



DOCUMENTS TO THE ANNUAL GENERAL MEETING THURSDAY, 2 APRIL 2020 IN CLOETTA AB (PUBL)

CONTENT

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Please observe

On 22 March 2020 Cloetta announced through a press release that the Board of Directors has decided to withdraw the previously communicated proposal regarding a dividend of SEK 1.00 per share for the financial year 2019. The previous proposal regarding disposition of earnings and the Board's statement pursuant to Chapter 18 Section 4 in the Swedish Companies Act have therefore been removed from these documents to the Annual General Meeting.





THE BOARD OF DIRECTORS' PROPOSAL FOR AGENDA

1. Opening of the meeting
2. Election of the chairman of the meeting
3. Drawing up and approval of voting list
4. Approval of the agenda
5. Election of two persons to verify the minutes
6. Determination as to whether the meeting has been 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 financial year 1 January – 31 December 2019
8. Report by the chairman of the board on the work of the board
9. Presentation by the CEO
10. Resolution on adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet
11. Resolution on disposition of the company's earnings according to the approved balance sheet, and record day for any dividend
12. Resolution on discharge from personal liability of the directors and the CEO
13. Resolution on the number of directors
14. Resolution on remuneration to be paid to the directors and to the auditor
15. Election of directors
16. Election of chairman of the board
17. Election of auditor
18. Proposal regarding rules for the nomination committee
19. Proposal regarding guidelines for remuneration to the executive management
20. Proposal regarding long-term share-based incentive plan (LTI 2020)
21. Resolution on amendments to the articles of association
22. Closing of the meeting



THE NOMINATION COMMITTEE'S PROPOSAL TO THE ANNUAL GENERAL MEETING, REPORT ON ITS WORK AND STATEMENT REGARDING PROPOSAL FOR BOARD OF DIRECTORS AND AUDITOR

The nomination committee's proposal to the Annual General Meeting

Cloetta's nomination committee, consisting of Olof Svenfelt, chairman, appointed by AB Malfors Promotor, Isabelle De Gavoty, appointed by Axa IM, Johan Törnqvist, appointed by Ulla Håkanson and Lilian Fossum Biner, appointed by the Board of Directors of Cloetta AB, shall in accordance with the resolution by the Annual General Meeting of Cloetta AB on 4 April 2019, prepare proposals to the next Annual General Meeting regarding:

- Chairman of the Annual General Meeting.
- Number of members of the Board of Directors.
- Members of the Board of Directors to be elected by the Annual General Meeting.
- Chairman of the Board of Directors.
- Remuneration to the members of the Board of Directors elected by the Annual General Meeting distributed between the chairman, any deputy chairman, other members of the Board of Directors, and for work on the committees.
- Remuneration to the auditors.
- Election of auditors.
- Rules for the nomination committee.

The nomination committee proposes the following to the Annual General Meeting

- Fredrik Lundén, member of the Swedish Bar Association, is proposed as chairman of the Annual General Meeting.
- The Board of Directors shall comprise seven members with no deputies.
- The nomination committee proposes re-election of the board members Mikael Aru, Lottie Knutson, Alan McLean Raleigh, Camilla Svenfelt, Mikael Svenfelt and Patrick Bergander as board members. Mikael Norman is proposed as new board member. Information regarding the proposed board members are set out in Schedule A. Lilian Fossum Biner has declined re-election.
- Mikael Norman shall be elected as chairman of the board.
- The nomination committee proposes that the chairman of the board shall be paid a fee of SEK 685,000 (unchanged) and each of the other directors elected by the Annual General Meeting shall be paid a fee of SEK 315,000 (unchanged). Furthermore, it is proposed that fees shall be payable for work in the board's committees with SEK 100,000 to each member of the audit committee (unchanged) and with SEK 150,000 to the chairman of the audit committee (unchanged) and with SEK 100,000 to each member of the remuneration committee (unchanged) and with SEK 150,000 to the chairman of the remuneration committee (unchanged). The proposal by the nomination committee constitutes a total fee to the board of SEK 3,275,000 (unchanged), including work on the committees consisting of three directors in each committee.
- The nomination committee furthermore proposes, in accordance with the audit committee's recommendation, that the registered auditing company, Öhrlings PricewaterhouseCoopers AB ("PwC"), shall be re-elected as auditor until the end of the next Annual General Meeting. PwC will



appoint Sofia Götmar-Blomstedt as the auditor in charge. Remuneration to the auditors shall be paid in accordance with approved invoices.

- The nomination committee proposes no changes to the rules for the nomination committee.

The nomination committee's report on its work

The nomination committee has had the assignment to prepare the proposals to the Annual General Meeting as set out above. Information has been held available on the company's website about how shareholders have been able to submit proposals to the nomination committee. The nomination committee has held three recorded meetings and has had continuous contacts in between meetings. The nomination committee has taken part of the result of the evaluation of the Board of Directors. Furthermore, the nomination committee has taken part of the audit committee's recommendation as regards auditor.

In its work, the nomination committee has strived for gender balance on the board and has concluded that the board has had an almost even gender distribution during the last mandate periods. However, as a result of the current chairman Lilian Fossum Biner declining re-election and that Mikael Norman is proposed as new chairman, the composition of the proposed board in 2020 will not quite reach the ambition of 40 percent representation of the least represented gender that the Swedish Corporate Governance Board has expressed. The nomination committee considers it natural that the composition of the board over time fulfills the ambition expressed by the Swedish Corporate Governance Board, although deviations may be made during certain mandate periods. In addition, the nomination committee has taken into account that the board shall exhibit diversity and breadth of qualifications, experience and background. The nomination committee has in its proposal for election of the Board of Directors applied rule 4.1 of the Swedish Corporate Governance Code as its diversity policy.

Statement regarding the nomination committee's proposal for the Board of Directors

The nomination committee assesses that the current number of board members elected by the general meeting (seven members) is an appropriate size of the board.

The nomination committee is of the opinion that the board work in Cloetta is well functioning and that it is appropriate to maintain continuity in the work of the board. In its proposal for the board's composition, the nomination committee has also considered Cloetta's business and stage of development as well as what competence that can be expected to be of importance for the board in the future.

The nomination committee has been informed that the chairman of the board, Lilian Fossum Biner, has declined re-election. The nomination committee has therefore had the assignment to find a suitable replacement for Lilian. In its selection process, the nomination committee has, inter alia, considered it to be valuable for the new board member to have previous experience and competence from the industry in which Cloetta operates as well as experience from managerial positions. The nomination committee has therefore concluded that Mikael Norman is a suitable replacement and has also considered it positive that Mikael Norman was a board member of Cloetta during the years 2015-2019, which provides a basis for continuity in the work of the board. Mikael Norman is currently chairman of the board of Bonava AB as well as board member of Bravida Holding AB and Swedavia AB. Previous experience includes CFO at Nobia AB,



as well as Group Controller and several other positions within Electrolux AB. Mikael Norman, born 1958, has a Master of Laws (L.L.M.) from Stockholm University.

The nomination committee considers that the proposed Board of Directors to the Annual General Meeting has a suitable composition and is well suited for its tasks.

In assessing the independence of the proposed board members, the nomination committee has found that the proposed Board of Directors in the company meets the requirements for independence as set out in the Swedish Code of Corporate Governance.

Statement regarding the nomination committee's proposal for auditor

The audit committee has recommended re-election of PwC as auditor. The nomination committee shares the audit committee's assessment and therefore proposes that the Annual General Meeting, for the period until the next annual general meeting, appoints PwC as the company's auditor in accordance with the audit committee's recommendation.

Information about new proposed board members



Mikael Norman

Elected to the Board: Proposed member and chairman of the Board of Directors for the Annual General Meeting 2020

Born: 1958

Nationality: Swedish

Education: Master of Laws (L.L.M.), Stockholm University.

Other assignments: Chairman of the board of Bonava AB as well as board member of Bravida Holding AB and Swedavia AB.

Previous assignments: CFO at Nobia AB, Group Controller and several other positions within Electrolux AB, tax lawyer at PriceWaterhouseCoopers and judge at the County Court and the Court of Appeals in Stockholm.



Independent from major shareholders: Yes

Independent from the company and management: Yes

Shareholding: 10,000 B-shares.



Shareholding and assignments as per 6 February 2020

Information about board members proposed for re-election

	<p>Mikael Aru</p> <p>Elected to the Board: 4 April 2017 Born: 1953 Nationality: Swedish Education: B.Sc. in Business Administration, Linköping University. Other assignments: Chairman of the board of Paulig Group Ltd, Fuchs Gewurze Gruppe AG, CCS Healthcare Nordic AB and AB Axel Granlund. Board member of AB Stenströms Skjortfabrik, Dr Per Håkansson's Stiftelse and Gorthon Stiftelsen. Previous assignments: CEO of Procordia Food Sweden, as well as senior positions in Kraft Foods and Nestlé. Independent from major shareholders: Yes Independent from the company and management: Yes Shareholding: 3,855 B-shares.</p>
	<p>Patrick Bergander</p> <p>Elected to the Board: 4 April 2019 Born: 1971 Nationality: Swedish Education: B.Sc. in Business and Economics, Stockholm University. Other assignments: CEO in RSA Scandinavia (Codan/Trygg-Hansa) since 2014. Previous assignments: Former CFO in RSA Scandinavia (Codan/Trygg-Hansa). Several positions in Electrolux, such as CFO Asia Pacific and head of Group Business Control. Senior accountant at IF Insurance and consultant at Arthur Andersen. Independent from major shareholders: Yes Independent from the company and management: Yes Shareholding: 4,180 B-shares.</p>



Shareholding and assignments as per 31 January 2020

Information about board members proposed for re-election

	<p>Lottie Knutson</p> <p>Elected to the Board: 23 April 2015 Born: 1964 Nationality: Swedish Education: Journalism at Stockholm University, L'Université Paris IV, Diplôme de culture Française. Other assignments: Member of the board of Stena Line, STS Alpresor and Swedavia. Active as a writer and advisor within leadership, crisis management and tourism. Previous assignments: Director of Communications at Fritidsresor Group for the Nordic countries, at SAS Group's communication's department, journalist at the Swedish newspaper Svenska Dagbladet and communications consultant at JKL and others. Independent from major shareholders: Yes Independent from the company and management: Yes Shareholding: 1,200 B-shares.</p>
	<p>Alan McLean Raleigh</p> <p>Elected to the Board: 16 April 2018 Born: 1959 Nationality: British Education: BSc Hons Production Engineering and Production Management, University of Strathclyde. Other assignments: Board Chairman of Robinson plc. Previous assignments: Executive Vice President, Personal Care Supply Chain, Unilever. Independent from major shareholders: Yes Independent from the company and management: Yes Shareholding: 7,887 B-shares.</p>

Shareholding and assignments as per 31 January 2020

Information about members of the Board of Directors who are proposed for re-election

	<p>Camilla Svenfelt</p> <p>Elected to the Board: 12 April 2016 Born: 1981 Nationality: Swedish Education: B.A., Stockholm University. Other assignments: Board member of AB Malfors Promotor and a deputy board member of the Hjalmar Svenfelt Foundation. Works as an accountant at AB Malfors Promotor. Previous assignments: - Independent from major shareholders: No Independent from the company and management: Yes <i>Shareholding</i> Direct: 60 A-shares and 471,485 B-shares. Related parties: 55,095 B-shares.</p>
	<p>Mikael Svenfelt</p> <p>Elected to the Board: 25 August 2008 Born: 1966 Nationality: Swedish Education: Marketing and business economics, Tibbleskolan, and Law studies, Folkuniversitetet, Sweden. Other assignments: CEO and Board member of AB Malfors Promotor and Board member of i Bröderna Börjessons Bil AB. Previous assignments: Senior positions in Nicator group, Dell Financial Services, GE Capital Equipment Finance AB and Rollox AB. Board chairman of Fjärilshuset Haga Trädgård AB. Board member of Fjärilshuset Haga Trädgård Café AB. Independent from major shareholders: No Independent from the company and management: Yes <i>Shareholding</i> Direct: 25 A-shares and 42,535 B-shares. Related parties: 5,729,569 A-shares and 73,822,973 B-shares.</p>

Shareholding and assignments as per 31 January 2020 (Camilla Svenfelt) and 4 February 2020 (Mikael Svenfelt)



THE BOARD OF DIRECTORS' REPORT ON THE REMUNERATION COMMITTEE'S EVALUATION OF REMUNERATION TO EXECUTIVE MANAGEMENT

The Board of Directors has previously established a remuneration committee which prepares the decisions of the Board of Directors on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management. Guidelines for remuneration to the executive management are presented to the Board of Directors, which submits a proposal on such guidelines to the Annual General Meeting for approval.

The remuneration committee is also entrusted with the task of monitoring and evaluating plans for variable remuneration for the executive management, the application of the guidelines for remuneration that the Annual General Meeting has adopted as well as the current remuneration structures and levels in Cloetta. Pursuant to section 10.3 of the Swedish Corporate Governance Code, the Board of Directors hereby presents the following report on the results of the remuneration committee's evaluation.

The current guidelines for remuneration to the executive management were adopted at the Annual General Meeting in Cloetta on 4 April 2019. The remuneration committee has confirmed that Cloetta has complied with these guidelines and is of the opinion that the guidelines serve their purpose of promoting long-term creation of value in Cloetta. The variable salary paid in accordance with the current guidelines is linked to targets defined individually for each employee and to the unit in which the employee is employed, as well as to the Cloetta group's overall profitability targets, which contributes to an increase in value for Cloetta's shareholders. The remuneration committee has proposed to the Board of Directors that Cloetta shall establish a long-term share-based incentive program with a similar structure as the incentive program adopted at the 2019 Annual General Meeting, in order to link the interests of shareholders and executive management of the group and other key personnel to ensure maximum long-term value creation. The incentive program for 2019 had a somewhat changed structure in comparison with the long-term incentive programs resolved at the Annual General Meetings 2013 to 2018, and the remuneration committee has found it appropriate to continue with this structure on the program.

Market surveys are carried out regularly with respect to applicable salary statistics, remuneration structures and levels for variable remuneration for employees in the group. The remuneration committee considers Cloetta's remuneration structures and remuneration levels to be competitive and in line with market practice. This has allowed Cloetta to recruit and retain the right personnel to the executive management.
