

The Election Committee's proposal regarding resolutions at the Annual General Meeting 2020

At the Annual General Meeting of Castellum AB (publ) held on March 21, 2019 it was resolved to establish an Election Committee, in preparation for the Annual General Meeting to be held in 2020, 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:

- Patrik Essehorn (Chairman), appointed by Rutger Arnhult through companies
- Vincent Fokke, appointed by Stichting Pensioenfonds ABP
- Carl Lindgren, appointed by the Szombatfalvy sphere
- Göran Espelund, appointed by Lannebo Fonder
- 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 eight 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 (2019 remuneration within brackets).
 - The Chairman of the Board of Directors: SEK 1,015,000 (SEK 985,000).
 - Each of the other members of the Board of Directors: SEK 425,000 (SEK 410,000).
 - Chairman of the Remuneration Committee: SEK 100,000 (SEK 50,000).
 - Each of the other members of the Remuneration Committee: SEK 75,000 (SEK 50,000).
 - Chairman of the Audit and Finance Committee: SEK 200,000 (SEK 150,000).
 - Each of the other members of the Audit and Finance Committee: SEK 100,000 (SEK 75,000).

The proposed Board remuneration, including remuneration for committee work, accordingly amounts to SEK 4,640,000 (SEK 3,895,000), taking into account that the Board is proposed to be increased to eight Board members and provided that the number of committee members remains unchanged compared to last year. 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. Not least the committee work has been and is expected to be even more intense. Further, the Election Committee has

compared the Board remuneration in Castellum with the Board remuneration paid to Board members in other comparable companies within and outside the real estate sector and has in connection therewith considered, among others, Castellum's business model and its Nordic portfolio focus, the level of complexity in the business, the ownership structure in and the market capitalisation of the company. In total, the Election Committee considers that a certain increase of the Board remuneration is warranted and that the increase shall be focused on the remuneration for committee work.

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) Zdravko Markovski (new election)
 - (h) Joacim Sjöberg (new election)

The Board member Johan Skoglund has declined re-election.

Zdravko Markovski, born in 1964, holds a MSc from the Royal Institute of Technology KTH. Zdravko Markovski is a Board member of the residential developer Besqab AB (publ). Between 2016 and 2019, he was executive Board member of Backastad AB and Backastad Projekt AB, part of the Backahill group, and between 2015 and 2016, he was the CEO and president of Svevia AB (publ). Before that, Zdravko Markovski was employed at JM AB (publ) between 1987 and 2014, where he held several leading positions, among others as Business Unit Manager JM Bostad Stockholm, JM Real Estate Development and Group Staff Manager Marketing Communications and Business Development, and was part of the executive management between 2002 and 2014. In addition, Zdravko Markovski has experience as a Board member of the Swedish Construction Federation of the Confederation of Swedish Enterprise (Sw. *Sveriges Byggindustrier inom Svenskt Näringsliv*).

Joacim Sjöberg, born in 1964, holds a LLM from Stockholm University. Joacim Sjöberg is the executive chairman of the Board of Beijerinvest AB and is, in addition, a private investor in growing start-up companies and a strategic advisor. Further, Joacim Sjöberg is a Board member of Tendium Holding AB and his own company Valhalla Corporate Advisors AB. He has previous experience from several leading positions within investment banking and real estate advisory from Jones Lang LaSalle, Swedbank, Öhman Fondkommission, HSH Nordbank, Alfred Berg Fondkommission and Enskilda Securities. Before that, Joacim Sjöberg was a lawyer at Mannheimer Swartling Advokatbyrå between 1993 and 1999. Furthermore, Joacim Sjöberg has previously been a Board member of, among others, G&L Beijer AB, JLL Capital Markets AB and JLL Transaction Services AB.

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 2021. 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 2021 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 2020 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 or if there is any other circumstance that makes membership of the Election Committee inappropriate. 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 on 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 on the Election Committee, and invite such a shareholder to appoint one member of the Election Committee. If such a shareholder should not wish to appoint a member, the thereafter largest ownership registered or otherwise known shareholder should be consulted and so on. The total maximum number of members of the Election Committee shall be six. In the event that any of the members of the Election Committee should cease to represent the shareholder having appointed the member before the Election Committee has fulfilled its task, the member in question must resign, if the Election Committee so decide, and be replaced by a new member appointed by the shareholder in question. If the ownership of the company should otherwise be altered significantly before the Election Committee has fulfilled its task, the composition of the Election Committee shall also be altered, if the Election Committee so decide, in accordance with the principles stated above. If such a change of the owner-

ship 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. Eight recorded meetings have been held by the Election Committee. In addition, the Election Committee has had contact via telephone and email. The Election Committee has received a detailed presentation concerning the results of the comprehensive evaluation of the Board of Directors, executed by a firm specialized in board evaluations, and has thereto conducted interviews with all the members of the Board of Directors. The Election Committee has further carried out a recruitment process, which involved contacts with executive search firms, drawing up profiles for the recruitment of Board members and meetings with candidates to the Board of Directors. Furthermore, the Election Committee has 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 2021. The Election Committee has considered that the gender balance shall be broadly maintained in the Board of Directors and that the Board shall be characterised by diversity and breadth regarding competence, experience and background. The Election Committee has applied rule 4.1 in the Swedish Corporate Governance Code as diversity policy when preparing the proposal regarding election of members of the Board of Directors.

Finally, the Election Committee has, in order for the company to fulfil its information obligation to the shareholders, informed the company on how the Election Committee has performed its tasks and on the proposals that the Election Committee presents.

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

The 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 competences and experiences that are relevant for Castellum's business. In connection with Johan Skoglund declining re-election, the Election Committee has considered which characteristics should complement the Board when Castellum enters the 2020s and how the continuous renewal process within the Board of Directors can be best effected.

The last few years have been characterised by a fast pace of transformation for Castellum. The Election Committee considers that the proposed Board members are competent and have extensive experience of matters regarding real estate management and development, capital markets, financing, city planning, sustainable businesses, changed customer behaviour, trend analysis, digitalisation, communication and marketing, generating long-term shareholder value and board work in general. Zdravko Markovski and Joacim Sjöberg are considered to be able to contribute with competence and experience within many of the above mentioned areas and are thus considered to deepening the competence and experience of the Board of Directors. Therefore, the Election Committee considers that the proposed 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 the Board is gender balanced.

Further information about the proposed Board members can be found on 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.

January 20, 2020
The Election Committee in
Castellum AB (publ)