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## **Notice of the Extraordinary General Meeting of Cloetta AB (publ)**

Shareholders of Cloetta AB (publ), 556308-8144, are hereby invited to attend the extraordinary general meeting, to be held on Wednesday, 15 February 2012 at 2:00 pm. at Näringslivets Hus, Storgatan 19, Stockholm, Sweden.

### **Notification of attendance**

Shareholders who wish to attend the extraordinary general meeting must, firstly, be listed in the shareholders' register maintained by Euroclear Sweden AB (the Swedish Central Securities Depository), on Thursday, 9 February 2012, and secondly, give notice to the company of their intention to attend the meeting no later than Thursday, 9 February 2012.

Notification shall be given by regular mail to Cloetta AB, Susanne Beijar, 590 69 Ljungsbro, or per e-mail to [susanne.beijar@cloetta.se](mailto:susanne.beijar@cloetta.se), or by telephone +46-13-285 111 or +46-13-285 102, or by fax +46-13-285 112. Shareholders who are individuals are also able to give notification at the company's website [www.cloetta.se](http://www.cloetta.se). Name, personal number/corporate registration number, address, telephone number and the number, maximum two, of accompanying assistants (whereby their names can be stated), if any, should be stated when notification is given.

Representatives of minors and corporate representatives shall submit authorisation documents to Cloetta AB well in advance of the extraordinary general meeting. Power of attorney forms are available on the company's website, [www.cloetta.se](http://www.cloetta.se).

To be able to attend the extraordinary general meeting, shareholders whose shares are registered in the name of a nominee must have such shares temporarily registered in their own names, in the shareholders' register maintained by Euroclear Sweden AB. This procedure, so-called voting rights registration, must have been effected on Thursday, 9 February 2012 and be requested from the nominee well in advance of this date.

### **Proposed 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. Proposal by the board of directors regarding
  - (a) approval of the acquisition of Leaf Holland B.V.
  - (b) amendments to the articles of association
  - (c) new issue of C-shares to be issued as part of the purchase price in the acquisition of Leaf Holland B.V.
  - (d) authorization for the board of directors to execute an issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares
8. Proposal by AB Malfors Promotor regarding election of new directors, new chairman of the board and changes to the remuneration to be paid to the directors
9. Proposal by AB Malfors Promotor regarding amended guidelines for remuneration to the executive management
10. Closing of the meeting

### **Proposals**

#### *Item 2 – Election of the chairman of the meeting*

The nomination committee, consisting of Christer Wagenius, chairman, (appointed by AB Malfors Promotor), Thomas Ehlin (appointed by Nordea Fonder), Eva Törnqvist (appointed by Ulla Håkansson) and

Johan Hjertonsson (appointed by the board of directors of Cloetta AB) proposes that attorney-at-law Wilhelm Lünig is elected as chairman of the meeting.

*Item 7 – Proposal by the board of directors regarding (a) approval of the acquisition of Leaf Holland B.V., (b) amendments to the articles of association, (c) new issue of C-shares to be issued as part of the purchase price in the acquisition of Leaf Holland B.V., d) authorization for the board of directors to execute an issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares*

The board of directors proposes that the extraordinary general meeting approves the acquisition of Leaf Holland B.V. and adopts resolutions related to the acquisition in accordance with items 7(a)-(d) below.

(a) Approval of the acquisition of Leaf Holland B.V.

Leaf is a leading confectionery company focused on Sugar confectionery and Refreshment (pastilles and chewing gum). Leaf has a leading position in the Nordic countries, the Netherlands and Italy with brands such as Malaco, Ahlgrens bilar and Läkerol etc. Leaf is owned, through Leaf Holding S.A. ("Leaf Holding"), by Nordic Capital Fund V ("Nordic Capital") and by funds advised by CVC Capital Partners ("CVC"). As previously announced, Cloetta has on 15 December 2011 entered into an agreement with Leaf Holding to acquire all shares in Leaf Holland B.V. ("Leaf"). The purchase price consists partly of a cash payment and partly of newly issued C-shares in Cloetta. The cash payment amounts to SEK 1,500 million, of which SEK 100 million shall be paid immediately upon closing of the acquisition of the shares in Leaf and the remaining SEK 1,400 million shall be paid by way of a vendor loan extended by Leaf Holding to Cloetta. The issue of new C-shares (see item 7(c)), that is a part of the purchase price, shall be for a number of shares equivalent to 57.6 per cent of the share capital of Cloetta after full dilution for the issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares that are to be executed (see item 7(d)). After the record date for said issuance of A- and B-shares, the C-shares will be convertible into B-shares. Leaf Holding has given warrants and representations with respect to Leaf, which could result in an adjustment to the final purchase price. The cash payment of the purchase price will be financed partly by an issue of A- and B-shares and partly through five-year credit facilities of SEK 4.2 billion provided by Svenska Handelsbanken AB (publ). The credit facilities will be used, in addition to partly financing the cash payment of the purchase price, for the refinancing of the existing interest bearing debt in Leaf as well as for general corporate purposes of the combined company. According to the loan agreement, Cloetta is subject to certain obligations and restrictions. This means, inter alia, that no dividends are to be expected until the company reaches a net debt/EBITDA ratio in accordance with the company's long-term intention not exceeding 2.5x net debt/EBITDA. The financing of the transaction implies that Cloetta would have had a pro forma net debt as at 31 August 2011 of approximately SEK 3.2 billion. This is equivalent to 3.8x pro forma net debt/EBITDA for Cloetta's financial year ending 31 August 2011.

The acquisition of Leaf is, according to the agreement with Leaf Holding, conditional upon approval to the merger by the relevant competition authorities. Furthermore, the acquisition is, according to the agreement, conditional upon resolutions by the extraordinary general meeting to approve the acquisition and, in accordance with the majority requirement set out below, to resolve on new issue of C-shares under item 7(c) and to authorize the board of directors to execute a new issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares under item 7(d).

The board of directors believes that the timing for the proposed acquisition is favourable and that the strategic, industrial and financial rationale is compelling. The merger is expected to result in a Nordic leader within the confectionery industry with leading positions also in Italy and the Netherlands. The board of directors proposes that the extraordinary general meeting approves the resolution of the board of directors to acquire Leaf on the terms and conditions described above, including that Cloetta will take up the credit facilities referred to above in connection therewith.

(b) Amendments of the articles of association

To enable that C-shares are issued as part of the purchase price and to authorize the board to issue new A- and B-shares with preferential rights for shareholders of A- and B-shares in accordance with the resolutions proposed under item 7(c) and 7(d), certain amendments are required to Cloetta's articles of association.

The board therefore proposes the following:

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- That § 3 of the articles of association shall be amended so that the share capital shall be SEK 400,000,000 as a minimum and SEK 1,600,000,000 as a maximum and the number of shares shall be 80,000,000 as a minimum and 320,000,000 as a maximum.
- That amendments shall be made to § 4 and § 5 of the articles of association involving that a new class of shares is introduced, named Class C-shares, with one vote per share. Class C-shares may be issued up to a maximum number of 200,000,000. A customary provision regarding primary and secondary preferential rights respectively shall also apply to Class C-shares. C-shares hold a limited right to assets in the company's dissolution, corresponding to their quotient value increased, as per the date of distribution of assets, by an interest rate of STIBOR one month plus four percentage units from the date of payment of the subscription price.
- That an addition is made to § 11 of the articles of association so that Class C-shares, following a request from the shareholder, will be convertible into B-shares. Such conversion may not occur before the date falling the day after the record date for the new issue of A- and B-shares with preferential rights for shareholders of A- and B-shares, which the board proposes that the extraordinary general meeting authorize the board to implement (see item 7(d)). Upon conversion, each C-share shall entitle to one B-share.

(c) New issue of C-shares to be issued as part of the purchase price in the acquisition of Leaf Holland B.V. The board of directors proposes an issue of new C-shares ("Issue in Kind"), to be used as part of the purchase price for the acquisition of Leaf according to item 7(a). The number of new C-shares to be issued shall amount to a number that is equivalent to 57.6 per cent of the share capital of Cloetta after full dilution for the issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares to be executed (see item 7(d)). The number of C-shares is accordingly dependent on the terms and conditions for the issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares to be executed, and will therefore be notified in connection with the submission of the complete proposal for authorization in accordance with item 7(d), i.e. not later than on 24 January 2012. As a result of the limitations for the authorization below, as regards the minimum and maximum number of shares that can be issued by virtue of the authorization, the minimum number of C-shares to be issued will be 99,112,154 and the share capital will be increased with a minimum of SEK 495,560,770 from SEK 121,647,890 up to SEK 617,208,660. The maximum number of C-shares to be issued will be 165,186,924 and the share capital will be increased with a maximum of SEK 825,934,620 from SEK 121,647,890 up to SEK 947,582,510.

The terms and conditions for the Issue in Kind are in principal the following:

Leaf Holding shall be solely entitled to subscribe for shares in the Issue in Kind. Leaf Holding shall, as payment for the shares (assets contributed in kind), to Cloetta contribute all 20,000 shares in Leaf. In addition to the issued new C-shares and thus part of the purchase price, Cloetta will as payment for the shares in Leaf be extended a vendor loan by Leaf Holding in the amount of SEK 1,400 million and pay SEK 100 million in cash immediately upon closing of the acquisition of the shares in Leaf.

Subscription of the shares shall be made on a designated subscription list not later than on 15 July 2012. Oversubscription is not possible. Upon subscription, Leaf Holding will pay for the Issue in Kind by contribution of all 20,000 shares in Leaf.

Based on, inter alia, the closing share price for Cloetta's B-share as of 13 January 2012 and taking into account the dilution of the C-shares that the issue of A- and B-shares with preferential rights according to item 7(d) results in, the subscription price for each C-share in Cloetta has been estimated to a minimum of SEK 15.14 and a maximum of SEK 25.23 (depending on the total number of shares to be issued by virtue of the authorization in accordance with item 7(d)). The company estimates that the value of the assets to be contributed in kind will have a value of SEK 2,500,130,099, which may be adjusted on the basis of the share price of the company's B-shares on the so-called transaction date. The information regarding the estimated subscription price according to the foregoing will be updated in the complete proposal under this item 7(c).

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The extraordinary general meeting's resolution regarding the Issue in Kind requires amendments to the articles of association.

(d) Authorization for the board of directors to execute an issue of A- and B-shares with preferential rights for the existing holders of A- and B-shares

The board of directors proposes that the board of directors shall be authorized, until the next annual general meeting, to resolve on new issues of A-shares and B-shares with preferential rights for the existing holders of A- and B-shares (the "Rights Issue") with the purpose to use the proceeds of the issue as repayment of the vendor loan that Cloetta has been extended by Leaf Holding as part of the purchase price for Leaf. Resolutions that are passed by virtue of the authorization can result in a minimum of 4,720,000 A-shares and 43,939,156 B-shares and a maximum of 9,440,000 A-shares and 91,056,340 B-shares being issued (the maximum number of shares is based on full dilution for outstanding convertibles in the company). The authorization includes the right to resolve on an issue in cash, and the board of directors may, if it deems it appropriate, allow shares to be paid by set-off. The new shares are entitled to dividend from the date the shares are recorded in the share register held by Euroclear Sweden AB.

The terms and conditions for the Rights Issue are in principal the following:

The board of directors will not later than on 24 January 2012 submit its full proposal for the authorization, which will set forth the amount that the company's share capital can be increased by based on the authorization, the number of A- and B-shares that can be issued, and the subscription price to be paid for each new share.

Owners of Class A-shares will have the right to subscribe for new A-shares and owners of Class B-shares will have the right to subscribe for new B-shares (primary preferential right). Shares not subscribed for with primary preferential right will be offered to all shareholders (secondary preferential right). If the number of offered shares is not sufficient for subscription with secondary preferential rights, the shares will be distributed among the subscribers in relation to the number of shares previously owned by them, and should this not be possible, by the drawing of lots. In connection with a transfer of a subscription right (primary preferential right), the secondary preferential right is also transferred to the new holder of the subscription right.

Regarding shares that have not been subscribed for by virtue of primary or secondary preferential rights, allotment shall firstly be made to others who have not subscribed based on subscription rights, and in the event that allotment cannot be made in full to these, allotment shall be made pro rata in relation to the number of shares that they subscribed for, and should this not be possible, by the drawing of lots. Secondly, any remaining shares shall be allocated to AB Malfors Promotor and Leaf Holding, acting as underwriters, in accordance with the conditions of their respectively undertaking.

The record date for determining the right to receive subscription rights and the subscription period will be determined by the board in connection with the board's decision to issue new shares by virtue of this authorization. Subscription by virtue of subscription rights shall be made by cash payment during the subscription period. Subscription not based on subscription rights shall be made through subscription on an application form during the same subscription period, except that the underwriters referred shall have an extended subscription period.

The extraordinary general meeting's resolution to authorize the board to implement the Rights Issue requires amendments to the articles of association.

Special conditions relating to the proposed resolutions under item 7

The acquisition of Leaf is inter alia conditional upon approval to the merger by the relevant competition authorities. The board's proposal for resolutions regarding items 7(a)-(d) and the validity of the meetings' resolutions are conditional upon such approval having been given at the latest 15 July 2012. In addition, items 7(a)-(d) are conditional upon each other.

Special majority requirements and shareholder support relating to the proposed resolutions under item 7

The proposal under item 7(b) is subject to the resolution by the extraordinary general meeting being supported by shareholders representing at least two thirds of the votes cast as well as the number of shares represented at the meeting. In addition, according to the Swedish Securities Council's statement 2011:33, the proposal under item 7(c) is subject to the resolution by the extraordinary general meeting being supported by shareholders representing at least two thirds of the votes cast as well as the number of shares represented at the meeting. AB Malfors Promotor, the largest shareholder of Cloetta at the time of issuance of this notice, holding approximately 52 per cent of the share capital and 74 per cent of the votes in Cloetta has undertaken to vote in favour of the board's proposal under item 7.

Documentation relating to the proposed resolutions under item 7

A separate information brochure regarding the merger will be made available for the shareholders before the extraordinary general meeting.

*Item 8 – Proposal by AB Malfors Promotor regarding election of new directors, new chairman of the board and changes to the remuneration to be paid to the directors*

Following completion of Issue in Kind and the Rights Issue, AB Malfors Promotor will hold 22.0 per cent of the share capital and 39.9 per cent of the votes in Cloetta. CVC will hold 33.0 per cent of the share capital and 25.4 per cent of the votes and Nordic Capital will hold 24.6 per cent of the share capital and 18.9 per cent of the votes. CVC's and Nordic Capital's shares will be held by newly established holding companies.

AB Malfors Promotor, the largest shareholder of Cloetta at the time of issuance of this notice, holding approximately 52 per cent of the share capital and 74 per cent of the votes in Cloetta has, before this extraordinary general meeting, informed Cloetta that the future three major shareholders in Cloetta, i.e. AB Malfors Promotor, CVC and Nordic Capital (the latter two initially through Leaf Holding), as a part of the merger between Cloetta and Leaf, has entered into an agreement that among others provides for the composition of the board of directors in Cloetta. According to the agreement, each of the major shareholders referred to shall be entitled to nominate two directors. In addition, three, according to the major shareholders, independent directors shall be nominated, of whom one shall be the chairman of the board. The future three major shareholders have nominated Lennart Bylock, Hans Eckerström, Håkan Kirstein, Adriaan Nühn, Robert-Jan van Ogtrop, Mikael Svenfelt, Olof Svenfelt, Meg Tivéus and Peter Törnqvist to be directors. The nominated directors Mikael Svenfelt, Olof Svenfelt and Meg Tivéus are currently directors of the board of Cloetta.

AB Malfors Promotor has, in light of the foregoing, proposed the following:

1. The number of members of the board of directors elected by the shareholders' meeting shall be nine with no deputies, according to the below.
2. At Cloetta's annual general meeting 2011, the meeting resolved that remuneration shall be paid with SEK 200,000 to the chairman of the board and SEK 175,000 to each of the other board members elected by the shareholders' meeting and that remuneration for committee work shall be paid with SEK 30,000 to members of the audit committee and SEK 20,000 to members of the remuneration committee. In view of the increased work-load for the directors of the board due to the merger with Leaf, it is proposed that the remuneration shall be adjusted as follows. The remuneration for the period until the next annual general meeting (estimated to be held during spring 2013) to each of the board members elected by the shareholders' meeting shall be paid with SEK 250,000 and the remuneration to the chairman of the board shall be paid with SEK 500,000. Further, remuneration for committee work shall be paid with SEK 100,000 to each member of the audit committee (the number of directors in the audit committee may not exceed four) and to each member of the remuneration committee with SEK 50,000 (the number of directors in the remuneration committee may not exceed four). Further, remuneration shall be paid with SEK 100,000 to each member of the integration committee, a committee formed specifically for the integration between Cloetta and Leaf, which committee shall be of a temporary nature. It is further noted that the remuneration to the directors for the period from the annual general meeting 2011 until the decision of the meeting under this item 8 takes effect, will be paid based on the remuneration levels decided at the annual general meeting 2011; however in proportion to the length of the period of mandate.

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3. Lennart Bylock, Hans Eckerström, Håkan Kirstein, Adriaan Nühn, Robert-Jan van Ogtrop and Peter Törnqvist shall be elected as new directors of the board. The current directors, except for Mikael Svenfelt, Olof Svenfelt and Meg Tivúes, have declared that they will resign as board members in Cloetta once the appointment of the new directors takes effect. More information regarding the proposed new directors will be available at the company's website, [www.cloetta.se](http://www.cloetta.se).
4. Lennart Bylock shall be elected as the chairman of the board.
5. The resolution regarding this item 8 adopted by the extraordinary general meeting shall not be valid until Cloetta announces that the company has closed the acquisition of the shares in Leaf, such shares having been acquired in accordance with item 7(a).

If the meeting approves this proposal, the board will once the resolution becomes effective and until the next annual general meeting, consist of the directors Lennart Bylock (chairman), Hans Eckerström, Håkan Kirstein, Adriaan Nühn, Robert-Jan van Ogtrop, Mikael Svenfelt, Olof Svenfelt, Meg Tivúes and Peter Törnqvist.

Cloetta's nomination committee has been informed about the agreement between the future three major shareholders in Cloetta and of the proposal above, and has therefore chosen not to submit any proposal regarding election of board of directors, chairman of the board or remuneration to the directors.

*Item 9 – Proposal by AB Malfors Promotor regarding amended guidelines for remuneration to the executive management*

At Cloetta's annual general meeting on 19 December, 2011 guidelines for remuneration to the executive management was adopted. AB Malfors Promotor has, in view of Cloetta's acquisition of Leaf, proposed that the guidelines that were adopted at the annual general meeting 2011 shall be amended and that guidelines for remuneration to the executive management as follows shall apply.

The remuneration to the managing director and other members of the executive management and other executives reporting directly to the managing director shall consist of fixed salary, variable salary, other benefits and pension. To the extent considered appropriate by the board of directors, the executives in question shall be offered to participate in long-term share related incentive program, which shall be decided by the general meeting. 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 correspond to 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. 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 extraordinary general meeting, and to any changes made to existing agreements thereafter. The board of directors may deviate from these guidelines only in case special circumstances so warrant in an individual case.

In conformity with the proposed resolutions under item 7, according to AB Malfors Promotor's proposal, the validity of the resolution by the extraordinary general meeting pursuant to this item 9 shall be conditional upon the relevant competition authorities having approved the merger between Cloetta and Leaf no later than 15 July 2012.

**Authorization**

The board, or the person that the board will appoint, is authorized to make the minor adjustments in the extraordinary general meeting pursuant to items 7(b)-(d) and 8 as may be required in connection with registration at the Companies Registration Office and Euroclear Sweden AB.

**Number of shares and votes**

There are, at the time of issuance of this notice, in the aggregate 24,329,578 shares outstanding in Cloetta AB distributed on 2,360,000 A-shares and 21,969,578 B-shares. The total number of votes is 45,569,578

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whereof 23,600,000 of the votes are represented by A-shares and 21,969,578 of the votes are represented by B-shares.

**Shareholder's right to request information**

In accordance with the Swedish Companies Act Ch. 7 Sec. 32, the shareholders have the right to ask questions at the extraordinary general meeting regarding the items on the agenda. Shareholders who wish to submit questions in advance of the extraordinary general meeting, shall send these to Cloetta AB, Susanne Beijar, 590 69 Ljungsbro, or per e-mail to [susanne.beijar@cloetta.se](mailto:susanne.beijar@cloetta.se).

**Available documents**

The board's complete proposals for decisions under item 7(b)-(d), reports and statements under the Swedish Companies Act Ch. 13 6-8 §§ as well as information regarding the proposals under item 7 will be available to the shareholders at the company's office and at the company's website [www.cloetta.se](http://www.cloetta.se) not later than Wednesday, 25 January 2012, and will also be distributed to shareholders who have notified their wish to receive the documents and have informed of their postal address.

Ljungsbro, January 2012  
Cloetta AB (publ)  
*The board of directors*