

To the Annual General Meeting in Cloetta AB (publ) on 4 April 2019

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

Proposals by the nomination committee to the Annual General Meeting

The 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 in Cloetta AB on 16 April 2018 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 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 Board of Directors shall comprise seven members with no deputies.
- The nomination committee proposes re-election of the board members Lilian Fossum Biner, Mikael Aru, Lottie Knutson, Alan McLean Raleigh, Camilla Svenfelt and Mikael Svenfelt. Further, it is proposed that Patrick Bergander shall be elected new board member. Information regarding the proposed board members are available in attachment A. Mikael Norman 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 685,000 (previously SEK 620,000) and each of the other directors elected by the Annual General Meeting shall be paid a fee of SEK 315,000 (previously SEK 285,000). 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

Attachment to item 2 and 13-17

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 involves that the total fee to the Board of Directors amounts to SEK 3,275,000 (previously SEK 3,030,000) including for work on the committees with three members of 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 elected as auditor until the end of the next Annual General Meeting. PwC will appoint Sofia Götmar-Blomstedt 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 proposal entails a supplement in item 2 that the nomination committee shall not include a representative of a shareholder that itself or through others conducts competing activities with the group.

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 held two recorded meetings and has had continuous contacts in between meetings as well as conducted several interviews with potential nominees to the Board of Directors. The nomination committee has, through the chairman of the board, 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 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 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 (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.

Attachment to item 2 and 13-17

The nomination committee has been informed that the board member and chairman of Cloetta's audit committee, Mikael Norman, has declined re-election. The nomination committee has therefore considered it suitable to complement the board with a new board member. In its selection process, the nomination committee has considered it to be particularly valuable for the new board member to have audit or accounting expertise and ability to participate in the work of the audit committee. The nomination committee has proposed Patrick Bergander as a new board member. Patrick Bergander is since 2014 CEO of RSA Scandinavia (Codan/Trygg-Hansa) and has also been CFO for the same company. He has previously held several positions within Electrolux such as CFO Asia Pacific and Head of Group Business Control. He has also been working within IF Insurance and as Senior Auditor and consultant at Arthur Andersen. Patrick Bergander was born in 1971 and has a Bachelor degree in Business Administration from the Stockholm 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 of 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.

Statement regarding the nomination committee's proposal for auditor

Considering the auditor rotation requirement under the EU regulation on statutory audit of public-interest entities and that KPMG AB has been Cloetta's auditor for ten years, the auditor proposal has been preceded by a tender process conducted by Cloetta's audit committee, in which a number of criteria have been used to evaluate the audit firms. The audit committee has submitted a recommendation on the election of audit firm to the nomination committee, in which PwC and Ernst & Young AB were presented as acceptable alternatives. Of the two alternatives, the audit committee found that PwC had presented the strongest and most competitive proposal. The audit committee has confirmed that the audit committee in its recommendation has been free from influence by a third party and has not been imposed upon by any clause of contract. The nomination committee shares the opinion of the audit committee and therefore proposes, in accordance with the audit committee's recommendation, that the Annual General Meeting elects PwC as auditor until the end of the next Annual General Meeting.
