

NOTICE OF ANNUAL GENERAL MEETING OF AXFOOD AKTIEBOLAG (PUBL)

The shareholders of Axfood Aktiebolag (publ), reg. no. 556542-0824, are hereby invited to attend the Annual General Meeting to be held at 5 p.m. on Wednesday, 14 March 2012. Location: Cirkus, Djurgårdsslätten 43-45, Stockholm. Registration will open at 4 p.m.

Right to participate and notification

Shareholders who wish to participate in the proceedings of the Annual General Meeting must:

- be registered as shareholders in the register of shareholders maintained by Euroclear Sweden AB as per Thursday, 8 March 2012 (for shares registered in the name of a nominee, see also "Nominee-registered shares" below),

and

- notify the Company of their intention to attend the Meeting not later than Thursday, 8 March 2012, in writing at the address Axfood AGM, c/o Euroclear Sweden, Box 7841, SE-103 98 Stockholm, Sweden; by phone at +46-8-402 90 51; or by completing the application form on Axfood's website: axfood.se. Notification must include the shareholder's name and social security number or company name and company registration number, as well as the shareholder's address, phone number, number of shares held and the number of any assistants accompanying the shareholder to the Meeting (maximum of two).

Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee through a bank or other nominee must, in order to be allowed to attend the Meeting, request to have their shares temporarily re-registered in their own names in the register of shareholders maintained by Euroclear Sweden AB. Shareholders interested in such re-registration must inform their respective nominees of such request well in advance of Thursday, 8 March 2012, by which time such re-registration must be executed.

Proxies, etc.

Shareholders may appoint one or more proxies. Shareholders who are represented by proxy must issue a written and dated power of attorney for their proxy. A power of attorney remains valid for a maximum of one year from its time of issue unless a longer validity period is specifically stated on the power of attorney, but not longer than five years from its time of issue. If the power of attorney is issued by a legal entity, copies of authorization documents (certificate of registration or similar) must be attached. The power of attorney, in original, and any authorization documents should be sent by post well in advance of the Annual General Meeting to the following address: Axfood AGM, c/o Euroclear Sweden, Box 7841, SE-103 98 Stockholm, Sweden. Proxy forms are available for downloading from Axfood's website: axfood.se.

Proposed agenda

1. Calling to order of the Annual General Meeting
2. Election of a chairman to preside over the Annual General Meeting
3. Drawing-up and approval of the voting list
4. Approval of the agenda
5. Election of one or two persons to check the minutes
6. Decision as to whether the Annual General Meeting has been duly convened
7. Presentation of the annual report and auditor's report, and of the consolidated accounts and auditor's report for the Group
8. CEO's address
9. Resolution concerning adoption of the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet

10. Resolution concerning allocation of the Company's profit in accordance with the adopted balance sheet
11. Resolution on discharge from liability of the directors and president
12. Report on the Nominating Committee's work and nominations
13. Determination of the number of directors and deputy directors, and auditors and deputy auditors
14. Determination of directors' and auditors' fees
15. Election of directors, the Chairman of the Board, and deputy directors
16. Election of auditor and deputy auditor, and related proposed amendment to the Articles of Association
17. Determination of guidelines for appointment of the Nominating Committee
18. Determination of guidelines for compensation of senior executives
19. Proposal for resolution on employee purchases of shares in subsidiaries
20. Conclusion of the Annual General Meeting

Proposals

Point 2 – Election of a Chairman to preside over the Annual General Meeting

The Nominating Committee nominates Fredrik Persson, Chairman of the Board, to serve as chairman to preside over the Annual General Meeting.

Point 10 – Dividend

The Board of Directors proposes a dividend of SEK 12 per share and that the record date be set at 19 March 2012. Given the proposed record date, dividends are expected to be paid out via Euroclear Sweden AB on 22 March 2012. The last day of trading in the Company's stock including the right to the dividend is 14 March 2012.

Points 13-16 – Board of Directors and auditor

In accordance with the guidelines resolved at the 2011 Annual General Meeting, a nominating committee has been appointed. The members of the Nominating Committee are Göran Ennerfelt (Axel Johnson AB), Kristin S. Genton (Reitangruppen AS), Kerstin Stenberg (Swedbank Robur funds), Johan Strandberg (SEB funds) and Jonas Hillhammar (Axfood's Shareholder Association). Göran Ennerfelt has been appointed to serve as chair of the Nominating Committee. Fredrik Persson, Chairman of the Board of Axfood, has been a co-opted member of the Nominating Committee.

The Nominating Committee proposes:

- Seven AGM-elected directors and no deputies
- One auditor and no deputy auditor
- Directors' fees in an amount and allocation that is unchanged from the preceding year, totalling SEK 2,400,000, of which SEK 525,000 payable to the Chairman, SEK 375,000 to the Vice Chairman, and SEK 300,000 to each of the other non-executive directors, and no fees for committee work
- Auditor's fee payable in accordance with approved invoice
- Re-election of directors Antonia Ax:son Johnson, Peggy Bruzelius, Maria Curman, Fredrik Persson, Odd Reitan, Marcus Storch and Annika Åhnberg
- Re-election of Fredrik Persson as Chairman of the Board
- Re-election of the chartered accounting firm KPMG AB (publ) as the Company's auditor through the conclusion of the 2014 Annual General Meeting, with Authorized Public Accountant Tomas Thiel as Chief Auditor

Point 16 – Amendment of Articles of Association

As noted above, the Nominating Committee has proposed election of the auditor for a two-year mandate period. The main rule in the Swedish Companies Act stipulates a mandate period for auditors of one year. The auditor may be elected for a longer period – but not longer than four years – provided that this is stipulated in the company's articles of association. Axfood's Articles of Association do not contain any such stipulation. The Board therefore

proposes that the Annual General Meeting – prior to carrying out election of the auditor – resolves that the Company's Articles of Association shall be amended in this respect. The proposal entails that § 6 of the Articles of Association be complemented with a new, concluding sentence (marked in italics below):

"The Board of Directors shall – to the extent it is appointed by a general meeting of shareholders – consist of three to ten members, with not more than two deputy members. The Board and its deputy members shall be elected annually at the annual general meeting for a term extending through the end of the next annual general meeting. One or two auditors with not more than two deputy auditors shall be appointed. A chartered accounting firm can be appointed as auditor. *The assignment as auditor shall apply until the end of the annual general meeting that is held in the second financial year after that in which the auditor was appointed.*"

A resolution by the Annual General Meeting in favour of the Board's proposal requires that it has the support of shareholders with at least two-thirds of the number of votes and shares represented at the Annual General Meeting.

Point 17 – Guidelines for appointment of the Nominating Committee, etc.

The Nominating Committee proposes that the Annual General Meeting resolve to adopt the following guidelines for appointment of the Nominating Committee, etc. The proposal corresponds to the guidelines adopted by the 2011 Annual General Meeting.

The shareholder who, based on ownership statistics compiled by Euroclear Sweden AB as per 31 August 2012, owns the most shares and votes in the Company shall, after consulting with the three subsequently largest shareholders, appoint a nominating committee consisting of five persons. The Nominating Committee's composition shall be publicly announced not later than in connection with the publication of the third quarter interim report for 2012.

The Nominating Committee is tasked with submitting recommendations for the following ahead of the Annual General Meeting:

- The number of directors and deputy directors, and where applicable, auditors and deputy auditors
- Directors' and auditor's fees, and any special fees for committee work
- Directors and, where applicable, auditors
- Chairman of the Board
- A chairman to preside over the Annual General Meeting
- Guidelines for appointment of the Nominating Committee, etc.

The Nominating Committee appoints a committee chair from among its members. The Nominating Committee's mandate period applies until a new nominating committee has been appointed. If a member of the Nominating Committee leaves the Committee before its work has been completed, or if a significant change takes place in the ownership structure after the Nominating Committee has been constituted, a replacement shall be appointed through such a procedure in which the departing member was appointed. Changes in the Nominating Committee's composition shall be publicly announced on the Company's website. The Nominating Committee's recommendations shall be publicly announced in connection with the publication of the Notice of the Annual General Meeting.

In connection with its assignment in general, the Nominating Committee shall fulfil the duties which, according to the Swedish Code of Corporate Governance, are incumbent upon the Company's nomination process, and at the request of the Committee, the Company shall provide personnel resources, such as a secretarial function for the Committee, to facilitate the Committee's work. Where needed, the Company shall also agree to bear reasonable costs for external consultants which are deemed by the Committee to be necessary for the Committee to fulfil its assignment.

Point 18 – Guidelines for compensation of senior executives

The Board proposes that the Annual General Meeting adopt the following guidelines for compensation of senior executives. The proposal corresponds to the guidelines that were adopted by the 2011 Annual General Meeting.

The Board's proposed guidelines for compensation of senior executives (members of the Executive Committee) entail mainly that the Company shall offer compensation in line with the going rate in the market, that the level of compensation shall be set by a special compensation committee established within the Board (however, the CEO's compensation and other terms of employment are set by the Board in its entirety), that the criteria for this shall consist of the importance of the individuals' work duties as well as their competence, experience and performance, and that the compensation shall consist of the following components:

- Fixed based salary
- Short-term variable compensation
- Long-term variable compensation
- Pension benefits
- Other benefits
- Severance terms.

The Executive Committee currently consists of eleven persons including the CEO.

Fixed base salary

The members of the Executive Committee shall be paid a base salary in the form of a fixed, cash monthly salary that is attractive compared with the going rate in the market. This fixed base salary constitutes compensation for a committed work contribution at a high professional level that creates value-added for Axfood's customers, owners and employees.

Variable compensation

In addition to their base salary, the members of the Executive Committee shall be offered short-term and long-term variable compensation, both of which are based on the achievement of Axfood's targets for:

- earnings,
- sales growth, and
- personal objectives for the financial year.

Short-term variable compensation shall be paid in the form of annual, variable compensation. The targets for the outcome levels are set by the Compensation Committee at the start of the year (by the Board of Directors for the CEO). Long-term variable compensation shall support the long-term objectives of the Executive Committee's decision-making. The variable compensation (the sum of short- and long-term compensation) shall have a cap as follows:

- 70% of the base salary paid out during the year for the CEO, and
- 40%-55% of the base salary paid out during the year for the other members of the Executive Committee .

The sum of the variable compensation for the CEO and the other members of the Executive Committee can amount to a maximum of approximately SEK 14 m. The right to variable salary expires in the event the executive gives notice prior to payment.

Pension benefits

The Board's Compensation Committee sets the pension benefits for the members of the Executive Committee and makes recommendations to the Board for determination of the CEO's pension benefits. Axfood applies a retirement age of 65 for members of the Executive Committee. For the CEO and one other member of the Executive Committee, each year a provision is made in an amount equivalent to 35% of their annual base salary, which is secured through insurance premiums. For the other members of the Executive Committee, the

basic pension benefit consists of the so-called ITP plan. As a supplement to this is a defined contribution pension corresponding to 25% of salary amounts between 30 and 50 times the Base Amount, which is secured through insurance; for this part, however, one member of the Executive Committee has a solution corresponding to ITP, department 1. Older pension agreements are adapted as far as possible to the plan outlined above.

Other benefits and severance pay

For members of Axfood's Executive Committee, a notice period of a maximum of 12 months is applied. In addition, severance pay may be payable for a maximum of 12 months. For the CEO and all other members of the Executive Committee, deduction shall be made for other earned income during the time termination pay or severance pay is received. A notice period of six months applies in the event an executive gives notice.

The members of Axfood's Executive Committee receive – in addition to liability insurance – customary benefits for persons in corresponding positions, such as a company car benefit and healthcare insurance, and in certain cases also a travel benefit and housing benefit.

Information on previously decided compensation

Previous Annual General Meetings have adopted guidelines for compensation for members of the Executive Committee for the time extending up until the 2012 Annual General Meeting. In addition to base salary, variable salary would be payable that was tied to Axfood's targets for earnings and sales growth as well as the achievement of personal objectives. In accordance with the adopted principles, a certain portion of this variable compensation has been withheld until the 2012 Annual General Meeting. However, the amounts have been expensed in the respective financial years. Withheld variable compensation for previous years will be paid out after the 2012 Annual General Meeting. The guidelines adopted by the 2011 Annual General Meeting have been adhered to. All previously decided compensation that has not yet been paid out is within the scope described above.

The Board's authorization

The Board is authorized to depart from these guidelines if in an individual case there are special reasons for doing so.

Point 19 – Employee purchases of shares in subsidiaries

The Board proposes that the Annual General Meeting resolve to adopt the following proposal concerning the opportunity for employees to purchase shares in subsidiaries.

Purpose and background

The Axfood Group operates approximately 240 food retail stores in Sweden, of which 62 are Hemköp stores in the wholly owned subsidiary Hemköpskedjan AB. In addition to these are 121 Hemköp stores that are run by independent franchisees. The franchise concept has a central role in the Axfood Group's business. It is therefore important that the Axfood Group's franchisees have a high level of personal involvement in conducting their operations efficiently and profitably in well-run stores. In this way, the franchisees' interests coincide with the Axfood Group's interest in strengthening the Group's trademarks in the food retail market. It is also important that franchisees are persons who are judged to be capable of running the business in accordance with the Axfood Group's business concept. If the Axfood Group is given the right to designate employees at existing Hemköp stores as future franchisees, favourable conditions are created for the Axfood Group to achieve these objectives. At the same time, this promotes long-term value creation and profit growth in the Axfood Group in that the Group can attract, retain and motivate suitable store managers, and develop and defend key store locations.

Proposal

Against this background, the Board proposes that the Annual General Meeting resolve that employees of the Axfood Group be given the opportunity to purchase shares in store companies in Hemköpskedjan. The employees who shall have the right to purchase shares

are store managers (presidents) for store companies that are run and/or established within Hemköpskedjan.

The proposal covers a maximum of ten Hemköp stores with estimated, combined annual sales of approximately SEK 400 m. By comparison, the Axfood Group had sales of SEK 35 bn in 2011.

The proposal entails that Hemköpskedjan AB initially transfers the operations of a pertinent store to a newly formed and wholly owned stock company (i.e., incorporates the business). The store manager of one of the above-mentioned ten Hemköp stores thereafter, as a first step, purchases a maximum of nine per cent (9%) of the shares in the store company, plus an irrevocable call option (step 1). The call option gives the store manager the right, but not an obligation, within a certain period of time – not to exceed five years – to purchase the rest of the shares in the store company, except for one (1) share to be retained by the Axfood Group. Exercise of the option to purchase the rest of the shares (step 2) requires that the store manager, during this time, has acted in accordance with the corresponding requirements that apply for Hemköpskedjan's franchise concept.

The share purchases shall be made at fair market value. Payment shall be made in cash. Step 1 shall be carried out before the 2013 Annual General Meeting of Axfood Aktiebolag (publ).

Fairness Opinion

The Board has obtained a Fairness Opinion from Deloitte AB on the proposed programme from a financial standpoint. Deloitte's opinion is that the valuation methodology of the proposed programme is fair for the Company's shareholders from a financial standpoint as per the date of issue of the Fairness Opinion.

Other

The proposed decision has been prepared by the Board in its entirety. The Board believes that only administrative costs (pertaining to the Fairness Opinion and continuing consulting) will arise for the Axfood Group in connection with the programme.

If the Annual General Meeting votes in favour of the proposal, it is the Board's intention to return with similar proposals at future Annual General Meetings of the Company.

A resolution by the Annual General Meeting in favour of the Board's proposal requires that it has the support of shareholders with at least nine-tenths of the number of votes and shares represented at the Annual General Meeting.

Other information

On the day this notice was issued, the Company had a total of 52,467,678 shares in issue with one vote each.

The Nominating Committee's recommendations laid out in point 2 and points 13-16, and its statement motivating its recommendations, as well as information on the persons nominated to serve as directors, etc., are available at the Company's head offices at Hemvärnsgatan 9, Solna, and on the Company's website, axfood.se. The Nominating Committee's recommendation as laid out in point 17 is complete as rendered in this notice.

The Annual Report and audit report will be available at the Company's head offices and on the Company's website, at the addresses provided above, not later than Monday, 20 February 2012.

The Board's proposals as laid out in points 16, 18 and 19 are complete as rendered in this notice. The Articles of Association in their entirety with the wording quoted in the proposal in point 16, the auditor's statement on application of previously adopted guidelines for compensation of senior executives, and the Fairness Opinion as laid out in point 19 are

available at the Company's head offices and on the Company's website, at the addresses provided above.

All of the documents referred to above will be sent upon request to shareholders who provide their post address. The documents will also be available at the Annual General Meeting.

This notice will be sent to all shareholders in association with its publication at the address of the shareholder recorded in the shareholder register.

A printed copy of the Annual Report will be sent to shareholders upon request approximately one week before the Annual General Meeting.

Shareholders have the right at the Annual General Meeting to request and obtain disclosures regarding conditions that could impact their assessment of an item of business on the agenda and conditions that could impact their assessment of the Company's financial situation, if such can be done without causing material harm to the Company.

Stockholm, February 2012

The Board of Directors

AXFOOD AKTIEBOLAG (publ)