

To the Annual General Meeting in Cloetta AB (publ) on 4 April 2017

## **The nomination committee's proposal to the Annual General Meeting, report on its work and statement regarding proposal for Board of Directors**

### **Proposals by the nomination committee to the Annual General Meeting**

The nomination committee, consisting of Olof Svenfelt, chairman, appointed by AB Malfors Promotor, John Strömgren, appointed by Carnegie Fonder, 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 in Cloetta AB on 12 April 2016 prepare proposals to the next Annual General Meeting regarding:

- Chairman of the Annual General Meeting.
- 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 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.
- Remuneration to the auditors.
- Election of auditors.
- Rules for the nomination committee.

The nomination committee proposes the following to the Annual General Meeting:

- The lawyer Wilhelm Lüning shall be elected as chairman of the Annual General Meeting.
- The nomination committee proposes re-election of the board members Lilian Fossum Biner, Lottie Knutson, Mikael Norman, Adriaan Nühn, Camilla Svenfelt and Mikael Svenfelt. Further, it is proposed that Mikael Aru shall be elected new board member. Information regarding the proposed board members are available in attachment A. Hans Porat has declined re-election.
- Lilian Fossum Biner shall be elected as chairman of the board.
- The chairman of the board shall be paid a fee of SEK 620,000 (unchanged) and each of the other directors elected by the Annual General Meeting shall be paid a fee of SEK 285,000 (unchanged). The nomination committee has further proposed that remuneration 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 100,000 to each member of the remuneration committee (previously SEK 50,000). The proposal by the nomination committee involves that the total fee to the Board of Directors amounts to SEK 2,930,000 (previously SEK 2,780,000) including for work on the committees with

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three members of each committee. Provided that it is cost neutral for Cloetta and after a written agreement between Cloetta and the board member, Cloetta may approve that the board member, through a wholly-owned company, invoices the board fee. In such case, the invoiced fee shall be increased by an amount equivalent to the statutory social security fees and value added tax according to law.

- The nomination committee furthermore proposes, in accordance with the audit committee's recommendation, that the registered auditing company, KPMG AB, shall be re-elected as auditor until the end of the next Annual General Meeting. KPMG AB will appoint Thomas Forslund as the auditor in charge. The auditors shall be paid in accordance with approved invoices.

Furthermore, the nomination committee proposes that the Annual General Meeting shall decide on the enclosed rules for the nomination committee, see attachment to item 18.

### **The nomination committee's report on its work**

The nomination committee has had the assignment to present the proposals to the Annual General Meeting that are set out above. Information has been held available on Cloetta's website about how shareholders have been able to submit proposals to the nomination committee. The nomination committee has in total held three recorded meetings and have had continuous contacts in between meetings as well as in connection with interviews. The nomination committee has, through the chairman of the board, taken part of the result of the evaluation of the Board of Directors and also interviewed the interim CEO of Cloetta and certain board members. Furthermore, the nomination committee has taken part of the audit committee's recommendation as regards auditor. In its work, the nomination committee has also strived for gender balance on the board and 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 a 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 (seven members) is an appropriate size of the board.

The nomination committee is of the opinion that the board in Cloetta is functioning well 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 Hans Porat has declined re-election. The nomination committee has therefore considered it suitable to complement the board with a new board member,



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

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and propose Mikael Aru as a new board member. Mikael Aru has a solid background from the FMCG industry, recently from the Orkla group as CEO of Procordia Food in Sverige, as well as leading positions in Kraft Foods and Nestlé. Thus, he has experience from managerial positions and from working with FMCG. He is the chairman of the board in Paulig Group Ltd, CCS Healthcare Nordic AB and AB Stenströms skjortfabrik as well as board member of Electra Gruppen AB and Blentagruppen AB. Mikael Aru, born in 1953, has a Bachelor's degree in Business Administration at Linköping's University.

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

The nomination committee has assessed that the proposed Board of Directors fulfills the independence requirements pursuant to the Swedish Corporate Governance Code.

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