

The Code

The Swedish Code of Corporate Governance ("The Code") shall be applied to all companies listed on the Stockholm Stock Exchange with a market value exceeding SEK 3 billion. Corporate Governance issues are important for Catena. However, taking into consideration that Catena's market value does not exceed this limit, Catena has decided to wait before formally applying the Code. Instead, the company has chosen to report some of the Code's requirements so as to provide the shareholders with a good view of governance and control in the Company.

The corporate governance requirements will be expanded from July 1, 2008 onwards. This change will mean that the Code will apply to all listed companies. Catena will implement the changes required by the Code and apply the revised code from the aforesaid date.

Articles of association

The name of the company is Catena AB and the company is a public limited company. The registered office of the company shall be in Göteborg. General Meetings shall be held in Göteborg or Stockholm. The company's objects are, directly or through subsidiaries, to conduct property management, to acquire and dispose of properties, to perform services, development work and administrative services, and to engage in other compatible activities. The complete articles of association are available on the company's website at [www.catenafastigheter.se/About Catena/Corporate Governance](http://www.catenafastigheter.se/About%20Catena/Corporate%20Governance).

The Board of Directors and its work

The Board of Directors

The Board of Directors is responsible for the organisation of the company and management of its business. In accordance with a decision at an extraordinary shareholders' meeting in October 2007, an additional two board members have been elected, making eight members in all. The Board shall assess the financial situation of the company on an ongoing basis. This work is led by the Chairman of the Board, who is appointed by the Annual General Meeting.

Catena's Board comprises competence and experience from areas that are of great significance to the Board's ability to support, monitor and control the operations in a leading property company in Sweden. The members of the Board possess knowledge in properties, financing and business development.

The Board complies with the Stockholm Stock Exchange's listing requirement that not more than one Board member may work actively in the daily operations, that at least half of the members must be independent in relation to the Company and that at least two members must be independent of the Company's major shareholders.

Formal work plan

The Board of Directors of Catena works in accordance with a formal work plan containing instructions regarding the division of duties and responsibilities, and financial reporting. The formal work plan constitutes a complement to the provisions of the Swedish Companies Act and the Catena's Articles of Association and is subject to annual review. According to this work plan, the Board shall ensure that the CEO fulfils his duties. The performance of the CEO is assessed annually and is compared against established long and short-term objectives.

According to the formal work plan, it is the responsibility of the Chairman of the Board to follow the development of Catena, through contact with the CEO, and to ensure that the CEO provides the members of the Board with the information that they require. The Chairman of the Board shall also consult with the CEO in strategic issues and ensure that the handling of the issues does not conflict with the provisions of the Companies Act or the Articles of Association.

The work of the Board of Directors

Nine board meetings were held during 2007, one of which was a board meeting following election. Two of the Board members have been absent from one meeting each. On other occasions, all Board members have participated.

The Board has considered plans and strategy for the development of the company and regular follow-up of performance, liquidity and financing. Interim reports and the year-end report were adopted at two of these meetings. The Board has made decisions during 2007, among other things, on the business plan, forecasts, finance policy, contract issues and tenant relations.

The Nomination Committee has reviewed the work of the Board for the period up to the 2007 Annual General Meeting.

No remuneration has been made to Board members apart from the board fee.

Board committees

Audit Committee

Catena's Board does not deem it necessary to establish an audit committee since the size of the Board and the nature of accounting and audit issues is not more complicated than the work that can be directly handled by the Board. Board members, who are also members of the senior management, such as the CEO, do not participate in the work with such issues.

Remuneration Committee

Catena's Board does not deem it necessary to establish a remuneration committee since the size of the Board and the small number of employees in the Group are such that the Board is able to complete the tasks of a remuneration committee. Board members who are also members of the senior management, such as the CEO, do not participate in work with such issues.

Auditors

At the Annual General Meeting in 2004, KPMG was appointed to audit Catena AB. This appointment applies until the end of the Annual General Meeting in 2008. Jan Malm, authorized public accountant, is responsible for the audit.

CEO and group management

The CEO shall, in accordance with the formal work plan, ensure on an ongoing basis that members of the Board receive information and reports concerning Catena's development in order that they can make informed assessments and well-founded decisions. Furthermore, the CEO shall ensure that Catena observes the information and other obligations stipulated by the listing agreement with the Stockholm Stock Exchange. The CEO shall also monitor compliance with the objectives, policies and strategic plans established by the Board and ensure that they are submitted to the Board for updating or review.

Group management comprises of three individuals in addition to the CEO: the CFO, the Controller and the Head of Business Development. All members of group management have been registered with the Financial Supervisory Authority's insider trading register.

Nomination Committee

The tasks of the Nomination Committee include proposing Board members, Board Chairman, Board remuneration and auditors. During the year, the Nomination Committee has had five meetings. The Nomination Committee consists of the following: Thomas Lundkvist for CLS Holding plc, Christian Hahne for Erik Selin Fastigheter AB, Gunnar Lindberg for Länsförsäkringar and Ulf Strömsten for Catella. The chairman of the Nomination Committee is Ulf Strömsten.

Please refer to Catena's website (www.catenafastigheter.se) for further information about the Nomination Committee.

Remuneration to the Board and senior executives

Principles

In accordance with a decision of the Annual General Meeting on April 23, 2007, the Chairman of the Board receives SEK 210,000 and the other members SEK 105,000 each with the exception of the CEO who does not receive a fee. Salaries, other payments and pension premiums for the CEO and other senior management during 2007 are shown in the notes to the Annual Report.

Basis for remuneration

Remuneration to the CEO is decided upon by the Board. Remuneration to other senior executives is decided by the CEO in accordance with the principles established by the Board. Board members who are also members of the senior management, for instance, the CEO, do not participate in the work with such issues.

Information to the stock market

Catena submits an interim report on its operations after each quarter and a year-end report and Annual Report for the entire financial year. Meetings are arranged with analysts and the media for a review of operations in conjunction with some publications of certain interim reports.

Catena's website (www.catenafastigheter.se) shows current information about the company such as press releases, financial reports and a list of properties.

Shareholders can order printed financial information from the company via the website. This information can also be ordered directly from the company by telephone.