

## DOCUMENTS TO THE ANNUAL GENERAL MEETING WEDNESDAY, 6 APRIL 2022 IN CLOETTA AB (PUBL)

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## THE BOARD OF DIRECTORS' PROPOSAL FOR AGENDA

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1. Election of the chairman of the meeting
2. Drawing up and approval of voting list
3. Approval of the agenda
4. Election of two persons to verify the minutes
5. Determination as to whether the Annual General Meeting has been duly convened
6. 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 2021
7. Resolution on adoption of the income statement and the balance sheet as well as the consolidated income statement and consolidated balance sheet
8. Resolution on disposition of the company's earnings according to the approved balance sheet, and record day for any dividend
9. Presentation of remuneration report for approval
10. Resolution on discharge from personal liability of the directors and the CEO
11. Resolution on the number of directors
12. Resolution on remuneration to be paid to the directors and to the auditor
13. Election of directors
14. Election of chairman of the board
15. Election of auditor
16. Resolution regarding rules for the nomination committee
17. Proposal regarding
  - (A) long-term share-based incentive plan (LTI 2022) and
  - (B) transfer of own B-shares under LTI 2022
18. Resolution regarding authorisation for the Board of Directors to resolve upon repurchase and transfer of own B-shares



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

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### The nomination committee's proposal to the Annual General Meeting

Cloetta's nomination committee, consisting of Lars Schedin, chairman, appointed by AB Malfors Promotor, Jan Särilvik, appointed by Nordea Fonder, Stefan Johansson, appointed by PRI Pensionsgaranti, and Mikael Norman, appointed by the Board of Directors of Cloetta AB, shall in accordance with the resolution by the Annual General Meeting of Cloetta AB on 6 April 2021, 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 auditor.
- Rules for the nomination committee.

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

- Mikael Norman is proposed as chairman of the Annual General Meeting.
- The Board of Directors shall comprise eight members with no deputies.
- The nomination committee proposes re-election of the board members Mikael Norman, Mikael Aru, Patrick Bergander, Lottie Knutson, Alan Mclean Raleigh, Camilla Svenfelt and Mikael Svenfelt. Malin Jennerholm is proposed as new board member. Information regarding the proposed board members is set out in Schedule A.
- Mikael Norman shall be re-elected as chairman of the board.
- A majority of the nomination committee proposes that the chairman of the board shall be paid a fee of SEK 730,000 (previously SEK 685,000) and each of the other directors elected by the Annual General Meeting shall be paid a fee of SEK 325,000 (previously SEK 315,000). 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).<sup>1</sup> The proposal by the majority of the nomination committee constitutes a total fee to the board of SEK 3,705,000 (previously SEK 3,275,000), including work on the committees.

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<sup>1</sup> Stefan Johansson, member of the nomination committee and appointed by PRI Pensionsgaranti, has made a reservation against the nomination committee's proposal for fees to be paid to members and the chairman of the remuneration committee, respectively. PRI Pensionsgaranti has submitted an alternative proposal for fees to be paid to members and the chairman of the remuneration committee, see item 12 in the notice convening the meeting.



- 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 has informed that Sofia Götmar-Blomstedt will be appointed as the auditor in charge. Remuneration to the auditor 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 four 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 recent mandate periods. However, the composition of the proposed board in 2022 will not quite reach the ambition that the Swedish Corporate Governance Board has expressed of 40 percent representation of the least represented gender. 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**

During the last year, the board in Cloetta has comprised seven board members elected by the meeting. Taking into account Cloetta's business and stage of development as well as what competences that can be expected to be of great importance for the company and the board in the future, the nomination committee assesses that there are reasons to broaden the board with one more member. The nomination committee has therefore decided to propose to increase the board with one member.

The nomination committee's interviews and evaluation of the board and its work have indicated that the work of the board is well-functioning, but that complementary international market competence in FMCG is desirable within the board. It is the nomination committee's assessment that the proposed new board member Malin Jennerholm has the competence and experience that the nomination committee seeks (for more information about Malin Jennerholm, see the section "Information about the members of the Board of Directors"). The nomination committee considers that the proposed board has an appropriate composition and satisfies the requirements that will be placed on the board in the future as a result of Cloetta's situation and future direction.






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

**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 board members proposed for re-election



	<p><b>Mikael Norman</b></p> <p>Elected to the Board: 2 April 2020          Born: 1958          Nationality: Swedish          Education: Master of Laws (L.L.M.), Stockholm University.          Other assignments: -          Previous assignments: Chairman of the board of Bonava AB, 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: 40,000 B-shares.</p>
	<p><b>Mikael Aru</b></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 AB Axel Granlund, board member of AB Stenströms Skjortfabrik, Bröderna Börjessons Bil AB, Viva Wine Group AB, 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><b>Patrick Bergander</b></p> <p>Elected to the Board: 4 April 2019          Born: 1971          Nationality: Swedish          Education: B.Sc. in Business and Economics, Stockholm University.          Other assignments: CFO Nordic Tyre Group, board member of SPP Pension &amp; Försäkring AB.          Previous assignments: CFO Rosti Group, CEO and CFO in RSA Scandinavia (Codan/Trygg-Hansa). Several positions in Electrolux, such as CFO Asia Pacific and head of Group Business Control. CFO business unit Private at IF Skadeförsäkring and consultant and auditor at Arthur Andersen.          Independent from major shareholders: Yes          Independent from the company and management: Yes          Shareholding: 4,180 B-shares.</p>

## Information about board members proposed for re-election

	<p><b>Lottie Knutson</b></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 and STS Alpresor. Active as a writer and advisor within leadership, crisis management and tourism.          Previous assignments: Board member in Swedavia and Scandic Hotels, 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><b>Alan McLean Raleigh</b></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 member in Chartered Institute of Procurement and Supply (CIPS). 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: 8,144 B-shares.</p>

Shareholding as per 31 December 2021 and thereafter for the company known changes

## Information about board members proposed for re-election


	<p><b>Camilla Svenfelt</b></p> <p>Elected to the Board: 12 April 2016          Born: 1981          Nationality: Swedish          Education: Degree in Sociology, Stockholm University. Courses at Stockholm University: Business Administration, Labor Economics, Management (leadership and organization).          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 486,485 B-shares.          Related parties: 5,729,569 A-shares and 79,270,068 B-shares.</p>
	<p><b>Mikael Svenfelt</b></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.          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 47,535 B-shares.          Related parties: 5,729,569 A-shares and 79,199,973 B-shares.</p>

Shareholding as per 31 December 2021 and thereafter for the company known changes





## Information about board member proposed for new election

	<p><b>Malin Jennerholm</b></p> <p>Elected to the Board: Proposed to be elected at the Annual General Meeting on 6 April 2022</p> <p>Born: 1970</p> <p>Nationality: Swedish</p> <p>Education: Bachelor of Business Administration and Economics from School of Business, Economics and Law at the University of Gothenburg.</p> <p>Other assignments: Advisory Board Member at Food For Progress and board member in Sweden Food Arena and Livsmedelsföretagen.</p> <p>Previous assignments: CEO at Orkla Confectionery &amp; Snacks Sweden, General Manager Professional Nordics at Jacobs Douwe Egberts and various positions at Mondelez International and Kraft Foods.</p> <p>Independent from major shareholders: Yes</p> <p>Independent from the company and management: Yes</p> <p>Shareholding: -</p>
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Shareholding as per 31 December 2021 and thereafter for the company known changes



**DISPOSITION OF THE COMPANY'S EARNINGS ACCORDING TO THE APPROVED BALANCE SHEET, RECORD DATE FOR ANY DIVIDEND**

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1. The following earnings are available to the parent company Cloetta AB at the Annual General Meeting:

Share premium reserve	SEK 2,711,620,366
Retained earnings	SEK -1,278,265,974
<u>Profit for the year (parent company)</u>	<u>SEK 31,712,063</u>
Total	SEK 1,465,066,455

2. The Board of Directors proposes that the earnings shall be allocated as follows.

SEK 287,028,670 is distributed to the shareholders, which corresponds to a dividend of SEK 1.00 per share.

To be distributed to the shareholders according to above	SEK 287,028,670
<u>To be carried forward</u>	<u>SEK 1,178,037,785</u>
Total	SEK 1,465,066,455

3. The Board of Directors proposes that the record day for the dividend payment shall be 8 April 2022. If the Annual General Meeting resolves in accordance with the proposal, payment through Euroclear Sweden AB is estimated to be made on 13 April 2022.
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## **STATEMENT BY THE BOARD OF DIRECTORS OF CLOETTA AB (PUBL) PURSUANT TO CHAPTER 18 SECTION 4 AND CHAPTER 19 SECTION 22 OF THE SWEDISH COMPANIES ACT**

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The Board of Directors has proposed that the Annual General Meeting on 6 April 2022 resolves to distribute SEK 1,00 per share to the shareholders and authorises the Board of Directors to, on one or more occasions for the period until the end of the next Annual General Meeting, resolve to acquire a maximum number of B-shares so that the company holds a maximum of ten per cent of all B-shares in Cloetta at any time following the acquisition. Due to these proposals, the Board of Directors hereby makes the following statement pursuant to Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act.

The reason that the Board of Directors considers that the proposed dividend and the proposed authorisation to repurchase own B-shares are justifiable, taking into account Chapter 17 Section 3 paragraphs 2-3 of the Swedish Companies Act, is as follows.

### **The nature, scope and risks of the business**

The nature and scope of the business are set out in the articles of association and the company's annual report for 2021. The activities carried out in the company and the group do not entail risks beyond what is or can be assumed to exist in the current industry or risks that are generally associated with conducting business operations. In addition, no events have occurred that adversely affected the company's ability to make value transfers to the shareholders. The company's cyclical dependency does not deviate from what is otherwise found in the current industry.

### **The financial position of the company and the group**

The company's profit, share premium reserve and the previous year's retained earnings amounted to SEK 1,465,066,455 as per 31 December 2021. According to the annual report 2021 of the company, the group had an equity/assets ratio of 47.3 per cent and a net debt of SEK 1,679 million as per 31 December 2021. Provided that the Annual General Meeting resolves on a dividend of SEK 1.00 per share to the shareholders of the company in accordance with the proposal by the Board of Directors, SEK 1,178,037,785 will be carried forward. After the proposed dividend and after any repurchase of own B-shares in accordance with the proposed authorisation, there will be full coverage for the group's and the parent company's restricted equity. The company has, including agreed credit limits, access to significant liquid assets. As of 31 December 2021, the company had a net debt/EBITDA of 2.0 times. The long-term target is for net debt/EBITDA to be around 2.5 times. Based on the stable cash flow and that the company is deemed to be able to fulfill its commitments in both the short and the long term, the Board of Directors has made the assessment that there are prerequisites for proposing a dividend of SEK 1.00 per share. The company's ambition is to continue using future cash flows for payment of share dividends, while at the same time providing financial flexibility for complementary acquisitions. The long-term target of distributing 40–60 per cent of the profit after tax continues to apply.

With reference to the foregoing, the Board of Directors believes that the proposed dividend and the proposed authorisation to repurchase own B-shares are justifiable considering:

1. the demands with respect to the nature, scope and risks associated with the operations (of the group as well as of the company) impose on the size of the shareholders' equity, and
2. the company's and the group's consolidation needs, liquidity and position in general.



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Cloetta AB (publ)  
Board of Directors  
March 2022