

Minutes kept at the Annual General Meeting of shareholders in Cloetta AB (publ), 556308-8144, on Tuesday, 29 April 2014, at 2 p.m. at Norra Latin, Drottninggatan 71 B in Stockholm

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**§ 1 Opening of the meeting (item 1 on the agenda)**

The Chairman of the Board, Lennart Bylock, opened the Annual General Meeting.

**§ 2 Election of the Chairman of the meeting (item 2 on the agenda)**

The meeting resolved to elect the lawyer Wilhelm Lünig as Chairman of the meeting in accordance with the proposal by the nomination committee. The Chairman informed that the lawyer Fredrik Lundén had been asked to keep the minutes at the meeting.

The meeting resolved that shareholders who had not effected voting right registration, employees in the company, representatives of media and other persons who were not shareholders who had been recorded at the entrance, were entitled to attend the meeting.

**§ 3 Drawing up and approval of voting list (item 3 on the agenda)**

The attached list of present shareholders and representatives of shareholders, Appendix 1, was approved to serve as voting list for the meeting.

The Chairman informed that a number of foreign funds that were represented at the meeting had, in advance of the meeting, informed Cloetta of their voting instructions regarding certain of the proposed resolutions. Furthermore, the Chairman informed that the voting instructions were available for review at the meeting, if any shareholder so requested, and that votes against and votes abstained from voting would be recorded in the minutes.

**§ 4 Approval of the agenda (item 4 on the agenda)**

The Chairman informed the meeting that the Board of Directors had withdrawn its proposal under item 17 on the agenda (proposal regarding resolution to authorise the Board of Directors to resolve on acquisition of own shares and transfer of own shares), and thus the Board of Directors' proposed agenda for the meeting was adjusted such that it no longer included this proposal.

The meeting resolved to approve the Board's proposed agenda for the meeting, which had been included in the notice to the meeting, as adjusted above.

**§ 5 Election of two persons to verify the minutes (item 5 on the agenda)**

The meeting resolved that the minutes of the meeting would be approved, in addition to the Chairman, by Dick Bergqvist representing AMF Försäkring och Fonder and Johan Ståhl representing Lannebo Fonder.

**§ 6 Determination as to whether the meeting had been duly convened (item 6 on the agenda)**

It was noted that the notice to the meeting had been given within the period stated in the Companies Act by way of announcement in the Swedish Official Gazette (*Sw. Post- och Inrikes Tidningar*) on 27 March 2014 and on the company's website on 25 March 2014 and that an announcement that the notice had been issued had been published in *Dagens Industri* on 27 March 2014.

The meeting resolved to approve the notice procedure and declared the meeting duly convened.

**§ 7 Presentation of the annual report and the auditor's report and the consolidated financial statements and the consolidated audit report for the preceding financial year (item 7 on the agenda)**

The annual report for the financial year 1 January – 31 December 2013 and the consolidated accounts for the financial year 1 January – 31 December 2013 were presented, including the administration report, income statement and the balance sheet for the parent company and the group, as well as the auditor's report for the parent company and the group for the same period of time.

The company's auditor in charge, Helene Willberg, gave her comments to the audit work during 2013, the auditor's report and the auditor's statement regarding compliance with the previously adopted guidelines regarding remuneration to the executive management.

**§ 8 Presentation by the President (item 8 on the agenda)**

The President of the company, Bengt Baron, accounted for the company's business and its development during the preceding financial year and during the first quarter 2014.

**§ 9 Report by the Chairman of the Board on the work of the Board (item 9 on the agenda)**

The Chairman of the Board, Lennart Bylock, presented the work of the Board during the preceding financial year, including the work of the audit committee and the remuneration committee.

The Chairman of the Board and the President responded to questions from the shareholders regarding, among other, tendencies regarding consumer preferences, the use of palm oil by the company, ecological products, risks due to future regulations, the company's production plants and close-down of the same, new markets outside Europe and the company's product line.

**§ 10 Resolution on adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet (item 10 on the agenda)**

The meeting resolved to adopt the income statement and the balance sheet for the parent company and the consolidated income statement and the consolidated balance sheet for the consolidated group for the financial year 2013.

**§ 11 Resolution on disposition of the company's earnings according to the approved balance sheet, and record day for any dividend (item 11 on the agenda)**

The meeting resolved in accordance with the proposal by the Board, Appendix 2, that no dividend would be paid for the preceding financial year 1 January – 31 December 2013, and that the unappropriated earnings at the disposal of the meeting should be carried forward.

**§ 12 Resolution on discharge from personal liability of the directors and the President (item 12 on the agenda)**

It was resolved to discharge the directors and the President from liability for the management of the company's business during the preceding financial year 1 January – 31 December 2013.

It was noted that the President and those directors who were also present in their capacity as shareholders or representatives of shareholders did not participate in the resolution.

**§ 13 Resolution on the number of directors, remuneration to be paid to the directors and to the auditor, election of directors and the Chairman of the Board, and election of auditor (item 13 on the agenda)**

The Chairman of the Board, also being a director of the nomination committee, Lennart Bylock presented the nomination committee's proposal on the number of directors, remuneration to be paid to the directors and to the auditor, the Board's composition, the Chairman of the Board, and election of auditor as well as the nomination committee's statement regarding its proposals.

The meeting resolved in accordance with the proposals by the nomination committee:

- that the number of directors elected by the meeting shall be six with no deputies.
- that the Chairman of the Board shall receive remuneration in the amount of SEK 600,000 and the other directors appointed by the meeting shall receive SEK 275,000 each, and that the members of the audit committee shall receive remuneration in the amount of SEK 100,000 each and that the members of the remuneration committee shall receive SEK 50,000 each. It was noted that the total remuneration including for committee work amounts to SEK 2,425,000.
- that fair remuneration to the auditors is to be paid as charged.

The Chairman informed about the assignments the proposed directors hold in other companies and Caroline Sundewall and Ann Carlsson, who were proposed to be elected as new directors, presented themselves. The meeting thereafter resolved in accordance with the nomination committee's proposals:

- to re-elect Lilian Fossum Biner, Adriaan Nühn, Mikael Svenfelt and Olof Svenfelt, as directors of the Board and to elect Caroline Sundewall and Ann Carlsson as new directors of the Board.
- to elect Caroline Sundewall as Chairman of the Board.
- to re-elect the registered public accounting firm KPMG AB to be the company's auditor until the end of the next annual general meeting. It was noted that KPMG AB will appoint Helene Willberg as the auditor in charge.

It was noted that shareholders, specified in [Appendix 3](#), representing in total 12,418,425 shares and votes, had informed the company in advance that they voted against the resolution.

**§ 14 Proposal regarding rules for the nomination committee (item 14 on the agenda)**

The proposal regarding rules for the nomination committee was presented, [Appendix 4](#).

The meeting thereafter resolved in accordance with the proposal regarding rules for the nomination committee.

**§ 15 Proposal regarding guidelines for remuneration to the executive management (item 15 on the agenda)**

The proposal by the Board regarding guidelines for remuneration to the executive management was presented in accordance with [Appendix 5](#).

The meeting thereafter resolved to adopt guidelines for remuneration to the executive management in accordance with the proposal by the Board.

**§ 16 Proposal regarding long term share based incentive plan (LTI 2014) (item 16 on the agenda)**

The director, also being a member of the remuneration committee, Mikael Svenfelt presented the Board's proposal regarding a long term share based incentive plan.

The meeting thereafter resolved on a long term share based incentive plan in accordance with the Board's proposal, [Appendix 6](#).

It was noted that shareholders, specified in [Appendix 3](#), representing in total 24,946,482 shares and votes, had informed the company in advance that they voted against the resolution and that Folke Örn, representing 1,960 shares and votes, voted against the resolution.

**§ 17 Closing of the meeting (item 17 on the agenda)**

Olof Svenfelt, as representative of Cloetta's largest shareholder AB Malfors Promotor, rendered the shareholders' appreciation to the resigning directors Lennart Bylock, Hans Eckerström, Meg Tivéus, Peter Törnquist, Robert-Jan van Ogtrop and Håkan Kirstein for their exceptional work. Particularly, he expressed his gratitude to the resigning Chairman of the Board, Lennart Bylock, for his contributions to the company during many years.

The Chairman thereafter declared the meeting closed since there were no other matters on the agenda.

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At the minutes:

Fredrik Lundén

Minutes approved by:

Wilhelm Lüning

Dick Bergqvist

Johan Ståhl



## Voting instructions

### Cloetta AB, Annual General Meeting 29 April 2014

#### Item 13, votes against

Shareholders	Number of shares
Tennessee Consolidated Retirement System	325 000
American Century World Mutual Funds iNC. International Opportunities Fund	249 840
Threadneedle Investment Funds ICVC European Smaller Companies Fund	4 840 742
Threadneedle Investment Funds ICVC Pan European Smaller Companies Fund	5 657 241
Threadneedle (LUX)	804 602
Ministers and Missionaries Benefit Board of American Baptist Church	43 390
Montana Board of Investments	46 200
Teachers Retirement System of the State of Illinois	451 410
<b>Total</b>	<b>12 418 425</b>

#### Item 16, votes against

Shareholders	Number of shares
Dominion Resources Inc. Master Trus	130 829
Tennessee Consolidated Retirement System	325 000
Lazard European Smaller Companies Fund	934 526
American Century World Mutual Funds Inc. International Opportunities Fund	249 840
Wasatch International Opportunities Fund	1 293 927
Munder International Small-Cap Fund	429 338
Wasatch World Innovators Fund	889 692
Government of Norway	58
Government of Norway	7 849 455
Threadneedle Investment Funds ICVC European Smaller Companies Fund	4 840 742
Threadneedle Investment Funds ICVC Pan European Smaller Companies Fund	5 657 241
Threadneedle (LUX)	804 602
First Trust Development Markets Ex-US Small Cap AlphaDex Fund	2 519
Florida Retirement System	102 981
Grandeur Peak Global Opportunities Fund	629 200
Grandeur Peak Global Opportunities L.P.	184 800
Ministers and Missionaries Benefit Board of American Baptist Church	43 390
Montana Board of Investments	46 200
Munder International Small-Cap Collective Fund	3 644
Omers Administration Corporation	77 088
Teachers Retirement System of the State of Illinois	451 410
<b>Total</b>	<b>24 946 482</b>

#### Item 17, votes against

Shareholders	Number of shares
Dominion Resources Inc. Master Trus	130 829
Tennessee Consolidated Retirement System	325 000
Lazard European Smaller Companies Fund	934 526
American Century World Mutual Funds Inc. International Opportunities Fund	249 840
Wasatch International Opportunities Fund	1 293 927
Munder International Small-Cap Fund	429 338
Wasatch World Innovators Fund	889 692
Government of Norway	58
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Threadneedle Investment Funds ICVC European Smaller Companies Fund	4 840 742
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Threadneedle (LUX)	804 602
First Trust Development Markets Ex-US Small Cap AlphaDex Fund	2 519
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Grandeur Peak Global Opportunities Fund	629 200
Grandeur Peak Global Opportunities L.P.	184 800
Ministers and Missionaries Benefit Board of American Baptist Church	43 390
Montana Board of Investments	46 200
Munder International Small-Cap Collective Fund	3 644
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Teachers Retirement System of the State of Illinois	451 410
<b>Total</b>	<b>24 946 482</b>



Attachment to item 14

To the Annual General Meeting in Cloetta AB (publ) on 29 April 2014

### **Proposal regarding rules for the nomination committee**

1. The company shall have a nomination committee consisting of not less than four and not more than six members. Three of the members shall be appointed by the major shareholders and one member shall be appointed by the Board of Directors amongst its directors. These members of the nomination committee may appoint one additional member. In those cases referred to in item 6 below, the number of members can amount to six.
2. Based on ownership statistics received from Euroclear Sweden AB as per the date occurring five months before the expiry of the current financial year each respective year, the chairman of the board shall, without delay, contact the three largest shareholders in the company in terms of votes, and offer such shareholders to, within reasonable time, each appoint a representative to be part of the nomination committee. If any of these shareholders elects to renounce from its right to appoint a representative, the right to appoint a representative shall be transferred to the largest shareholder in turn in terms of votes which is not already entitled to be represented on the nomination committee.
3. The member of the nomination committee who represents the shareholder controlling the largest number of votes shall chair the nomination committee.
4. The members of the nomination committee are appointed for a term up until a new nomination committee has been appointed.
5. The composition of the nomination committee shall be announced as soon as the nomination committee has been formed and in all events no later than six months before the next Annual General Meeting.
6. In the event that the ownership structure of the company is changed after the date occurring five months before the expiry of the current financial year, but before the date that occurs 12 weeks before the next Annual General Meeting, and if a shareholder that has become one of the three largest shareholders in terms of votes following this change asks the chairman of the nomination committee to be represented on the nomination committee, such shareholder is entitled to, in the nomination committee's discretion, either appoint an additional member to the nomination committee or to replace the member who represents, following the change of the ownership structure, the smallest shareholder in terms of votes.
7. If a member of the nomination committee that represent a shareholder resigns or otherwise is unable to continue as member, the nomination committee shall – if time allows and if the change is not due to a specific circumstance e.g. that the shareholder has sold its shares – request the shareholder that had appointed that member to, within reasonable time, appoint a new member of the nomination committee. If the shareholder is no longer eligible for the nomination committee or if it renounces its right to appoint a member, the right to appoint such new member shall be transferred to the largest shareholder in turn in terms of votes which is





not already represented on, or has renounced its right to appoint a member to, the nomination committee. If a member that has been appointed by the other members of the nomination committee resigns or is otherwise unable to continue as member, the other members of the nomination committee may elect a new member.

8. No remuneration shall be paid to the members of the nomination committee. However, the company shall be liable for costs incurred by the nomination committee in its work.

9. The nomination committee shall present proposals regarding (i) chairman of the Annual General Meeting, (ii) members of the Board of Directors to be elected by the Annual General Meeting, (iii) chairman of the Board of Directors, (iv) remuneration to the Board of Directors elected by the Annual General Meeting, distributed between the chairman of the board, the deputy chairman of the board, if any, and the other members of the Board of Directors, and remuneration for work on the committees, (v) remuneration to the auditors, (vi) election of auditors and (vii) rules for the nomination committee.

10. At shareholders' meetings other than the Annual General Meeting, the nomination committee shall submit proposals for elections, if any, to take place at such shareholders' meeting.

*This is an in-house translation. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.*

Attachment to item 15

**PROPOSAL BY THE BOARD OF DIRECTORS OF CLOETTA AB (PUBL) REGARDING GUIDELINES FOR REMUNERATION TO THE EXECUTIVE MANAGEMENT**

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The Board of Directors proposes that the remuneration to the President and other members of the group management as well as other executives reporting directly to the President shall consist of fixed salary, variable salary, other benefits and pension. Where the Board of Directors finds it appropriate, such executives shall also be offered to participate in long term share based incentive plans, which shall be decided by the general meeting (see item 16). Any variable salary should be linked to predetermined and measurable criteria and be limited to the equivalent of one fixed annual salary. The total remuneration shall be in line with market practice and be competitive, and be related to responsibility and authority. Upon termination of employment agreements by the company, the notice period shall be no longer than 12 months. Any severance pay shall not exceed one fixed annual salary on top of the notice period. The company shall strive to have defined contribution pension benefits. The retirement age shall be not less than 60 years and not more than 67 years. These guidelines apply to agreements entered into after the Annual General Meeting, and in case changes are made to existing agreements after this point in time. The Board of Directors shall be entitled to deviate from the guidelines in individual cases if there are special reasons for it.

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Cloetta AB (publ)  
Board of Directors  
March 2014



*This is an in-house translation. In case of any discrepancies between the Swedish original and this translation, the Swedish original shall prevail.*

Attachment to item 16

## **PROPOSAL BY THE BOARD OF DIRECTORS OF CLOETTA AB (PUBL) ON A LONG TERM SHARE BASED INCENTIVE PLAN (LTI 2014)**

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The Board of Directors proposes that the Annual General Meeting resolves on a long term share based incentive plan (LTI 2014) for Cloetta AB (publ) ("Cloetta") as follows.

### **1.1 LTI 2014 in brief**

The Annual General Meeting 2013 resolved to introduce a long term share based incentive plan which comprised approximately 68 employees. The Board of Directors now proposes a long term share based incentive plan with a similar structure as the incentive plan that was adopted the preceding year. The main reason for LTI 2014 is to align the interests of the shareholders on the one hand and group management and other key employees on the other hand in order to ensure maximum long term value creation. LTI 2014 will also create a long term group-wide focus on value growth among the participants. It is also considered that incentive plans facilitate Cloetta's recruitment and retention of group management and other key employees.

LTI 2014 comprises of approximately 66 employees (not more than 75 employees), consisting of the group management and other key employees. To participate in LTI 2014, a personal shareholding in Cloetta is required. Following a defined vesting period, the participants will be allocated B-shares in Cloetta free of charge provided that certain conditions are fulfilled. In order for so-called matching share rights to entitle the participant to receive B-shares in Cloetta, continued employment with Cloetta is required and the personal shareholding in Cloetta must have been continuously maintained. Allocation of B-shares on the basis of performance share rights requires, in addition, that two performance targets have been met, one of which is related to Cloetta's EBITA and the other to Cloetta's net sales value. The maximum number of B-shares in Cloetta which may be allocated under LTI 2014 shall be limited to 1,773,840 representing approximately 0.6 per cent of the outstanding shares and 0.5 per cent of the outstanding votes.

The Board of Directors intends to propose to future Annual General Meetings to adopt long term incentive plans based on principles similar to those of the now proposed LTI 2014.

### **1.2 Participants in LTI 2014**

LTI 2014 comprises of approximately 66 employees (not more than 75 employees) consisting of group management and certain key employees within the Cloetta Group, divided into two categories. The first category is comprised of approximately 44 employees who have been considered to have a significant direct impact on the results of Cloetta. The second category is comprised of approximately 22 employees, consisting of individuals who have been considered to have an indirect impact on the results of Cloetta.

### **1.3 Personal shareholding, grant of share rights and vesting period**

To participate in LTI 2014, the participant must have a personal shareholding in Cloetta ("Investment Shares"), which shall be allocated to LTI 2014. The Investment Shares may be acquired specifically for purposes of LTI 2014, or be shares already held by the participant, provided that these have not been allocated to the previous incentive plan. The participant may as a maximum invest approximately 10 per cent of the participant's annual salary for 2014 before tax, in LTI 2014.

For the first category of participants, each Investment Share gives entitlement to one (1) matching share right ("Matching Share Right") and four (4) performance share rights ("Performance Share Right") (together referred to as "Share Rights"). For the second category, each Investment Share gives entitlement to one (1) Matching Share Right and two (2) Performance Share Rights. The Share Rights will be granted to the participant following the Annual General Meeting 2014 in connection with, or shortly after, an agreement is made between the participant and Cloetta concerning participation in LTI 2014. Allocation of B-shares, if any, on the basis of Share Rights will, except for in exceptional circumstances, occur after the announcement of Cloetta's interim report for the first quarter 2017 (the "Vesting Period").

### **1.4 Terms for all Share Rights**

For all Share Rights the following conditions apply:

- The Share Rights are granted free of charge.
- Each Matching Share Right entitles the participant to receive, free of charge, one Cloetta B-share on condition that the participant remains employed within the Cloetta Group and that the participant continues to hold all the Investment Shares during the entire Vesting Period. Allocation of B-shares on the basis of Performance Share Rights requires, in addition, fulfilment of two performance targets.
- The participants are not entitled to transfer, pledge or dispose of the Share Rights or perform any shareholders' rights regarding the Share Rights during the Vesting Period.
- Cloetta will not compensate the participants in the plan for dividends made in respect of the shares that the respective Share Right qualifies for.

### **1.5 Performance Share Rights**

The number of Cloetta B-shares that will be allocated to the participant based on the participant's holding of Performance Share Rights will depend on the level of fulfilment of two performance targets, one of which relates to Cloetta's EBITA level during 2016 and the other relates to growth in Cloetta's compounded net sales value during 2014, 2015 and 2016. A minimum level and a maximum level for each of the performance targets have been established by the Board of Directors. In order for every Performance Share Right to give entitlement to one (1) B-share in Cloetta, the maximum level for both performance targets must have been fulfilled. Where the level of fulfilment is between the minimum and maximum levels, allotment will occur on a linear basis in stages, whereby each of the two performance targets is given equal importance in terms of entitling the participant to B-

shares.<sup>1</sup> Cloetta intends to present the level of fulfilment of the performance targets in the 2016 annual report.

## **1.6 Formulation and administration**

The Board of Directors, or a specific committee appointed by the Board of Directors, shall be responsible for the formulation and administration of LTI 2014, and the terms that will apply between Cloetta and the participant in the plan, within the scope of the terms and directions set out herein. In connection therewith, the Board of Directors shall be authorised to establish divergent terms for the plan regarding inter alia the Vesting Period and allocation of Cloetta shares in the event of termination of employment during the Vesting Period as a result of e.g. early retirement. The Board of Directors shall be authorised to make the necessary adjustments to fulfil specific rules or market prerequisites in other jurisdictions. In the event that the delivery of shares to persons outside of Sweden cannot be achieved at reasonable cost and with reasonable administrative efforts, the Board of Directors may decide that the participating person may instead be offered cash based settlement. The Board of Directors shall, in certain circumstances, be entitled to reduce the final allocation of Cloetta shares or, in whole or in part, terminate the plan prematurely without compensation to the participants if significant changes occur in the company or on the market.

## **1.7 Scope**

As a maximum, 1,773,840 B-shares in Cloetta can be allocated to the participants under LTI 2014, which represents approximately 0.6 per cent of all shares and 0.5 per cent of all votes in the company. The number of B-shares included in LTI 2014 shall, under conditions that the Board of Directors stipulates, be subject to recalculation where Cloetta implements a bonus issue, a share split or a reverse share split, a rights issue or similar measures, taking into account customary practice for similar incentive plans.

## **1.8 Hedging**

The Board of Directors has considered two alternative hedging methods for LTI 2014; either a hedging arrangement (equity swap) with a bank securing delivery of shares under the plan or transfer of own shares to participants in LTI 2014 who are entitled to such. The Board of Directors considers the latter alternative to be the main alternative. The Board of Directors has therefore proposed that the Annual General Meeting shall resolve to authorize the Board of Directors to acquire own shares and transfer own shares according to item 17 in the notice to the Annual General Meeting. If the Annual General Meeting should not approve the proposal by the Board of Directors according to item 17 in the notice to the Annual General Meeting, the Board of Directors may enter into the hedging arrangement set out above with a bank to secure the obligation of the company to deliver shares under the plan. Such a hedging arrangement with a bank may also be used for the purpose to cover social security fees that accrue under LTI 2014.

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<sup>1</sup> For the purpose of determining the level of fulfilment of the performance targets, Cloetta's EBITA and net sales value will be adjusted so to be unaffected by structural changes such as acquisitions and divestures as well as extra ordinary items.

### **1.9 Estimated costs, and value, of LTI 2014**

The Share Rights cannot be pledged or transferred to others, but an estimated value for each right can be calculated. The Board of Directors has estimated that the average value of each Share Right is SEK 23. This estimate is based on the closing price for the Cloetta share on 28 February 2014. Based on the assumption that all persons who have been offered participation in the plan participate, that they make the maximum investment and that there is a 100 per cent fulfilment of the two performance targets as well as estimates regarding employee turnover, the aggregate estimated value of the Share Rights is approximately MSEK 41. This value is equivalent to approximately 0.6 per cent of the market capitalisation for Cloetta as of 28 February 2014.

The costs are treated as staff costs in the profit and loss accounts during the Vesting Period, in accordance with IFRS 2 on share-based payments. In the profit and loss accounts, social security costs will accrue in accordance with UFR 7 over the Vesting Period. The size of these costs will be calculated based on the Cloetta share price development during the Vesting Period and allocation of the Share Rights. Based on a constant share price during the plan, and a Vesting Period of approximately three (3) years, the total cost of LTI 2014 including social security costs is estimated to amount to approximately MSEK 49, which on an annual basis is approximately 1.3 per cent of Cloetta's total staff costs during the financial year 2013. LTI 2014 has no limitation on maximum profits per Share Right for the participants and therefore no maximum social security costs can be calculated.

### **1.10 Effects on key ratios**

In the event of full participation in LTI 2014, Cloetta's staff costs are expected to increase with approximately MSEK 16.3 annually (including social security costs). On a pro-forma basis for 2013, these costs are equal to a negative effect on Cloetta's operating margin of approximately 0.3 per cent units and a decrease of earnings per share of approximately SEK 0.04. Nevertheless, the Board of Directors considers that the positive effects on Cloetta's financial performance which are expected from an increased shareholding by the participants, and the possibility to be allocated further shares in Cloetta under LTI 2014, outweigh the costs related to LTI 2014.

### **1.11 The preparation of the proposal**

LTI 2014 has been initiated by the Board of Directors and prepared together with external advisors. The plan has been reviewed by the Remuneration Committee and dealt with at meetings of the Board of Directors during the beginning of 2014.

### **1.12 Other incentive plans in Cloetta**

Please refer to Cloetta's annual report 2013, note 21 or the company's website [www.cloetta.com](http://www.cloetta.com) for a description of other share based incentive plans in Cloetta. Further, in connection with the merger between Cloetta and LEAF in 2012, Cloetta's former main shareholders informed the Board of Directors that members of group management and certain other key employees had acquired call options at market terms. The call options have been granted by the former main shareholders in order to promote the commitment to Cloetta's development. The options comprised on 20 March

2014 in the aggregate 5,851,726 B-shares in the company (subject to recalculation according to customary terms).

**1.13 The proposal by the Board of Directors**

Referring to the description above, the Board of Directors proposes that the Annual General Meeting resolves to introduce LTI 2014.

**1.14 Majority requirement**

A resolution to introduce LTI 2014 in accordance with the Board of Directors' proposal is valid where supported by shareholders holding more than half of the votes cast at the Annual General Meeting.

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Cloetta AB (publ)  
Board of Directors  
March 2014