



## Press release

12 March 2018

# Notice of the Annual General Meeting of Cloetta AB (publ)

**Shareholders of Cloetta AB (publ), 556308-8144, are hereby invited to attend the Annual General Meeting, to be held on Monday, 16 April 2018 at 3:00 p.m. at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4 in Stockholm, Sweden.**

### Notification of attendance

Shareholders who wish to attend the Annual General Meeting must, firstly, be listed in the shareholders' register maintained by Euroclear Sweden AB (the Swedish Central Securities Depository), on Tuesday, 10 April 2018, and secondly, give notice to the company of their intention to attend the meeting no later than Tuesday, 10 April 2018.

Notification shall be given in writing by mail to Cloetta AB (publ), Årsstämma, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46-8 402 92 85. Shareholders that are physical persons can also give notification at the company's website [www.cloetta.com](http://www.cloetta.com). Name, personal number/corporate registration number, address, telephone number and the number, maximum two, of accompanying assistants, if any, should be stated when notification is given.

Representatives of minors and corporate representatives shall submit authorisation documents to the company well in advance of the Annual General Meeting. Power of attorney forms are available at the company's website, [www.cloetta.com](http://www.cloetta.com).

To be able to attend the Annual 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 Tuesday, 10 April 2018 and should 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. 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 2017
8. Report by the chairman of the board on the work of the board
9. Presentation by the President
10. Resolution on adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet

### Cloetta AB (publ)

Org.No. 556308-8144

Solna Business Park, SE-171 41 Solna, Sweden

Visiting address : Englundavägen 7D, 2nd floor, Solna

+46 8 527 288 00, [www.cloetta.com](http://www.cloetta.com)



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 President
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:
  - a) Lilian Fossum Biner
  - b) Mikael Aru
  - c) Lottie Knutson
  - d) Mikael Norman
  - e) Camilla Svenfelt
  - f) Mikael Svenfelt
  - g) Alan McLean Raleigh
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 2018)
21. Closing of the meeting

### **Proposals**

The nomination committee for the Annual General Meeting 2018, consisting of Olof Svenfelt, chairman, appointed by AB Malfors Promotor, Dan Riff, appointed by Wellington Management, John Strömgren, appointed by Carnegie Fonder, and Lilian Fossum Biner, appointed by the Board of Directors of Cloetta AB, shall submit proposals to be resolved upon under items 2 and 13-18 on the agenda.

The Board of Cloetta AB has left proposal for decision under item 11 and 19-20 on the proposed agenda.

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

The nomination committee proposes that lawyer Wilhelm Lüning is elected as chairman of the meeting.

#### ***Item 11 – Resolution on disposition of the company's earnings according to the approved balance sheet, and record day for any dividend***

The Board of Directors proposes that an ordinary dividend of SEK 0.75 per share and a special dividend of SEK 0.75 per share, in total corresponding to SEK 1.50 per share shall be declared. Proposed record day is 18 April 2018. If the Annual General Meeting approves this proposal, payment through Euroclear Sweden AB is expected to be made on 23 April 2018.

#### ***Item 13 – Resolution on the number of directors***

The nomination committee proposes that the board shall consist of seven members elected by the Annual General Meeting with no deputies.

#### ***Item 14 – Resolution on the remuneration to be paid to the directors and to the auditor***

The nomination committee proposes that 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 fees shall be payable for work in the board's committees with SEK 100,000 to each member of the audit committee

**Cloetta AB (publ)**

Org.No. 556308-8144

Solna Business Park, SE-171 41 Solna, Sweden

Visiting address : Englundavägen 7D, 2nd floor, Solna

+46 8 527 288 00, [www.cloetta.com](http://www.cloetta.com)



(unchanged) and with SEK 150,000 to the chairman of the audit committee (previously SEK 100,000) 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 (previously SEK 100,000). The proposal by the nomination committee involves that the total fee to the board amounts to SEK 3,030,000 (previously SEK 2,930,000) including for work on the committees.

Remuneration to the auditors shall be paid in accordance with approved invoices.

***Item 15-16 – Election of directors and chairman of the board***

The nomination committee proposes that Lilian Fossum Biner, Mikael Aru, Lottie Knutson, Mikael Norman, Camilla Svenfelt and Mikael Svenfelt shall be re-elected as board members. Adriaan Nühn has declined re-election. It is proposed that Alan McLean Raleigh shall be elected new board member. Detailed information about all individuals proposed as board members by the nomination committee can be found on Cloetta's website [www.cloetta.com](http://www.cloetta.com).

The nomination committee proposes that Lilian Fossum Biner shall be re-elected as chairman of the board.

***Item 17 – Election of auditor***

The nomination committee proposes, in accordance with the remuneration 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 has informed the nomination committee that the authorised auditor Thomas Forslund will continue as the auditor in charge if KPMG is re-elected as auditor.

***Item 18 – Proposal regarding rules for the nomination committee***

The nomination committee proposes the following.

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 register received as per 31 July, the chairman of the board shall each year, 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 30 September the year before the next Annual General Meeting.
6. In the event that the ownership structure of the company is changed after 31 July and not later than 31 December the year 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. The members of the nomination committee are not to receive any remuneration from the company. However, the company shall be liable for costs incurred by the nomination committee in its work.
9. The nomination committee shall present proposals 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 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 auditor
  - Election of auditor
  - 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.

***Item 19 – Proposal regarding guidelines for remuneration to the executive management***

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 20). 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.

***Item 20 – Proposal regarding long-term incentive plan (LTI 2018)***

The Board of Directors proposes that the Annual General Meeting resolves on a long-term share-based incentive plan (LTI 2018) for Cloetta AB (publ) ("Cloetta") as follows.

**Cloetta AB (publ)**

Org.No. 556308-8144

Solna Business Park, SE-171 41 Solna, Sweden

Visiting address : Englundavägen 7D, 2nd floor, Solna

+46 8 527 288 00, [www.cloetta.com](http://www.cloetta.com)



### *Participants in LTI 2018*

LTI 2018 comprises up to 54 employees as a maximum, consisting of group management and certain key employees within the Cloetta Group, divided into three categories. The first category comprises of the President and CEO and the other twelve members of the group management, the second category is comprised of up to 25 employees, who have been considered to have a significant direct impact on the results of Cloetta. The third category is comprised of up to 16 employees, consisting of individuals who have been considered to have an indirect impact on the results of Cloetta.

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

To participate in LTI 2018, the participant must have a personal shareholding in Cloetta ("Investment Shares"), which shall be allocated to LTI 2018. The Investment Shares may be acquired specifically for purposes of LTI 2018, 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 10 per cent of the participant's annual salary for 2018 before tax, in LTI 2018. For the first category of participants, each Investment Share gives entitlement to one (1) matching share right ("Matching Share Right") and six (6) 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 four (4) Performance Share Rights. For the third 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 2018 in connection with, or shortly after, an agreement is made between the participant and Cloetta concerning participation in LTI 2018.

### *Terms for all Share Rights*

For all Share Rights the following conditions apply:

- The Share Rights are granted free of charge.
- 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.
- Allocation of Cloetta shares shall normally take place within two weeks after announcement of Cloetta's interim report for the first quarter of 2021. Each Matching Share Right entitles the participant to receive, free of charge, one (1) Cloetta B-share on condition that the participant remains employed within the Cloetta Group until the announcement of Cloetta's interim report for the first quarter of 2021 and that the participant continues to hold all the Investment Shares. Allocation of B-shares on the basis of Performance Share Rights requires, in addition, fulfilment of two performance targets.
- Cloetta will not compensate the participants in the plan for dividends made in respect of the shares that the respective Share Right qualifies for.

### *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 EBIT level during 2020 and the other relates to growth in Cloetta's compounded net sales value during 2018-2020. 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, whereby each of the two performance targets is given equal importance in terms of entitling the participant to B-shares. Cloetta intends to present the level of fulfilment of the performance targets in the 2020 annual report.

### *Scope, hedging and estimated costs*

#### **Cloetta AB (publ)**

Org.No. 556308-8144

Solna Business Park, SE-171 41 Solna, Sweden

Visiting address : Englundavägen 7D, 2nd floor, Solna

+46 8 527 288 00, [www.cloetta.com](http://www.cloetta.com)



As a maximum, 1,201,602 B-shares in Cloetta can be allocated to the participants under LTI 2018, which represents approximately 0.4 per cent of all shares and 0.4 per cent of all votes in the company. The number of B-shares included in LTI 2018 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. Cloetta will enter into a share swap agreement with a bank, whereby the bank shall be able to in its own name acquire and transfer shares to the participants in order to fulfill Cloetta's obligation to deliver shares under the plan. Such a share swap agreement with a bank may also be used for the purpose to cover social security fees that accrue under LTI 2018. Based on the assumption that all persons who have been offered participation in the plan participate, that they make the maximum investment, that there is a 100 per cent fulfilment of the two performance targets, that they continue as employees of Cloetta, and furthermore based on the closing price for the Cloetta share on 19 February 2018, a constant share price during the plan, and a vesting period of three (3) years, the total cost of LTI 2018 including social security costs is estimated to amount to approximately MSEK 44, which on an annual basis is approximately 1.5 per cent of Cloetta's total staff costs during the financial year 2017. LTI 2018 has no limitation on maximum profits per Share Right for the participants and therefore no maximum social security costs can be calculated. The interest cost for the equity swap is estimated to amount to approximately MSEK 2 based on market conditions as of 19 February 2018 and a three-year term. In addition, the equity swap may lead to both positive and negative cash flows, which, while not affecting the income statement, will be booked directly against equity and may be recorded as debt in the balance sheet.

#### *Majority requirement for LTI 2018*

A resolution on LTI 2018 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.

#### **Number of shares and votes**

At the time of issuing this notice there were in the aggregate 288,619,299 shares outstanding in Cloetta AB distributed on 5,735,249 A-shares and 282,884,050 B-shares. The total number of votes is 340,236,540 whereof 57,352,490 of the votes are represented by A-shares and 282,884,050 of the votes are represented by B-shares. Cloetta AB held, at the time of issuing this notice, no own shares in treasury.

#### **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 Annual General Meeting regarding the items on the agenda and about the financial situation of the company and the group. Shareholders who wish to submit questions in advance of the Annual General Meeting, shall send these to Cloetta AB, the Board of Directors, P.O. Box 6036, SE-171 06, Solna, Sweden, or per e-mail to [josefin.rosenhall@cloetta.com](mailto:josefin.rosenhall@cloetta.com).

#### **Interpretation**

As a service to the shareholders, the meeting will be simultaneously interpreted into English.

#### **Available documents**

The nomination committee's reasoned statement regarding its proposal of Board of Directors and information regarding proposed Board of Directors is available on the company's website [www.cloetta.com](http://www.cloetta.com), at the company on address Solna Business Park Englundavägen 7D, Solna, Sweden and will also be distributed to shareholders who have notified their wish to receive the documents and have informed of their postal address.

**Cloetta AB (publ)**

Org.No. 556308-8144

Solna Business Park, SE-171 41 Solna, Sweden

Visiting address : Englundavägen 7D, 2nd floor, Solna

+46 8 527 288 00, [www.cloetta.com](http://www.cloetta.com)



The annual report, the auditor's report and the auditor's statement regarding compliance with the previous guidelines for remuneration to the executive management as well as the complete proposals together with thereto related documents for decisions under items 11 and 19-20 will be available to the shareholders at the company's office and at the company's website not later than Monday, 26 March 2018, and will also be distributed to shareholders who have notified their wish to receive the documents and have informed of their postal address.

Stockholm, March 2018  
Cloetta AB (publ)  
*The Board of Directors*

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

#### **Media contact**

Jacob Broberg, SVP Corporate Communications & Investor Relations, +46 70 190 00 33.

#### **About Cloetta**

Cloetta, founded in 1862, is a leading confectionary company in the Nordic region and the Netherlands. Cloetta's products are sold in more than 50 countries worldwide with Sweden, Finland, Denmark, Norway, the Netherlands, Germany and the UK as the main markets. Cloetta owns some of the strongest brands on the market, such as Läkerol, Cloetta, Candyking, Jenkki, Kexchoklad, Malaco, Sportlife and Red Band. Cloetta has 8 production units in 5 countries. Cloetta's class B-shares are traded on Nasdaq Stockholm. More information about Cloetta is available on [www.cloetta.com](http://www.cloetta.com)