

# Board work in 2014

## Chairman:

Competent, active, transparent and responsible corporate governance is crucial for all stakeholders' confidence in Catena and its operations.

Following the successfully completed merger in 2013 of Catena and Brinova's logistics operations, in 2014, the Board, in a good working relationship with a competent and committed management team, continued its efforts to develop Catena's operations responsibly for the benefit of all stakeholders and to balance a good return for shareholders with the risk on which all business operations are based.

During the year, we conducted an assessment of the Board and its work. We affirmed that the Board is well composed in relation to its duties. It represents the experience that is essential for the company's continued development, including property-related, strategic and financial issues. In addition, the Board also possesses an extensive professional network, which is an additional prerequisite for successful operations. Thanks to this and focused and efficient committee work, the Board was able to take an active and energetic role and was able to make well-founded decisions. Combined with well-developed processes, policies and control systems, this makes it possible to conduct responsible operations.

As far as is possible without harming our competitive position or assets, our operations are also transparent, with clear accounting and the publication of frequent, accurate and true information to investors, as well as all others who seek to monitor Catena's operations and development.

The company now stands strong as one of the leading companies in its sector, with a well-functioning organisation and a good financial position. In line with our overarching objectives, this provides us and Group management with good



opportunities to provide a good dividend to shareholders, while also growing our business aggressively by strengthening our position as one of the leading companies in logistics properties.

Stockholm, 23 March 2015

Henry Klotz

# Responsible corporate governance inspires trust

All business decisions at Catena must be justifiable from a financial and ethical perspective. Through transparency and availability, we provide our shareholders and other stakeholders with insight into decision paths, responsibility, powers and control systems. The information we provide must be correct, reliable and up to date.

## Corporate governance

Catena is a Swedish public limited liability company listed on NASDAQ Stockholm. The applicable regulations for governance and control of the Group are primarily the Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Regulations for Issuers, the Swedish Code of Corporate Governance, internal guidelines and policies, as well as other applicable laws and regulations.

Catena's Board and executive management endeavour to ensure that Catena complies with the requirements imposed by the stock exchange, shareholders and other stakeholders. The Swedish Code of Corporate Governance (the "Code", available at [www.bolagsstyrning.se](http://www.bolagsstyrning.se)) is aimed at ensuring favourable conditions for active and responsible ownership. It is based on the principle of comply or explain. Deviations from the Code must be justified and explained. This Corporate Governance Report describes how Catena applied the Code during 2014.

## Annual General Meeting

The Annual General Meeting (AGM) is the company's highest decision-making body. At the AGM, all shareholders are provided with the opportunity, not subject to limitation, to exercise influence over the company corresponding to their

respective share-holdings. The Company applies no special arrangements concerning the function of the AGM – neither based on any provisions in the Articles of Association or, insofar as the Company is aware, any agreements between shareholders.

The AGM appoints the Board and auditors, and adopts principles for the remuneration of the Board, auditors and Group management. When necessary, the AGM also makes decisions on items including the Articles of Association, dividends, and changes in share capital. At the AGM, which must be held within six months of the close of the financial year, resolutions must be passed on the adoption of the balance sheets and income statements, the appropriation of Catena's profit or loss, and the discharge of responsibility of the Board and the CEO.

## Annual General Meeting, 6 April 2014

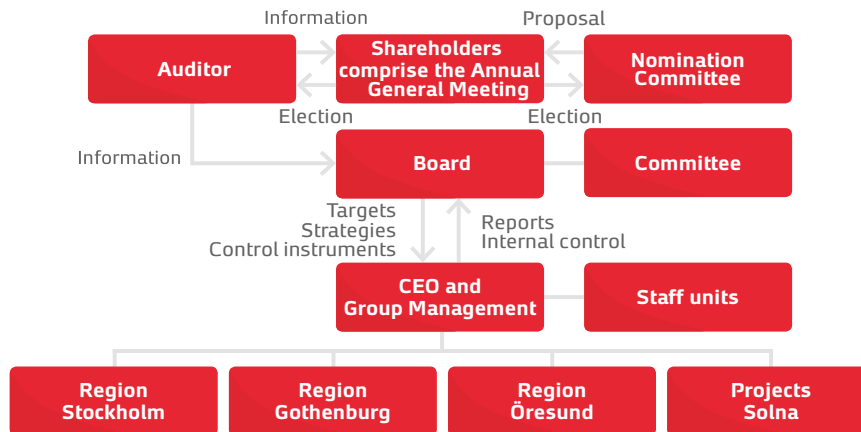
At Catena's AGM on 6 April 2014, the company's balance sheet and income statement were adopted, as was the Board's proposed appropriation of profits of SEK 51,283,842, corresponding to a dividend per share of SEK 2.

The AGM resolved that the number of Board members should total six (six) and to re-elect the Board members Henry Klotz, Erik Paulsson, Bo Forsén, Katarina Wallin, Andreas Philipson and Gustaf Hermelin for the period until the next

**Direct or indirect shareholdings exceeding 10 percent of the company**  
On 27 February 2015, Catena AB had 14,446 shareholders. The largest shareholders are Backahill with 45.6 percent (46.4) of the share capital, Endicott Sweden AB with 13.5 percent (13.8) and Fabega AB with 10.2 percent (13.8) of the capital respectively. No other shareholder held 10 percent or more of the shares outstanding on 27 February 2015.

### Ownership structure at 27 February 2015

	No. of shares, thousands	Votes, %
Backahill	11,681	45.6
Endicott Sweden AB (CLS Holding plc)	3,469	13.5
Fabega AB (publ)	2,619	10.2
SFU Sverige AB	1,847	7.2
Länsförsäkringar fondförvaltning AB	1,811	7.1
Prior & Nilsson Fond- och Kapitalförvaltning AB	729	2.8
Banque Carnegie Luxembourg SA	223	0.9
JP Morgan Europe Limited	165	0.6
Livförsäkringbolaget Skandia ÖMS	158	0.6
Other shareholders	2,940	11.5
	<b>25,642</b>	<b>100.0</b>



AGM. Henry Klotz was elected Chairman of the Board. The AGM also resolved to adopt guidelines for remuneration to Catena's senior executives. Furthermore, the AGM resolved that fees to Catena's auditors be paid according to approved invoices on an on-going basis.

## Extraordinary General Meeting, 7 March 2014

At an Extraordinary General Meeting on 7 March 2014, the Board of Directors decided to make a non-cash issue comprising 446,469 shares for a total value of SEK 50 million, aimed at Logistikkbygg 1 AS. The price per share was based on an average price (volume weighted) over the five trading days prior to the meeting. The background to the issue was Catena's acquisition of Logistikkbygg 1 AS properties; Lagret 1 in Nässjö and Jordbromalm 4:33 in Haninge.

## Remuneration of Board and senior executives

In line with the decision of the AGM on 6 May 2014, the Chairman of the Board receives a Board fee of SEK 200,000 and the other members SEK 100,000 each. No directors' fees are payable to the CEO. Salary, other remuneration and pension premiums for the CEO and other senior executives are presented in Note 8 to the consolidated financial statements. In 2014, variable remuneration paid to the CEO and management amounted to just under SEK 1 million.

## Nomination Committee

The Nomination Committee is tasked with preparing and

submitting proposals for the Board, Chairman of the Board, directors' fees, policies for appointing the Nomination Committee, the Chairman at the AGM and, when applicable, auditors and auditors' fees. Catena's Annual General Meeting on 6 May 2014 decided to appoint a Nomination Committee consisting of representatives of the four largest shareholders and the Chairman. In accordance with the decision, the following Nomination Committee was formed:

Henry Klotz appointed by CLS Holdings plc, Åsa Bergström appointed by Fabege AB, Svante Paulsson appointed by Backahill and Klas Andersson appointed by SFU Sverige AB. The Chairman of the Nomination Committee is Åsa Bergström, while the Chairman of the Board Henry Klotz convenes the meetings. In accordance with applicable decisions, new shareholder representatives are to be appointed when ownership changes.

## Board of Directors

The Board's overriding task is to manage Catena's and the Group's activities on behalf of the owners in a way that best secures the owners' interest in a favourable long-term return on capital. The members are elected annually at the AGM for the period up to the end of the following AGM. The Board's work is carried out in compliance with statutory provisions, the Articles of Association and the formal work plan. The formal work plan is discussed at the statutory Board meeting and is set annually. The composition of the Board includes expertise and experience from the areas that are of major importance as part of efforts to support, monitor and control operations in a property company. Board members have

expertise in properties, the real estate market, and financing and business development, for example. In accordance with the Articles of Association, Catena's Board is to comprise not fewer than five and not more than nine members with no deputies. Catena's Board comprises six members who were elected at the AGM on 6 May 2014.

For further information about the Board members, please refer to the section "Board, senior executives and auditors".

## The work of the Board of Directors

The Chairman of the Board is responsible for leading the work of the Board in an efficient and appropriate manner. In addition to leading the work, the Chairman monitors the Group's on-going developments through contact with the CEO on strategic issues. During 2014, nine minuted Board meetings were held, one of which was statutory. During the year, the CFO acted as the secretary of the Board. In addition to the above items, Board meetings have addressed plans and strategies for the Group's development and the on-going follow-up of results and position, valuations of the Group's properties, liquidity and financing as well as investment decisions. Catena's auditor in charge, Lars Wennberg, PwC, was called in to the Board meetings in February, July and November.

## Formal work plan

The Board of Catena works in accordance with a formal work plan consisting of instructions in respect of the division of duties and financial reporting. The formal work plan represents a complement to the provisions of the Swedish Companies Act and Catena's Articles of Association, and is reviewed annually. The Board also assesses the CEO's work performance. The CEO does not attend this assessment.

The Board is responsible for continuously monitoring and controlling Catena's operations. Consequently, it is the duty of the Board to ensure there is a functioning reporting system.

Regular reports concerning Catena's and the Group's economic and financial position, current market issues, project reporting, and, in certain cases, underlying information for investment decisions and property sales, are presented at Board meetings. In addition to being responsible for Catena's organisation and administration, the Board's key task is to make decisions on strategic issues.

Each year, the Board sets the overall goals for the Group's operations and decides on strategies to attain these goals. The CEO's instructions and internal policy documents are also reviewed annually.

## Auditor

Catena's auditors are elected at the AGM. The 2012 AGM elected registered public accounting firm PwC as the new auditor with auditor in charge, Lars Wennberg for a period of three years. The auditor reports the results of his examination to the shareholders in the auditor's report. This is presented at the AGM. In addition, the auditor presents a detailed report to the Board twice annually. In conjunction with this report, a discussion is also held concerning the observations of the audit. In addition to auditing, PwC has also provided services in the areas of taxes and accounting.

Fees are paid according to approved invoices on an on-going basis.



Lars Wennberg

## CEO

The CEO leads operations on the basis of the CEO's instructions drawn up by the Board.

According to the instructions, the CEO is tasked with ensuring that the Board members receive regular information and reports on Catena's progress to enable them to make sound assessments and well-founded decisions.

The CEO must also ensure that Catena observes the obligations regarding information and so forth that arise from the listing agreement with NASDAQ Stockholm.

The CEO's duties also include supervising compliance with the goals, policy and strategic plans established by the Board and ensuring that they are submitted to the Board for updating or review whenever necessary.

## Remuneration Committee

The Board of Catena has established a Remuneration Committee. The task of the Remuneration Committee is to prepare matters concerning remuneration and other conditions of employment for the CEO. The CEO, on the basis of principles established by the Board, determines remuneration of senior executives. During 2014, the Remuneration Committee comprised Henry Klotz (Chairman), Bo Forsén and Katarina Wallin.

## Audit Committee

Catena's Board has established an Audit Committee. The task of the Audit Committee is to maintain and add to efficiency in contact with the Group's auditor, and to supervise the proce-

dures for auditing and financial reporting. The Committee also evaluates the work of the auditor and monitors how accounting principles and requirements are progressing.

The Board has decided that all its members, with the exception of the CEO, are to be part of the Committee.

## Stock market information

Catena submits prompt, simultaneous, correct and reliable information to existing and potential shareholders and other stakeholders. The company submits interim reports, a year-end report and an annual report for the entire financial year. Catena's website, [www.catenafastigheter.se](http://www.catenafastigheter.se), presents current information on Catena, such as press releases and financial statements. Shareholders can download financial information from the company via the website. This information can also be ordered directly from Catena by telephone or by post.

## Internal control

The Board is responsible for internal control pursuant to the Swedish Companies Act and the Swedish Code of Corporate Governance. This Corporate Governance Report is prepared in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act and is thus limited to internal control and risk management related to financial reporting. The basis of internal control is the control environment in which the work of the Board and executive management is set. The

Board has adopted a number of important policies and basic guidelines for internal control programs, such as a financial policy, an ethics and crisis management policy and information policies. The CEO presents regular reports to the Board on the basis of established routines and documents.

Catena's internal control structure is based on a clear division of responsibility and work between the Board and CEO, as well as within operational activities. Operational activities include business control and business planning processes. Examples of these include tools for monitoring operations, preparations ahead of the purchase and sale of properties/companies, and underlying data for property valuations. Control activities are performed at the individual property level in the form of current results and investment monitoring and, at the overall level, in the form of results analysis at the area level, analysis of key data and reviews of the Group's legal structure.

In order to prevent and detect errors and deviations, there are, for example, systems for attestation rights, reconciliations, approval and reporting of business transactions, reporting templates as well as accounting and valuation policies. These systems are continuously updated. Internal information and external communication are regulated at the overall level by means of the information policy. Internal information is disseminated through regular information meetings.



Jordbromalm 4:33, Haninge.

# Board of Directors



**Henry Klotz**      **Bo Forsén**      **Gustaf Hermelin**      **Erik Paulsson**      **Andreas Philipson**      **Katarina Wallin**

	Henry Klotz	Bo Forsén	Gustaf Hermelin	Erik Paulsson	Andreas Philipson	Katarina Wallin
<b>BORN</b>	1944.	1948.	1956.	1942.	1958.	1970.
<b>POSITION ON THE BOARD</b>	Chairman.	Member.	Member.	Member.	Member.	Member.
<b>YEAR ELECTED</b>	2007.	2012.	2013.	2013.	2013.	2013.
<b>EDUCATION</b>	Engineer.	Business administration studies, Lund University.	Business administration studies, Stockholm School of Economics.	Elementary school.	M.Sc. Civil Engineering, Chalmers Institute of Technology. Harvard Business School Executive Program.	M.Sc. Engineering, Royal Institute of Technology. Behavioural Science and Business Administration, Stockholm University.
<b>POSITION</b>	Executive Vice Chairman, CLS Holding plc.	Board work.	President, Catena Fastigheter AB.	Company leader and entrepreneur since 1959.	CEO of TAM Group AB.	Strategy Consultant and Partner at Evidensgruppen.
<b>OTHER ASSIGNMENTS</b>	Board member of a large number of companies in the CLS Group and Board member of NOTE AB.	Chairman of the Board at Victoria Park AB, Scandinavian Resort AB and Norén Fastigheter AB. Board member at Roxtec AB and Cale AB.		Chairman of the Board of Fabega AB, Backahill AB, SkiStar AB and Wihlborgs Fastigheter AB.	Board member of TAM Group AB and Veg Tech AB as well as subsidiaries of TAM Group.	Chairman of the Board of Belatchew Arkitekter AB, Bernow Lindqvist Wallin AB and Ekologigruppen AB. Board member at Evidens blw AB, Au Point AB and Evimetrix AB.
<b>OWN SHAREHOLDING 2014 AND HOLDINGS OF RELATED PARTIES</b>		1,000 shares (through companies).	1,847,399 shares (through companies).	11,680,751 shares (through companies).	1,000 shares (through companies).	
<b>INDEPENDENCE STATUS UNDER THE SWEDISH CODE OF CORPORATE GOVERNANCE</b>	Independent in relation to the company and executive management. Dependent in relation to major shareholders.	Independent in relation to the company, executive management and major shareholders.	Dependent in relation to the company and executive management in relation to major shareholders.	Independent in relation to the company and executive management. Dependent in relation to major shareholders.	Dependent in relation to the company and executive management. Independent in relation to major shareholders.	Independent in relation to the company, executive management and major shareholders.
<b>PRESENCE BOARD MEETINGS</b>	9/9	8/9 <sup>1)</sup>	9/9	9/9	9/9	9/9 <sup>1)</sup>
<b>ATTENDANCE, AUDIT COMMITTEE</b>	3/3	3/3		3/3	3/3	3/3
<b>ATTENDANCE, REMUNERATION COMMITTEE</b>	1/1	1/1				1/1

1) Of which, one meeting by telephone.

**Auditor:** Lars Wennberg, PwC.

# Management



	<b>Gustaf Hermelin</b>	<b>Mikael Halling</b>	<b>Peter Andersson</b>	<b>Sofie Bennsten</b>	<b>Maths Carreman</b>	<b>Johan Franzén</b>	<b>Göran Jönsson</b>
<b>BORN</b>	1956.	1952.	1966.	1969.	1958.	1978.	1961.
<b>POSITION</b>	CEO.	Deputy CEO Logistics Manager.	CFO.	HR Manager.	Regional Manager, Stockholm.	Regional Manager, Gothenburg.	Regional Manager, Öresund.
<b>EMPLOYEE SINCE</b>	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.	1 October 2013.
<b>EDUCATION</b>	Business administration studies, Stockholm School of Economics.	MBA and Structural Engineer.	M.Sc. in Business Administration.	M.Sc. Economics.	Structural engineer.	Business administration studies, School of Economics, Business and Law, Gothenburg University.	Structural engineer.
<b>PREVIOUS EXPERIENCE</b>	CEO of Klöver AB and Strömfastigheter, Norrköping.	Deputy CEO and Business Area Manager for Logistics, Brinova Fastigheter AB. CEO, Birsta Fastigheter.	CFO, Brinova Fastigheter AB. CFO, Fastighets AB Skånehus.	Administrative Manager and Chief Accountant, Brinova Fastigheter AB.	Unit Manager, Klöver Norrköping. Works Manager/ Purchasing Manager/ Project Developer at Skanska.	Business Development, Brinova Fastigheter AB. District Manager, Jungheinrich Svenska AB.	Business Area Manager for Commercial/ Residential, Brinova Fastigheter AB. CEO, Maintech Förvaltning Syd.
<b>OWN SHAREHOLDING 2014 AND HOLDINGS OF RELATED PARTIES</b>	1,847,399 shares (through companies).				100 shares.		