



## **Minutes from the Annual General Meeting of Castellum AB (publ) held on March 21, 2019**

By notice given on February 18, 2019 in Post- och Inrikes Tidningar and provided on the company's website as from February 14, 2019, the shareholders of Castellum AB (publ), Reg. No. 556475-5550, had been summoned to the Annual General Meeting to be held this day at 5 pm at RunAn, Chalmers Kårhus, Chalmersplatsen 1, in Gothenburg. Information that summons to the Annual General Meeting had been made, was published in Dagens Industri, Göteborgs-Posten and Svenska Dagbladet on February 18, 2019.

- § 0 The Chairman of the Board, Charlotte Strömberg, opened the meeting.
- § 1 The lawyer, Sven Unger, was appointed Chairman of the meeting. It was noted that the lawyer Johan Ljungberg kept the minutes of the meeting.
- § 2 The voting list was drawn up and approved in accordance with Appendix 1.
- § 3 The agenda was approved as presented, Appendix 2.
- § 4 Carina Sverin, representing AFA Försäkring, and Jan Andersson, representing the Szombatfalvy sphere, were appointed to verify the minutes along with the Chairman of the meeting.
- § 5 The meeting declared that it had been duly summoned.
- § 6 The annual accounts and Audit Report as well as the consolidated annual accounts and the Audit Report for the group for the financial year 2018, were presented, Appendix 3. The auditor's opinion on whether or not the guidelines regarding remuneration for members of the executive management of the company, adopted on the previous Annual General Meeting of the shareholders, had been complied with, was presented, Appendix 4.
- The Chairman of the Board, Charlotte Strömberg, informed the meeting of the Board of Directors' and its committees' activities. Further, the Managing Director, Henrik Saxborn, gave a presentation.
- § 7 It was resolved to adopt the presented profit and loss account and the balance sheet as well as the consolidated profit and loss account and the consolidated balance sheet.
- § 8 The Board of Directors presented its reasoned opinion on the proposed profit allocation, Appendix 5.

It was resolved to adopt the Board of Directors' profit proposal that the profit presently at hand should be allocated so that SEK 6.10 per share should be distributed to the shareholders in two equal payments of SEK 3.05 per share and that the remainder should be brought forward into new account. It was further resolved that the record days for the dividend should be Monday, March 25, 2019 for the first payment and Monday, September 23, 2019 for the second payment.

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- § 9 It was resolved that the members of the Board of Directors and the Managing Director should be discharged from liability towards the company for their administration during the year 2018.
- It was noted that the members of Board of Directors and the Managing Director did not participate in this resolution.
- § 10 The Chairman of the Election Committee, Johan Strandberg, reported on the Election Committee's proposals, including the Election Committee's statement concerning its proposal regarding the Board of Directors, proposal regarding auditor and the Election Committee's proposal for the establishing of an Election Committee before next Annual General Meeting, Appendix 6.
- § 11 It was resolved that the Board of Directors shall consist of seven members and that there shall be one auditor with no deputy auditors.
- § 12 It was resolved that the remuneration to the members of the Board of Directors, for the period up until the end of the next Annual General Meeting, should be the following:
- The Chairman of the Board of Directors: SEK 985,000;  
Other members of the Board of Directors: SEK 410,000;  
Member of the Remuneration Committee, including the Chairman: SEK 50,000;  
Chairman of the Audit and Finance Committee: SEK 150,000; and  
Each of other members of the Audit and Finance Committee: SEK 75,000.
- It was further resolved that remuneration to the auditor during its term of office shall be based on approved accounts.
- § 13 The following were elected as members of the Board of Directors for the period up until the end of the next Annual General Meeting:
- Charlotte Strömberg (re-elected);  
Per Berggren (re-elected);  
Anna-Karin Hatt (re-elected);  
Christer Jacobson (re-elected);  
Christina Karlsson Kazeem (re-elected);  
Nina Linander (re-elected); and  
Johan Skoglund (re-elected).
- Charlotte Strömberg was appointed Chairman of the Board.
- § 14 It was resolved to elect Deloitte as auditor in the company for the period up until the end of the next Annual General Meeting. It was noted that Hans Warén will continue as the main responsible auditor.
- § 15 It was resolved to establish an Election Committee in accordance with the proposal set out in Appendix 6.
- § 16 It was resolved to adopt the guidelines as presented by the Board of Directors regarding remuneration to members of the executive management in accordance with Appendix 7.
- § 17 It was resolved to approve the Board of Director's proposal to renew the incentive program for members of the executive management in accordance with Appendix 8.

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- § 18 It was resolved by required majority, i.e. two thirds of the votes cast and the shares represented at the meeting, to authorise the Board of Directors to resolve on new share issues in accordance with Appendix 9.
- § 19 It was resolved by required majority, i.e. two thirds of the votes cast and the shares represented at the meeting, to authorise the Board of Directors to resolve on acquisition and transfer of the company's own shares in accordance with Appendix 10. The Board of Directors' motivated statement is attached as Appendix 11.
- § 20 The meeting was closed.
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At the minutes:

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Johan Ljungberg

Verified:

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Sven Unger

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Carina Sverin

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Jan Andersson

*Office translation*



Appendix 1  
to minutes kept at  
Annual General Meeting on  
March 21 2019

In the minutes from the AGM, Appendix 1 “Voting list” is left out.

## **Agenda for the Annual General Meeting of shareholders of Castellum AB (publ) on Thursday, March 21, 2019**

Opening of the meeting (Charlotte Strömberg, Chairman of the Board of Directors)

1. Election of Chairman of the meeting.  
*Proposal: The Election Committee proposes the lawyer Sven Unger.*
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two persons to verify the minutes.
5. Consideration if the Annual General Meeting has been duly convened.
6. Presentation of
  - (a) the annual accounts and the audit report as well as the consolidated annual accounts and the audit report for the group,
  - (b) the auditor's statement regarding the company's compliance with the guidelines for remuneration to members of the executive management in effect since the previous Annual General Meeting, see Appendix 1.

In connection thereto, presentation by the Chairman of the Board of Directors and the Managing Director.

7. Resolution regarding the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.
8. Resolution regarding the allocation of the company's profit in accordance with the adopted balance sheet and, in the event that the meeting resolves to distribute dividend, a resolution regarding the record day for distribution of dividend.  
*Proposal: The Board of Directors proposes a dividend of SEK 6.10 per share, distributed to the shareholders in two equal payments of SEK 3.05 per share, see Appendix 2.*
9. Resolution regarding discharge from liability towards the company in respect of the members of the Board of Directors and the Managing Director.
10. The Election Committee's report on its proposals regarding resolutions at the Annual General Meeting and the Election Committee's motivated statement concerning its proposal regarding the Board of Directors, see Appendix 3.
11. Resolution regarding the number of members of the Board of Directors and the number of auditors and deputy auditors.

*Proposal: The Election Committee proposes that the Board of Directors should consist of seven members and the number of auditors should be one with no deputy auditor.*

12. Resolution regarding remuneration to the members of the Board of Directors and the auditor.

*Proposal: The Election Committee proposes that remuneration to the members of the Board of Directors should be the following (2018 remuneration within brackets).*

- *The Chairman of the Board of Directors: SEK 985,000 (SEK 850,000).*
- *Each of the other members of the Board of Directors: SEK 410,000 (SEK 370,000).*
- *Member of the Remuneration Committee, including the Chairman: SEK 50,000 (SEK 50,000).*
- *Chairman of the Audit and Finance Committee: SEK 150,000 (SEK 150,000).*
- *Each of the other members of the Audit and Finance Committee: SEK 75,000 (SEK 75,000).*

*The proposed total remuneration to the members of the Board of Directors, including remuneration for committee work, accordingly amounts to SEK 3,895,000 (SEK 3,520,000) provided that the number of committee members remains unchanged.*

*It is proposed that the auditor's fee shall be paid as per approved accounts.*

13. Election of members of the Board of Directors and Chairman of the Board of Directors.

- (a) Charlotte Strömberg
- (b) Per Berggren
- (c) Anna-Karin Hatt
- (d) Christer Jacobson
- (e) Christina Karlsson Kazeem
- (f) Nina Linander
- (g) Johan Skoglund

*Proposal: All the existing Board members are proposed to be re-elected as Board members. Charlotte Strömberg is proposed to be re-elected as Chairman of the Board of Directors.*

14. Election of auditor.

*Proposal: Deloitte is proposed for re-election as auditor in Castellum until the end of the Annual General Meeting 2020. 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.*

15. Resolution regarding the establishment of an Election Committee for the next Annual General Meeting.

*Proposal: The Election Committee proposes that a new Election Committee should be established in accordance with Appendix 3.*

16. Resolution regarding guidelines for remuneration to members of the executive management.

*Proposal: The Board of Directors proposes that guidelines for remuneration to members of the executive management should be adopted in accordance with Appendix 4.*

17. Resolution regarding renewal of the incentive program for members of the executive management.

*Proposal: The Board of Directors proposes that a renewal of the incentive program for members of the executive management should be resolved in accordance with Appendix 5.*

18. Resolution regarding authorisation for the Board of Directors to resolve on new share issues.

*Proposal: The Board of Directors proposes that the Board of Directors should be authorised to resolve on new share issues in accordance with Appendix 6.*

19. Resolution regarding authorisation for the Board of Directors to resolve to acquire and transfer the company's own shares.

*Proposal: The Board of Directors proposes that the Board of Directors should be authorised to resolve to acquire and transfer the company's own shares in accordance with Appendix 7. The Board of Directors' motivated statement in respect of its proposed authorisation is set out in Appendix 7a.*

Closing of the meeting.

*Office translation*



Appendix 3  
to minutes kept at  
Annual General Meeting on  
March 21 2019

In respect of Appendix 3 to the AGM minutes, please be referred to the Annual Report 2018 which is available elsewhere on the website.

**Auditor's report in accordance with Chapter 8, Section 54 of the Swedish Companies Act (2005:551), regarding compliance with the guidelines for remuneration to senior executives approved by the Annual General Meeting**

**To the Annual General Meeting of Castellum AB (publ), Corporate Identity Number 556475-5550**

We have audited whether the Board of Directors and the managing director of Castellum AB (publ) have complied with the guidelines for remuneration to senior executives during the financial year 2018, which were approved by the Annual General Meeting on March 23, 2017 and by the Annual General Meeting on March 22, 2018.

*Responsibilities of the Board of Directors and the managing director*

The Board of Directors and the managing director are responsible for compliance with these guidelines and for such internal control as the Board of Directors and the managing director determine is necessary to enable compliance with these guidelines.

*Auditor's responsibility*

Our responsibility is to express an opinion, based on our audit, to the Annual General Meeting as to whether the guidelines have been complied with. We conducted our audit in accordance with FAR's standard RevR 8 *Audit of Remuneration to Senior Executives in Listed Companies*. This standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the guidelines have, in all material aspects, been complied with.

The audit firm is applying ISQC 1 (International Standard on Quality Control) and has thus a comprehensive system for quality control, including documented policies and guidelines regarding compliance with professional ethics requirements, standards of professional practice and applicable requirements of laws and regulations.

Our audit has included a review of the organization for and the documentation supporting the remuneration to senior executives as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to senior executives. The procedures selected depend on the auditors' judgment, including the assessment of the risks of whether the guidelines have not, in all material aspects, been complied with. In making those risk assessments, the auditor considers internal controls relevant to the compliance of the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

We believe that our audit procedures provide a reasonable basis for our opinion, as set out below.

*Opinion*

In our opinion, the Board of Directors and the managing director of Castellum AB (publ) have, during the financial year 2018 complied with the guidelines for remuneration to senior executives, which were approved by the Annual General Meeting on March 23, 2017 and by the Annual General Meeting on March 22, 2018.

Gothenburg, January 22, 2019

Deloitte AB

*Signature on Swedish original*

Hans Warén  
Authorized Public Accountant

*This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.*

## **Proposed dividend and motivated statement regarding proposed distribution of profit year 2019 to the shareholders of Castellum AB (publ)**

### **Proposed distribution of profit**

The Board of Directors has proposed that the retained profits, amounting to

SEK 17,661,655,107 shall be appropriated as follows:

Dividend to shareholders with SEK 6.10 per share	SEK 1,666,527,113
Carried forward to the new accounts	<u>SEK 15,995,127,994</u>
Sum	SEK 17,661,655,107

The Board of Directors proposes a dividend of SEK 6.10 per share, distributed to the shareholders in two equal payments of SEK 3.05 per share. The first record day for distribution of dividend is proposed to be Monday, March 25, 2019 and the second record day for distribution of dividend is proposed to be Monday, September 23, 2019.

There are 273,201,166 shares in the company, of which none of the shares are currently owned by the company itself.

### **Reasons**

The group's equity has been calculated in accordance with IFRS standards, approved by the EU, as well as in accordance with Swedish law by application of the recommendation RFR 1 (Supplementary Accounting Rules for groups) by the Swedish Financial Reporting Board. The equity of the parent company has been calculated in accordance with Swedish law and by application of the recommendation RFR 2 (Accounting for Legal Entities) of the Swedish Financial Reporting Board.

The proposed dividend constitutes 56 per cent of the group's income from property management, which is in line with the expressed objective to distribute at least 50 per cent of the group's income from property management, having considered investment plans, consolidation needs, liquidity and overall position. The group's net income after tax amounted to MSEK 7,453. The dividend policy is based on the group's income from property management, and as a result non-affecting cash flow increases and/or decreases in value of the group's properties and on interest and currency derivatives, do not normally affect the dividend. Such non-affecting cash flow profit or loss, have neither been taken into account in previous year's resolutions regarding distribution of profit.

The Board of Directors concludes that the company's restricted equity is fully covered after the proposed dividend.

The Board of Directors also concludes that the proposed dividend to the shareholders is justified considering the parameters in section 17 subsection 3, second and third paragraphs of the Swedish Companies Act (the nature, scope and risks of the business as well as consolidation needs, liquidity and overall position). Accordingly, the Board of Directors would like to emphasise the following.

### **The nature, scope and risks of the business**

The Board of Directors estimates that the equity of the company as well as of the group will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business. The Board of Directors has in this context considered, inter alia, the historical development of the company and the group, budgeted development, investment plans and the economic situation.

### **Consolidation needs, liquidity and overall position**

#### *Consolidation needs*

The Board of Directors has made a general estimation of the financial position of the company and the group, and the possibilities to fulfil their obligations. The proposed dividend constitutes 9 per cent of the company's equity and 4 per cent of the group's equity. The group's loan to value ratio and interest coverage ratio 2018 amounted to 45 per cent and 454 per cent respectively. The expressed objective for the group's capital structure, implying a loan to value ratio which not permanently exceeds 50 per cent and an interest coverage ratio of at least 200 per cent, will be maintained after the proposed dividend. The capital structure of the company and the group is sound considering the prevailing conditions of the real property business. In light of the above, the Board of Directors concludes that the company and the group have all the necessary requirements to manage future business risks and also to carry potential losses. Planned investments have been considered when deciding on the proposed dividend.

#### *Liquidity*

The proposed dividend will not affect the company's or the group's ability to meet their payment obligations in a timely manner. The company and the group have good access to liquidity reserves through short-term as well as long-term credits. The credits may be utilised at short notice, implying that the company and the group are prepared to handle liquidity fluctuations as well as possible unexpected events.

#### *Overall position*

The Board of Directors has considered all other known conditions, which might affect the financial position of the company and the group, which have not been considered within the scope of the considerations above. In this respect, no circumstances have been found that indicate that the proposed dividend would not be justified.

### **Evaluation to actual value**

Derivatives instruments and other financial instruments have been valued to the actual value in accordance with section 4 subsection 14 a of the Swedish Annual Accounts Act. The valuation has presented an undervalue of MSEK 563 after tax, which has affected the equity by the mentioned amount.

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Gothenburg in February 2019  
CASTELLUM AB (publ)  
The Board of Directors

## **The Election Committee's proposal regarding resolutions at the Annual General Meeting 2019**

At the Annual General Meeting of Castellum AB (publ) held on March 22, 2018 it was resolved to establish an Election Committee, in preparation for the Annual General Meeting to be held in 2019, in order to fulfil the tasks set out in the Swedish Corporate Governance Code and in order to make 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), appointed by SEB Fonder
- The lawyer Patrik Essehorn, appointed by Rutger Arnhult through companies
- Vincent Fokke, appointed by Stichting Pensioenfonds ABP
- Charlotte Strömberg, the Chairman of the Board of Directors

### **The Election Committee's proposal 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 (2018 remuneration within brackets).
  - The Chairman of the Board of Directors: SEK 985,000 (SEK 850,000).
  - Each of the other members of the Board of Directors: SEK 410,000 (SEK 370,000).
  - Member of the Remuneration Committee, including the Chairman: SEK 50,000 (SEK 50,000).
  - Chairman of the Audit and Finance Committee: SEK 150,000 (SEK 150,000).
  - Each of the other members of the Audit and Finance Committee: SEK 75,000 (SEK 75,000).

The proposed Board remuneration, including remuneration for committee work, accordingly amounts to SEK 3,895,000 (SEK 3,520,000), provided that the number of committee members remains unchanged. The Board remuneration shall be at such level that Castellum can attract and retain Board members with the right qualifications and experience. The work of the Board of Directors in Castellum is characterised by a high activity level and requires considerable effort and great commitment, inter alia, due to the transformation process within Castellum. Further, 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.

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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 2020. 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 Castellum in preparation for the Annual General Meeting to be held in 2020 as follows.

The Chairman of the Board of Directors will be instructed to contact the four largest ownership registered or otherwise known shareholders as per the last share trading day in August 2019 and invite them to each appoint one member of the Election Committee. If such a shareholder should not wish to appoint a member, the fifth largest ownership registered or otherwise known shareholder should be consulted and so on. A member of the Election Committee shall, before the assignment is accepted, carefully consider whether any conflict of interest exists. 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 members of the Election Committee are subject to a confidentiality obligation concerning the company's business and this obligation shall, at the company's request, be confirmed by the members through the signing of a confidentiality undertaking.

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

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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. If such a change of the ownership occurs later than two months prior to the Annual General Meeting, no change of the composition of the Election Committee shall be made. A change in the composition of the Election Committee shall be announced.

The established Election Committee, as described above, shall serve until a new Election Committee commences its service.

No remuneration shall be paid to the members of the Election Committee. At the request of the Election Committee, the company shall provide the Election Committee with resources such as administration services in order to facilitate the work of the Election Committee. Furthermore, the company shall bear reasonable costs, e.g. for external consultants, which the Election Committee considers necessary for the fulfilment of the Election Committee's obligations.

#### **Report on how the Election Committee has performed its tasks**

All members of the Election Committee have carefully considered whether there is a conflict of interest to accept the assignment as member of the Election Committee of Castellum. Five 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 evaluation of the Board of Directors and has thereto conducted interviews with 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 and potential conflicts of interest in the work of 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 2020. 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.

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### **Motivated statement in respect of the Election Committee's proposal regarding the Board of Directors**

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, possess a wide range of competence and experience that is relevant for Castellum's business. The last few years have been characterised by a fast pace of transformation of Castellum, inter alia, in relation to business development, financing matters, restructuring within the group and work to promote efficiency. This work continues. The executive management has also been subject to several changes of personnel. Taking the above into account, the Election Committee considers that maintained continuity within the work of the Board of Directors is of importance. The current Board members state that they are motivated to contribute to the completion of the ongoing transformation process within Castellum, hence, the Election Committee proposes re-election of all current members of the Board of Directors.

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, digitalisation, 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, in accordance with the provisions of the Swedish Corporate Governance Code, 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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December 5, 2018  
The Election Committee in  
Castellum AB (publ)

## **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 21, 2019 resolves to approve the following guidelines for determining salary and other remunerations to the executive management in Castellum, to be applicable until the end of the Annual General Meeting to be held in 2020.

### **General**

An overall objective of the operations of Castellum is to create a sound development of shareholder value over time. 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. 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.

### **Preparation of matters regarding remuneration to the executive management**

Castellum has a Remuneration Committee which consists of three Board members, including the Chairman of the Board as Chairman of the Remuneration Committee. The Remuneration Committee shall, in relation to the Board of Directors, have a preparatory function in respect of principles for remuneration, remuneration and other terms of employment regarding the executive management. Consequently, the Remuneration 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 Remuneration Committee shall also evaluate the application of the guidelines resolved upon by the Annual General Meeting. Further, the Remuneration 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 Remuneration Committee shall annually evaluate the Managing Director's performance. Further, the Remuneration 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.

### **The executive members to which the remuneration guidelines apply**

The guidelines applies to executive members of the group executive management in Castellum.

### **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 pension terms for the executive management shall correspond to general market practice in respect of members of equivalent executive managements, and shall be based on pensions schemes with fixed charges.

### **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. Such variable remuneration shall aim to create long term value within the group and shall be rewarded within the scope of an incentive program. Its structure shall be based on the objective to align the interests of the

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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 remuneration according to an 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.

The result-based part of an 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 an 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 received remuneration according to an incentive program shall be paid as salary, includes payment for vacation and shall not be pension qualifying income. The participants of the 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 (such as car and mobile phone benefits) of the executive management shall facilitate the work to be performed and shall correspond to what is considered to be reasonable in accordance with general market practice.

#### **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.

#### **Information regarding remuneration resolved upon but not due for payment**

The current incentive program, adopted by the Annual General Meeting held in 2016 and which essentially is an extension of previous incentive programs, consists of a potential annual profit based remuneration for the years 2017, 2018 and 2019 as well as a potential three-year share price related remuneration for the period June 2017 – May 2020. The maximum outcome in respect of the annual profit based remuneration is half of the fixed salary for each year, where the salary level the manager concerned had per July the current financial year constitutes the base. This will lead to an estimated maximum annual cost for Castellum of MSEK 12 (social security charges included). The maximum outcome in respect of the three-year share price related remuneration is one and a half annual fixed salary for the three-year period June 2017 – May 2020, where issued variable remuneration is based on an average of the yearly salaries the manager concerned had per July 2017, 2018 and 2019 respectively. This will lead to an estimated maximum cost for Castellum of MSEK 29 in total (social security charges included).

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

The Board of Directors may deviate from the guidelines for specific reasons in a particular case.

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Gothenburg in February 2019  
CASTELLUM AB (publ)  
The Board of Directors

## **Proposal of the Board of Directors on renewal of the incentive program to members of the executive management**

The Board of Directors of Castellum AB (publ) proposes that the Annual General Meeting to be held on March 21, 2019 resolves to renew the incentive program for members of the executive management in accordance with the following key considerations. The proposal concerns the period 2020-2023 and is a renewal of the incentive program which has been applied by Castellum during several three-year periods. An overall objective of the operations of Castellum is to create a sound development of shareholder value over time. The operations of the Castellum group is focused on cash-flow growth, i. e. income from property management per share, to limited operational risk. This intends to increase value within the group at low financial risk, and at the same time offer a competitive share dividend to the shareholders. Accordingly, the Board of Directors of Castellum regards that it is essential that the group offers a remuneration structure and the terms of employment required to recruit and maintain a competent group executive management with capacity and incentive to achieve established objectives, at costs adapted to the group. The structure of the incentive program is 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.

Below is a description of the essential terms of the proposed incentive program.

### **The included members of the executive management and the main structure**

The incentive program applies to executive members of the group executive management in Castellum.

The incentive program is made up of two parts, one part which is based on each year's profit and one part which is based on the total return on the Castellum share over a three-year period.

### **The annual profit based remuneration**

The annual profit based remuneration is based on growth in income from property management per share (i. e. cash flow based growth) and on an overall determination of the development of certain individual target factors which the Board, after consulting the Managing Director, decides to give priority to under the current financial year. In order to receive full variable remuneration linked to the income from property management a 10% annual growth of the income from property management is required. In the event of growth in the interval 0–10%, a linear calculation is performed in respect of the outcome and the remuneration to be paid. Possible remuneration is paid annually as salary after the closing of accounts.

### **The three-year share price based remuneration**

The three-year share price based remuneration is based on the total return on the Castellum share in total numbers during the three-year period, as well as the total return on the Castellum share in comparison to real estate share indexes in Sweden, Great Britain and the Eurozone during the period of measurement. In order to receive full variable remuneration in accordance with the three-year program, the total return must amount to at least 50% during the relevant period, and the total return must further exceed the development of the indexes, respectively, with at least 5 percentage units during the relevant period. In the event of an outcome in the interval 0–50% and 0–5 percentage units, respectively, a linear calculation is performed in respect of the outcome and the remuneration to be paid. Possible remuneration is paid as salary after the end of the three-year period of measurement.

### **General regulations**

The variable remuneration shall, in respect of the yearly result-based program, be based on the annual

salary that the member of the executive management in question had in the month of July the current financial year starting in July 2020. In respect of the three-year share price based remuneration program, the variable remuneration is based on an average of the annual salaries that the member of the executive management in question had in the month of July 2020, 2021 and 2022. A member of the executive management that receives variable remuneration shall, in respect of an amount corresponding to at least half the received remuneration after deduction for tax, purchase Castellum shares. The variable remuneration under this incentive program includes payment for vacation and shall not be pension qualifying income.

The Board decides on the detailed terms of the incentive program within the conditions set out in this document. The Board is entitled to decide on minor deviations from the terms of the incentive program if the Board deems that there are particular reasons in an individual case, provided that such deviation does not cause the final remuneration to exceed the maximum remuneration that can be paid under the conditions of the respective part of the incentive program.

#### **The term of the incentive program**

In respect of the annual profit based bonus, the incentive program shall be applicable for the financial years 2020, 2021 and 2022, and, in respect of the three-year share price based remuneration, for the period June 2020 - May 2023.

#### **Cap of the remuneration**

The wording of the incentive program implies that the maximum outcome for the annual performance-based remuneration is half a year's salary for each year and the maximum outcome for the three-year share price based remuneration is one and a half year's salary during the relevant three-year period. The total cost for the annual profit based program is estimated to a maximum of MSEK 16 a year (social services charges included) and for the three-year share price based program, a maximum of MSEK 49 for the entire three-year period (social services charges included).

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Gothenburg in February 2019  
CASTELLUM AB (publ)  
The Board of Directors

## **Proposal of the Board of Directors on authorisation for the Board of Directors to resolve on new share issues**

### **I Authorisation for the Board of Directors to resolve on new share issues**

The Board of Directors of Castellum AB (publ) proposes that the Annual General Meeting to be held on March 21, 2019 resolves to authorise the Board of Directors to resolve upon new issues of shares in accordance with the following conditions:

1. The authorisation may be exercised on one or several occasions up to the Annual General Meeting to be held in 2020.
2. The maximum number of shares that may be issued shall correspond to at most ten per cent of the company's share capital at the time of exercise of the authorisation.
3. An issue may be made with or without deviation from the shareholders' preferential right.
4. An issue may be made against cash payment, by set-off or by contribution in kind.
5. Shares shall, in case of deviation from the shareholders' preferential right to subscription, be issued on market terms. The Board of Directors shall be entitled to determine other terms for the share issue.
6. The Board of Directors, or anyone appointed by the Board of Directors, shall be authorised to make such minor adjustments of the resolution of the Annual General Meeting that may be necessary in connection with registration with the Swedish Companies Registration Office.

### **II Purpose**

The purpose of the above authorisation and any deviation from the shareholders' preferential right is to enable the company to, completely or partially, finance any future real property investments and/or acquisitions of real property companies/businesses by issuing new shares as payment in connection with agreements on acquisition of real property, alternatively to raise capital for such investments and/or acquisitions.

### **III Majority requirement for resolution**

In order to be valid, a resolution regarding authorisation of the Board of Directors to resolve on new share issues requires approval of at least two thirds of the votes cast and the shares represented at the Annual General Meeting.

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Gothenburg in February 2019  
CASTELLUM AB (publ)  
The Board of Directors

## **Proposal of the Board of Directors on authorisation for the Board of Directors to resolve on acquisition and transfer of own shares**

### **I Objective**

The Board of Directors of Castellum AB (publ) proposes, for the purpose of being able to adapt the capital structure of the company to its capital needs from time to time and thereby contribute to an increased shareholder value, and to transfer own shares as payment, or in order to finance real property investments and/or acquisitions of real property companies/businesses, that the shareholders at the Annual General Meeting to be held on March 21, 2019 resolves to authorise the Board of Directors, until the next Annual General Meeting, to resolve on acquisition and transfer of own shares in accordance with what is stated below. It is noted that the objective does not allow the company to trade with its own shares for short-term purpose of making a profit. The company presently does not hold any of its own shares.

### **II Authorisation to decide on the acquisition of own shares**

The Board of Directors is authorised, until the next Annual General Meeting, to resolve on the acquisition of shares in the company as follows:

1. Acquisition of shares may be carried out only to the extent that the company, after each acquisition, will hold a maximum of ten per cent of all the shares in the company.
2. Acquisition may be carried out by trading on the Nasdaq Stockholm AB stock exchange (the "Stock Exchange").
3. Acquisition on the Stock Exchange may only be carried out at a price per share, which is within the registered price level at the time.
4. Payment of the shares shall be made in cash.
5. Acquisition of shares may be carried out on one or several occasions.

### **III Authorisation to resolve on the transfer of own shares**

The Board of Directors is authorised, until the next Annual General Meeting, to resolve on the transfer of shares in the company as follows:

1. Transfer may be carried out of all shares in the company owned by the company.
2. Transfer of shares may be carried out by trading on the Stock Exchange or in any other way with deviation from the shareholders' preferential rights.
3. The transfer of shares on the Stock Exchange may only be carried out at a price per share which is within the registered price level at the time.

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4. Payment for the transferred shares shall be made out in cash, contribution in kind, through set off against a claim on the company or shall otherwise be made according to set conditions.
  5. Transfer of shares may be carried out on one or several occasions.

The reason for deviating from the shareholders' preferential rights and the rationale behind the selling rate, is to obtain the best possible conditions for the company.

#### **IV Majority requirement for resolution**

In order to be valid, a resolution regarding authorisation of the Board of Directors to acquire and transfer own shares requires approval of at least two thirds of the votes cast and the shares represented at the Annual General Meeting.

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Gothenburg in February 2019  
CASTELLUM AB (publ)  
The Board of Directors

## **Motivated statement regarding the proposal of the Board of Directors to authorise the Board of Directors to resolve on acquisition of own shares**

For the purpose of being able to adapt the capital structure of the company to its capital needs from time to time and thereby contribute to an increased shareholder value, and to transfer own shares as payment, or in order to finance real property investments and/or acquisitions of real property companies/businesses, the Board of Directors of Castellum AB (publ) has proposed that the shareholders at the Annual General Meeting to be held on March 21, 2019, resolves to authorise the Board of Directors to, up until the next Annual General Meeting, resolve on acquisition of own shares in accordance with the proposal of the Board of Directors to resolve to authorise the Board of Directors to resolve on acquisition and transfer of own shares, Appendix 7 to the agenda of the Annual General Meeting. The aforesaid appendix states, inter alia;

- (i) that the company presently does not hold any of its own shares; and
- (ii) that the Board of Directors has proposed the Annual General Meeting, to authorise the Board of Directors to resolve on acquisition of the company's own shares to the extent that the company, after each acquisition, will hold no more than ten per cent of the shares in the company.

Based on the reasons in the statement of the Board of Directors in respect of the proposed distribution of profit, Appendix 2 to the agenda of the Annual General Meeting, the Board of Directors concludes – provided that the Annual General Meeting do not resolve to distribute dividend in excess of what has been proposed by the Board of Directors in the aforesaid appendix – that the proposed acquisition of own shares is justified considering the parameters in section 17 subsection 3 second and third paragraphs of the Swedish Companies Act (i. e. the requirements in respect of the company's and the group's equity and the company's and the group's consolidation needs, liquidity and financial position in general, which is determined by the nature, scope and risks of the business).

The Board of Directors further observes that – prior to the realisation of proposed authorisation by the Board of Directors – it is obliged, according to section 19 subsection 29 of the Swedish Companies Act, to prepare a new statement in relation to whether or not the planned acquisition of own shares may be justified considering the parameters in section 17 subsection 3 second and third paragraphs of the Swedish Companies Act, in light of the circumstances prevailing at the relevant time.

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Gothenburg in February 2019  
CASTELLUM AB (publ)  
The Board of Directors