pursuant to Article 11 of the Audit Regulation and, if needed, take appropriate action in this connection.
- Issue guidelines for services other than auditing provided by the auditors and, where appropriate, approve such services in accordance with these guidelines.
- Prepare issues regarding procurement of audit and other services from the auditors.

### AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee consists of Chairman Nina Linander as well as members Zdravko Markovski and Charlotte Strömberg.

The primary tasks of the Audit and Finance Committee are:

- Financial reporting
- Financing and capital structure
- Investment research and monitoring
- Risk management
- Regulatory compliance
- Audit
- Policies
- Operational areas of specialisation
- Internal control

- Assist the Nomination Committee in producing proposals for auditors and remuneration to them, at which point the Committee is to ensure the auditors' mandate period does not exceed the applicable regulations, procure the audit and submit a reasoned recommendation in accordance with the stipulations in Article 16 of the Audit Regulation.

The Audit and Finance Committee is to hold at least four meetings a year, and the Company's auditors must attend at least two of them. On one of the occasions when the Audit and Finance Committee meets with the auditors, no one from Executive Management may be present.

In 2020, the Committee held four meetings. Issues covered at the meetings included capital structure and financing issues, financial reporting including a review of future regulations and their potential impact on Castellum; a survey of the decision-making process as regards investments; internal control and risk management; the impartiality, independence and work of the auditors; policy development and feedback from the whistleblower service. Operational issues were also thoroughly examined. In 2020, the Committee dealt with issues linked to the ongoing coronavirus pandemic, including an orientation on how the pandemic could impact both tenants' and Castellum's financial positions. In addition, the Audit and Finance Committee held individual meetings during the year with compliance and auditors without the presence of management.

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## CEO and Executive Management

The CEO is responsible for routine administration of the company and managing operations in accordance with the guidelines and instructions of the Board as well as for providing the Board with information and the necessary documentation for decisions. The CEO leads the work of Executive Management and takes decisions after consulting its members.

### Chief Executive Officer

The CEO presents reports at Board meetings and is to ensure that Board members are routinely sent the information needed to monitor the Company's and the Group's financial position, earnings, liquidity and development.

### Executive Management

Executive Management includes the CEO, the Chief Financial Officer, the Communications Director and the managing directors of the four regions. Executive Management has joint responsibility for delivering on Group-wide goals and strategies, and decisions on overall operational issues are discussed and taken at the meetings that take place. Executive Management held 24 meetings in 2020.

In 2020, Executive Management invested a great deal of time into change and crisis management as a consequence of the coronavirus pandemic. The crisis put both management and procedures to the test, since more than half of the operation transitioned to being managed remotely, and the vast majority of meetings – both internal and external – took place digitally. The crisis management plan that Castellum worked under has functioned very well. The fact is that the crisis promoted better internal communication and closer dialogues with customers, which will furnish Castellum with great value going forward as well.

The work of Executive Management during the year concerned a high level of activity on the transaction market in line with the strategy of increasing quality and refining the portfolio. Worth mentioning among these are crucial acquisitions in Helsinki, the sale of a stabilised, mature portfolio of warehouse and logistics properties to Blackstone at a premium of 20% against the latest valuation at 30 September 2020, and the public takeover offer for the Norwegian listed company Entra ASA.

### Remuneration to senior executives

The 2020 AGM resolved on the following guidelines for remuneration to senior executives:

Remuneration levels must be market-based and competitive. For work performed in a satisfactory manner, remuneration will be paid in the form of fixed salary. Pension benefits will be defined-contribution and not exceed 33%

of the annual salary. In addition to fixed salary, variable remuneration will be offered that rewards clearly goal-related performances in simple, transparent constructions in accordance with an earnings and share price-related incentive plan. Variable remuneration of this kind is intended to promote long-term value creation and sustainability initiatives in the Group. Variable remuneration in accordance with the earnings and share price-related incentive plan, which cannot exceed the annual fixed salary in any given year, is determined by the extent to which objectives set in advance regarding growth in income from property management per share, and share price trend, are achieved as well as how individually set factors have developed. The previously determined targets pertaining to variable remuneration must be clearly linked to the business strategy and Castellum's long-term value creation, including its sustainability initiatives. Variable remuneration that has fallen due will be paid in the form of salary, including holiday pay, and will not be pensionable if it does not otherwise follow from compulsory collective bargaining agreements. Additionally, the Board of Directors has the right to call in variable remuneration that was paid on the basis of information that later turned out to be incorrect and submitted with the intent to mislead.

The notice period upon termination by the Company must not exceed six months for the CEO and twelve months for the other executives. When notice of termination is given by the Chief Executive Officer or any other senior executive, the notice period is six months. During the notice period, a full salary and other employment benefits will be paid, less salary and other remuneration received from other employment or operations that the employee has during the period of notice. Deductions of this kind will not take place as regards the CEO. Upon termination of the CEO by the Company, a severance package will be paid of twelve months' fixed salary, which is not to be reduced owing to other income the CEO receives.

The guidelines cover senior executives that are part of Castellum's Executive Management. The Board of Directors will have the right to depart from the guidelines in full or in part in individual cases if there is particular reason to do so and a departure is necessary to provide for Castellum's long-term interests, including its sustainability initiatives.

Castellum has complied with the guidelines resolved by the 2020 AGM.

For further information regarding remuneration to Executive Management, refer to Note 11.

For the 2021 AGM, guidelines have been proposed for remuneration to senior executives; refer to page 113.

## Auditor

The auditor is elected by the AGM, is an independent reviewer of Castellum's accounting and corporate governance report, sustainability report and report on green MTNs, and also reviews the administration by the Board and the CEO. Castellum's auditor, Deloitte, was elected by the AGM for a mandate period of one year, until the end of the 2021 AGM. The auditor in charge at Deloitte is authorised public accountant Hans Warén.



**HANS WARÉN**  
Castellum's auditor

### Audit fees

KSEK	2020	2019	2018
Audit assignment	4,260	3,252	3,419
Audit business in addition to the audit assignment	2,721	1,127	626
Other services	54	52	624
<b>Total audit fees</b>	<b>7,035</b>	<b>4,431</b>	<b>4,669</b>

## Compliance and internal control

Castellum has a Compliance Officer to monitor compliance (i.e. ensuring compliance with laws and ordinances as well as internal policies and guidelines). The Group's Chief Legal Officer is its Compliance Officer.

Internal control at Castellum is based on the established COSO framework, which consists of the following components: control environment, risk assessment, control activities, information, communication and monitoring. Internal control is described in more detail on pages 110-112.

Castellum has a whistleblower function, which is directed both externally and internally. It is available on the Group's website and via the Group's intranet. The service represents an early warning system for reporting deviations from Castellum's values and business ethics guidelines. All incoming cases to the whistleblower function are sent to the appointed official within Castellum as well as to the Chairman of the Audit and Finance Committee.

The Compliance Officer function acts as a support for the operations driving the business when it comes to identifying and monitoring operational risks. The Compliance Officer regularly reports to the CEO and the Audit and Finance Committee regarding risks and regulatory compliance.

# Internal control

## CASTELLUM'S INTERNAL CONTROL ENVIRONMENT



### INTERNAL CONTROL IS GOVERNED BY:

- The Board of Directors' rules of procedure.
- Audit and Finance Committee's rules of procedure.
- Resolution procedure.
- Instructions for signatories, proxy forms and authorisations.
- Accounting structure.
- Reporting structure.
- Financial policy, communication policy, insider policy, sustainability policy, Code of Conduct, Code of Conduct for suppliers and crisis management policy.
- Guidelines for information and IT security, insurance and electricity trading.
- Accounting manual, HR manual, Manager manual.
- Financial instructions.
- Processing routine for personal data.
- Continuity plan.

Under the Swedish Companies Act and the Code, the Board is responsible for internal control. This report has been drawn up in accordance with the Swedish Annual Accounts Act and the Code and therefore refers to internal control relating to financial reporting and other processes relevant to the operations.

The work on introducing self-assessment of internal controls continued in 2020.

Internal control at Castellum follows the Internal Control - Integrated Framework (COSO), which consists of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

### Control environment

The basis for internal control relating to financial reporting is a control environment consisting of various parts that together form the culture and values on which Castellum is governed. Essential for Castellum's internal control are its decentralised, small-scale organisation with more than 600 properties, as are the cost centres administered by four regional companies. The decision-making paths, authorisa-

tions and responsibilities documented and communicated in such policies as the Board of Directors' rules of procedure, resolution procedure, instructions for authorised signatories, proxy forms and authorisations, accounting and reporting instructions, internal policies, guidelines and manuals are also of importance for internal control. Current documents are updated regularly in the event of changes (e.g. to legislation, accounting standards or listing requirements).

### Risk assessment

At Castellum, risk management is built into the processes concerned, and various methods are used to evaluate and limit risks as well as to ensure that the risks Castellum is exposed to are managed in accordance with established policies and guidelines. Under the rules of procedure, the Board of Directors and the Audit and Finance Committee annually review customary internal control and operational risk as well as how they are handled; for the latter, see the "Risks and Opportunities" section on pages 66-73. The risks deemed to exist are identified and then each individual risk is ranked from a perspective of impact and likelihood.

## GROUP POLICIES ISSUED BY THE BOARD



### FINANCIAL POLICY

Establishes overall objectives and guidelines for financial risk and how financial operations are to be conducted. The financial policy also indicates how responsibility for financial operations is allocated, and how risks are to be managed and reported. It also includes instructions for how operational activities are to be pursued.



### CODE OF CONDUCT

Provides guidelines for conducting operations responsibly, with the aim of all business being characterised by a high level of business ethics and accountability. Governs the Group in relation to employees, contractors, customers, suppliers and other stakeholders.



### CODE OF CONDUCT FOR SUPPLIERS

Provides similar guidelines for suppliers as for Group employees as regards conducting operations responsibly with the objective of having all business characterised by a high level of business morals and accountability.



### SUSTAINABILITY POLICY

Provides guidelines for how sustainability activities in the Group are to be pursued. The work must promote sustainable development and be broken down into specific measurable goals as well as being an integral and natural part of operations and based on participation and commitment.



### COMMUNICATION POLICY

Ensures that all Group communication is correct and is provided in a professional manner at the right time. The policy covers both internal and external communication.



### INSIDER POLICY

Ensures proper ethical management in relation to the capital market by describing trading and reporting requirements.



### CRISIS MANAGEMENT POLICY

Provides guidelines for how the Group is to act and communicate in a potential crisis.



### TAX POLICY

Ensures a clear framework for tax governance in the Castellum Group as a stage in the company's sustainability initiatives. The tax policy establishes the principles for compliance with taxes in the countries where Castellum operates.

The material risks Castellum has identified as specifically linked to financial reporting are errors in accounting and valuation of properties, lack of financing, interest-bearing liabilities, tax and VAT, workplace injuries and the risks of fraud and loss or embezzlement of assets.

### Control measures

The risks identified as regards financial reporting are managed through the Company's control structure, resulting in a number of control measures. The control measures are intended to prevent, detect and correct errors and deviations and cover, for example, analytical reviews at several levels in the organisation and comparisons of income statement items, reconciliation of accounts, monitoring and reconciliation of Board decisions and policies set by the Board, authorisation and recognition of business transactions, structures for proxies and authorisation, authorised signatories, compliance officer functions, and consolidated accounts prior to publication. The auditors issue a review report of the January-June half-year report.

### Information and communication

Castellum has information and communication paths that are intended to ensure efficient and correct provision of information as regards financial reporting. This requires all parts of the operations to communicate and exchange relevant, material information. Policies and guidelines regarding financial reporting as well as updates and changes are made available and made known to the personnel concerned. Executive Management and the Board of Directors regularly receive financial information from the regions with comments on financial results and risks.

The Board also receives additional information regarding risk management, internal control and financial reporting from the auditors through the Audit and Finance Committee. In order to ensure that the external provision of information is correct and complete, there are a communication policy and guidelines for information security.



## **Corporate culture**

Conducting Castellum's operations responsibly is crucial for the company's long-term success. Castellum's Code of Conduct governs its daily work, and the Company has signed and supports the principles of the UN Global Compact on human rights, labour issues, the environment and corruption. The objective is to make sound and proper business decisions in all respects, where the Company's actions are characterised by good business conduct with a high level of competence and business morals, good business practices, accountability and impartiality. The Code of Conduct is based on providing good quality and service, complying with laws and regulations, not discriminating against anyone, creating a good work environment and security. Castellum also has a Code of Conduct for suppliers, since Castellum expects suppliers to also promote sustainable development. Castellum's work on diversity and equality are also important components in building a corporate culture in which employees are given the right conditions to work. That is why Castellum has produced an equality policy as well as a diversity and equality plan in order to take a proactive approach to these issues every day. In addition, there are ambitious long-term goals regarding diversity and equality.

A cornerstone of Castellum's corporate culture has been its decentralised organisation, which creates committed employees who take on responsibilities and feel themselves a part of operations.

## **Long-term value creation**

Long-term value creation requires that operations are conducted with a focus on sustainability. Sustainability efforts involve environmental considerations such as efficient and responsible use of resources and developing a future-proof and sustainable asset portfolio as well as social responsibility by promoting the development of the cities where Castellum operates.

The work also involves ensuring a healthy work environment for employees. Sustainability activities are carried out in collaboration with customers and other stakeholders – a requirement for success. Guidelines for conducting value-creating sustainability efforts can be found in the sustainability policy, the Code of Conduct and the Code of Conduct for suppliers. Castellum reports on this work in accordance with the GRI Standards. Reports on sustainability activities are regularly presented to Castellum's Board of Directors.

## **Monitoring**

Routine monitoring takes place at many levels in the Group, at the property and regional levels as well as at Group level. Through the Audit and Finance Committee, the Board of Directors evaluates the information submitted by Executive Management and the auditors. Furthermore, the Company's auditors report their observations from the review, and their assessment of internal controls, directly to the Audit and Finance Committee at least twice a year.

In addition, the Audit and Finance Committee conducts an annual review of the risk assessment and the measures agreed on. Monitoring by the Audit and Finance Committee and the Board of Directors is of particular importance for the development of internal control and for ensuring that action is taken regarding any shortcomings and proposals that emerge.

## **Internal audit**

Castellum has a decentralised and transparent organisation. The economic and Treasury functions are managed from the head office, meaning that routines and processes are uniform but also provide the conditions for various parts of the functions to review one another's processes – a form of self-assessment. All this is to increase and improve internal control. The business units and the Company monitor the income statements and balance sheets on a quarterly basis.

Clear documentation through policies and instructions, along with frequent monitoring and regular discussions with the auditors, continually ensure the work to improve these processes. Management and reporting are reviewed twice a year by the Company's auditors and reported to both the Audit and Finance Committee and the Board. In addition, there is a whistleblower function on the Group's website and intranet. Taken together, this means that a specific division for internal audits is not considered justifiable.

## **Whistleblower**

Castellum's whistleblower service, "Help us to do right," can be accessed on the Group's website and the Group's intranet. The whistleblower service is an early warning system that provides both employees and external stakeholders the opportunity to anonymously report any deviations from Castellum's values and business ethics. The service is administered by an external partner to ensure anonymity and professionalism.

# Proposal of the Board of Directors in respect of guidelines for remuneration to the executive management

The Board of Directors of Castellum AB (publ) proposes that the Annual General Meeting to be held on March 25, 2021 resolves to approve the following guidelines for determining salary and other remunerations to the executive management in Castellum, to be applicable until further notice.

## The guidelines' promotion of the company's business strategy, long term interests and sustainability

An overall objective of the operations of Castellum is to create a sound development of shareholder value over time, which shall be achieved by implementing the company's business strategy. In short, the company's business strategy is that Castellum shall create successful and sustainable workplaces in Nordic growth regions by really keeping close to customers, while staying on the cutting edge of innovation and expertise (for more information regarding Castellum's business strategy, please see <https://www.castellum.se/en/about-castellum/vision-business-concept-objectives-and-strategy/>). Castellum shall uphold such remuneration levels and terms of employment necessary to recruit and maintain a competent group executive management with capacity to achieve established objectives, implement the business strategy and to safeguard Castellum's long term interest, including its sustainability work. The Board of Directors considers and evaluates the remuneration as a whole, consisting of fixed remuneration, pension terms, variable remuneration and non-monetary benefits. The overall principles in respect of the remuneration to the executive management in Castellum shall be terms adjusted to the conditions of the market and competitiveness and these guidelines enable to offer the executive management such remuneration.

## Preparation of matters regarding remuneration to the executive management

Castellum has a People Committee which consists of three Board members, including the Chairman of the Board as Chairman of the People Committee. The members of the People Committee shall be independent of the company and its executive management. The People Committee shall, in relation to the Board of Directors, have a preparatory function in respect of principles for remuneration, remuneration and other terms of employment regarding the executive management. Consequently, the People Committee shall prepare a proposal in respect of guidelines for remuneration to the executive management, which the Board of Directors shall present to, and which shall then be resolved upon by the Annual General Meeting. The People Committee shall also evaluate the application of the guidelines resolved upon by the Annual General Meeting. Further, the People Committee shall, within the scope of the guidelines resolved upon by the Annual General Meeting, prepare proposals regarding remuneration to the Managing Director and other members of the executive management. The People Committee shall annually evaluate the Managing Director's performance. Further, the People Committee shall observe and evaluate programs for variable remuneration to the executive management which are on-going or finished during the year as well as Castellum's current remuneration structure and remuneration levels. Furthermore, the People Committee shall annually prepare a remuneration report regarding

the remuneration to the executive management. The Managing Director or other members of the executive management shall not participate in the People Committee's and the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### **The executive members and kinds of remuneration to which the remuneration guidelines apply**

The guidelines applies to executive members of the group executive management in Castellum. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2021.

### **Fixed remuneration**

A fixed salary shall be paid for work performed in a satisfactory manner. The fixed salary shall be based on market level conditions, and shall be determined with regard to competence, area of responsibility and performance.

### **Pension terms**

The executive management shall be entitled to pension benefits consisting of retirement pension and premium exemption, that shall be premium defined, and health insurance, that shall be benefit defined. Variable remuneration shall not be pension qualifying income, unless required by mandatory collective agreement provisions applicable for the executive member at the payment date. The pension benefits for executive management shall not exceed 33 per cent of the fixed annual remuneration, including payment for vacation, and 33 per cent of the fixed and variable annual remuneration, including payment for vacation, in those cases variable remuneration shall be pension qualifying income.

### **Variable remuneration**

In addition to the fixed salary, variable remuneration may be offered in order to reward clearly goal-referenced achievements by simple and transparent structures. The variable remuneration shall be linked to predetermined and measurable criteria. Such variable remuneration shall aim to create long term value within the group, by contributing to Castellum's business strategy and long term interests, including its sustainability work, and shall be rewarded within the scope of one profit and share price based incentive program. The executive management shall not be entitled to variable remuneration other than under the incentive program. The program's structure shall be based on the objective to align the interests of the group executive management with the interests of the shareholders by way of the group executive management also being shareholders

of Castellum and by increasing the share of the total remuneration which is connected to the development of the group. The received remuneration according to the incentive program shall be paid as salary, includes payment for vacation and shall not be pension qualifying income, unless required by mandatory collective agreement provisions applicable for the executive member at the payment date. To which extent the criteria for awarding variable remuneration have been satisfied shall be evaluated when the measurement period has ended. The Board of Directors is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by Castellum. Further, the Board of Directors has the right to reclaim variable remuneration that has been paid on the basis of information that later has turned out to be inaccurate and provided with a deceptive purpose.

### **Profit and share price based incentive program**

The remuneration according to the profit and share price based incentive program for the members of the executive management shall be based on (a) growth of the income from property management per share (i. e. cash flow based growth), (b) the development of individually determined factors which the Board of Directors, after consulting the Managing Director, decides to give priority to under the current financial year and (c) to what extent established objectives in respect of the development of the share price have been achieved, in relation to both an absolute amount and in comparison to one or several, given the ownership structure of the company, relevant real property share indexes. Therefore, the performance targets under the profit and share price based incentive program are clearly linked to Castellum's business strategy and long term interests, including its sustainability work, among others by linking the remuneration to the development of shareholder value and by promoting the executive member's long term personal development.

The result-based part of the incentive program according to item (a) and (b) above shall have a one-year performance and earning period. The share price based remuneration according to item (c) shall be for three years.

The undertaking made by Castellum in respect of the profit and share price based incentive program shall, in relation to each of the participants of the program, not exceed a payment corresponding to three additional annual salaries under the three-year period during which the incentive program is effective.

The participants of the profit and share price based incentive program shall undertake to acquire Castellum shares for at least half of the amount of the variable remuneration received, after deduction for tax.

### Non-monetary benefits

The non-monetary benefits may include, for example, medical insurance, phone benefits and company car. For the Managing Director, premiums and other costs relating to such benefits may amount to not more than 2 per cent of the fixed annual remuneration. For the other members of the executive management, premiums and other costs relating to such benefits may, in total, amount to not more than 5 per cent of the total fixed annual remuneration for other members of the executive management.

### Termination of employment and severance pay

The notice period shall, upon termination by the company, not exceed six months in respect of the Managing Director, and twelve months in respect of any other member of the executive management of the company. The notice period shall, upon termination by the Managing Director or by any other member of the executive management of the company, be six months. During the notice period full salary will be paid and other benefits will be provided to the employee, with deduction for salary and other remuneration received from another employment or business during the notice period. Such deduction shall not be made in respect of the Managing Director. A severance pay, corresponding to twelve fixed monthly salaries, shall be paid to the Managing Director upon termination by the company. Such severance pay shall not be reduced due to other income received by the Managing Director.

### Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the People Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

### Deviation from the guidelines for specific reasons in particular cases

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the company's long term interests, including its sustainability work. As set out above, the People Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

### Shareholder's views and material changes to the guidelines

The Board of Directors have not received any views from the shareholders on the existing remuneration guidelines for the executive management. The Board of Directors' proposed guidelines does not contain any material changes in relation to the company's existing remuneration guidelines.



## Board of Directors



### CHARLOTTE STRÖMBERG

Chairman of the Board since 2012

Born 1959, Master of Business Administration and Economics, Stockholm School of Economics.

Chairman of the Board of Castellum, Chairman of the People Committee and member of the Audit and Finance Committee.

**Previous positions:** CEO for Nordic business at Jones Lang LaSalle, executive positions in investment banking at Carnegie Investment Bank and Alfred Berg (ABN AMRO).

**Board assignments:** Deputy Chairman of the Board of Sofina S.A. Board member at Clas Ohlson AB (publ), Kinnevik AB (publ), Lindéngruppen and Accretiv AB. Alternate Board member of Phare AB. Member of the Swedish Securities Council.

**Shareholding:** 19,800



### PER BERGGREN

Board member since 2007

Born 1959, Master of Science KTH and economic education from Stockholm University.

Board member of Castellum, member of the People Committee.

**Previous positions:** CEO of Hemsö Fastighets AB, CEO of Jernhusen AB, Division Manager of Fabega AB (publ), CEO of Drott Kontor AB and Property Manager at Skanska Fastigheter Stockholm AB.

**Board assignments:** Board member of Fasticon Kompetens Holding AB, Slättö Förvaltning AB and SSM Holding AB.

**Shareholding:** 4,500



### ANNA-KARIN HATT

Board member since 2015

Born 1972, degree in political science from the University of Gothenburg. President and CEO of the Federation of Swedish Farmers (LRF).

Board member of Castellum, member of the People Committee.

**Previous positions:** CEO of Almega AB; Minister for Information Technology and Energy in the Swedish government; State Secretary at the Prime Minister's office; second deputy Chairman of the Centre Party and Chief of Staff of the Centre Party's executive staff; CEO of Didaktus Skolor AB, deputy CEO of Kind & Partners AB.

**Board assignments:** Chairman of the Board of Svensk Kooperation, and Board member of ICC Service AB and Business Sweden.

**Shareholding:** 1,325



### CHRISTER JACOBSON

Board member since 2006

Born 1946, Master of Business Administration and Economics from the Stockholm School of Economics. Own operations in Bergsrådet Kapital AB.

Board member of Castellum.

**Previous positions:** Stock commentator and market manager at Affärsvärlden and Head of Analysis and CEO of the Alfred Berg group.

**Board assignments:** Board member of Global Challenges Foundation and GreenGoldGroup AB.

**Shareholding:** 35,429

**CHRISTINA KARLSSON KAZEEM**

Board member since 2016

Born 1965, Master of Science in Engineering from KTH Royal Institute of Technology.

CEO of ETTNELVA Arkitekter AB.

Board member of Castellum.

**Previous positions:** Chairman of the Board of Tomorrow China, part of the H&H Communication Group. Communication Manager at Niscayah Group and executive positions at Razorfish AB and Creuna AB. Worked with city planning and development at the City of Stockholm Property Management Administration.

**Board assignments:** Chairman of the Board of Creador AB and Millimeter Arkitekter AB.

**Shareholding:** 350

**NINA LINANDER**

Board member since 2014

Born 1959, Master of Business Administration and Economics from the Stockholm School of Economics and MBA from the International Institute for Management Development, Lausanne, Switzerland.

Board member of Castellum and Chairman of the Audit and Finance Committee.

**Previous positions:** Founder and partner of Stanton Chase International AB, Group Treasurer at AB Electrolux (publ), executive positions at Vattenfall AB, various positions in corporate finance at various investment banks in London.

**Board assignments:** Chairman of the Board of Awa Holding AB and Greeniron H2 AB. Board member of Telia Company AB (publ), Suominen Corporation and Swedavia AB (publ).

**Shareholding:** 12,000

**ZDRAVKO MARKOVSKI**

Board member since 2020

Born 1964, Master of Science in Engineering from KTH Royal Institute of Technology.

Board member of Castellum, member of the Audit and Finance Committee.

**Previous positions:** Board member of Backastad AB and BackastadProjekt AB (Backahill Group), President and CEO of Svevia AB, several executive positions in the JM Group and Board member of Sveriges Bygginstitutier in the Confederation of Swedish Enterprise.

**Board assignments:** Member of Besqab AB (publ) and ZM & Co AB.

**Shareholding:** 2,000

**JOACIM SJÖBERG**

Board member since 2020

Born 1964, LL.B. from Stockholm University.

Board member of Castellum.

**Previous positions:** Managerial roles at Jones Lang LaSalle, Swedbank, Öhman Fondkommission, HSH Nordbank, Alfred Berg Fondkommission and Enskilda Securities. Lawyer at Mannheimer Swartling Advokatbyrå. Chairman of the Board of Beijerinvest Aktiebolag, Räckesbutiken Sweden AB, Centro Kakel & Klinker AB, JLL Transaction Services AB and Tendium Holding AB, and Board member of JLL Capital Markets AB and G&L Beijer Import och export AB.

**Board assignments:** Chairman of the Board of Moonlighting Industries AB. CEO and Board member of Valhalla Corporate Advisor AB, Board member of Wästbygg Gruppen AB (publ) and KlaraBo Sverige AB.

**Shareholding:** 1,000

**JOHAN LJUNGBERG**

Lawyer

Mannheimer Swartling Advokatbyrå;  
Secretary of the Board.

The information above refers to the situation at the end of December 2020. Shareholdings include member's own holdings and those of spouses, minors and children living at home, holdings of associated companies and holdings through capital insurance. The CEO has no material holdings or partnerships in companies that Castellum has significant business connections with.

## Executive Management



### **HENRIK SAXBORN**

Chief Executive Officer  
Castellum Aktiebolag

Born 1964, Master of Science.  
Employed since 2006 and Chief Executive Officer of Castellum since 2013.

**Previous positions:** Extensive experience in construction, property acquisition and management, including as CEO of a property management company. Former Chairman of CMB, Chalmers University of Technology.

**Board assignments:** Board member of BRIS, EPRA and PSP Swiss Property.

**Shareholding:** 76,250

### **ULRIKA DANIELSSON**

Chief Financial Officer  
Castellum Aktiebolag

Born 1972, Master of Business Administration and Economics.

Employed since 1998, Financial Controller since 2006 and Chief Financial Officer since 2014.

**Previous positions:** Experience in financial and control functions.

**Board assignments:** Board member of Alligator Bioscience AB (publ), Infranord AB, John Mattson AB (publ) and Slättö Förvaltning AB.

**Shareholding:** 24,000

### **MARTIN BJÖRN**

Managing Director, Region  
Stockholm-North at Castellum.

Born 1976, Master of Science in Engineering.

Employed as Managing Director Region Stockholm-North at Castellum since 2019.

**Previous positions:** Extensive experience from managerial positions, lettings, development projects, transactions and so forth in the Swedish and European property industry. Previously managed operations including Eurocommercial's operations in Sweden for 15 years, targeted at shopping centres and retail properties; simultaneously part of a European international management group.

**Shareholding:** 1,750

### **MARIETTE HILMERSSON**

Managing Director,  
Region West at Castellum

Born 1971, Bachelor of Laws, LL.M.

Employed as Managing Director Region West at Castellum since 2018.

**Previous positions:** Extensive experience from management positions in the property industry, including as CEO of AB Framtiden.

**Board assignments:** Board member of Tyréns AB.

**Shareholding:** 3,400

**OLA ORSMARK**

Managing Director,  
Region Öresund at Castellum

Born 1971, Master of Science.  
Employed as Managing Director,  
Region Öresund at Castellum since  
2014.

**Previous positions:** Extensive  
experience in the property industry,  
most recently as Business Area  
Manager at Jernhusen.

**Board assignments:** Board member  
of IDEON Open AB and IDEON AB.  
Silent partner in Easy Kommandit-  
bolag.

**Shareholding:** 6,850

**PER GAWELIN**

Managing Director,  
Region Central at Castellum

Born 1978, Business Economics, upper  
secondary school.

Employed since 2006, and Managing  
Director Region Central at Castellum  
since 2018.

**Previous positions:** Experience in the  
property industry and leadership  
experience as captain and player for  
Örebro SK Football Club.

**Shareholding:** 2,500

**ANNA-KARIN NYMAN**

Communications Director,  
Castellum Aktiebolag

Born 1983, multimedia journalism and  
gender studies at Karlstad University.

Employed as Communications  
Director at Castellum since 2018.

**Previous positions:** Experience from  
several managerial positions as  
Communications Director at Jern-  
kontoret, Head of Press at the  
Ministry of Enterprise and Innovation,  
Press Officer at the Ministry for Rural  
Affairs, political expert in the Riksdag,  
journalist, editor and editorial writer.

**Board assignments:** Board member of  
Byggherrarna.

**Shareholding:** 150

**HELENA DINO**

HR Director  
Castellum Aktiebolag

Born 1967, HR specialist.

Employed as HR Director at Castellum  
since May 2020.

**Previous positions:** Extensive  
experience from various managerial  
positions at Volvo Cars and Volvo  
Ocean Race.

**Shareholding:** 0

The information above refers to the situation at the end of December 2020. Shareholdings include member's own holdings and those of spouses, minors and children living at home, holdings of associated companies and holdings through capital insurance. The CEO has no material holdings or partnerships in companies that Castellum has significant business connections with.