

## **Invitation to the Annual General Meeting of ICA Gruppen AB (publ)**

### **PLEASE NOTE THE CHANGED DATE AND TIME IN RELATION TO THE PREVIOUS INVITATION**

Shareholders in ICA Gruppen AB (publ) are hereby invited to the Annual General Meeting to be held at 09.30 CET on Friday, 11 April 2014 at the Friends Arena (admission via entrance K), Råsta Strandväg 1 in Solna, Sweden. Registration will begin at 08.30 CET. Light refreshments will be served at the meeting.

#### **Notice of attendance**

Shareholders who wish to participate in the Annual General Meeting must

*(i)* be registered in the share register held by Euroclear Sweden AB no later than Saturday, 5 April 2014, which means that registration must be completed by Friday, 4 April 2014, and

*(ii)* notify their intention to participate in the Annual General Meeting no later than Monday, 7 April 2014 via the Company's website, [www.icagruppen.se](http://www.icagruppen.se), or by writing to ICA Gruppen AB, Årsstämma 2014, c/o Euroclear Sweden, Box 191, SE-101 23 Stockholm, or by telephoning +46 8 402 90 40 on weekdays between 09.00 and 17.00 CET.

Registration must include the shareholder's name, personal or corporate registration number, address and telephone number. Shareholders who wish to be accompanied by assistants (maximum two) must indicate this in their notification. Where applicable, for example for a legal entity, the notifications should also include complete authorisation documents such as a certificate of registration or equivalent.

Shareholders with nominee-registered shares held via a bank or other nominee must well in advance of 4 April 2014 request the nominee to register them in their own name in the register maintained by Euroclear Sweden AB in order to be able to participate in the Annual General Meeting.

Shareholders who are represented by proxy must provide their representative with written authorisation. If the authorisation was issued by a legal entity, an attested copy of the current registration certificate for the legal entity must be appended. The authorisation must be dated. The authorisation may be effective for up to five years from the date of issue, unless otherwise specified in the authorisation. If no period of validity is stated, the authorisation will be effective for no more than one year from the date of issue. Copies of the authorisation and the registration certificate, if applicable, should be sent in good time prior to the Annual General Meeting to ICA Gruppen AB, Årsstämma 2014, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. A proxy form is available from the Company and on the Company's website [www.icagruppen.se](http://www.icagruppen.se).

Notification received in time will be confirmed by the sending of an admission pass that is to be presented at the entrance to the meeting venue along with any proxy form (in the original) and other authorisation documents.

#### **Business and proposed agenda**

1. Opening of the meeting

2. Election of a chairman for the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of a secretary and two minutes-checkers to attest the minutes jointly with the chairman
6. Determination of whether the meeting has been duly convened
7. Report on the operations of the Company
8. Report on the work and performance of the Board and its committees
9. Presentation of the annual accounts and auditor's report and the consolidated accounts and consolidated auditor's report
10. Decision on adoption of the income statement and balance sheet and the consolidated income statement and balance sheet
11. Resolution on the disposition of the profits shown in the adopted balance sheet
12. Decision on discharge of the members of the Board of Directors and the CEO from liability
13. Report on the work of the Nomination Committee
14. Resolution on the number of Board members and auditors
15. Resolution on fees to be paid to the Board and auditor
16. Election of the members of the Board and the Chairman of the Board
17. Election of auditor
18. Resolution on the Nomination Committee
19. Resolution on adoption of principles for remuneration and other employment terms for the Executive Management
20. Conclusion of the meeting

#### **Proposals by the Board and the Nomination Committee**

- P 2 The Nomination Committee proposes Claes-Göran Sylvén as chairman of the meeting.
- P 11 The Board proposes a dividend of eight kronor (SEK 8) per ordinary share for the 2013 financial year. The Board proposes Wednesday, 16 April 2014 as the record day for receiving a dividend. If the resolution is passed, dividends are expected to be paid out by Euroclear Sweden AB on Wednesday, 23 April 2014.
- P 14 The Nomination Committee is proposing ten (10) regular Board members and one (1) authorised accounting firm as auditor.
- P 15 The Nomination Committee proposes that the fees to the Board shall amount to SEK 3,780,000 in total, with SEK 900,000 being paid to the Chairman of the Board and SEK 320,000 to each of the other members elected by the meeting.

The Nomination Committee proposes that SEK 900,000 be allocated for committee work, to be distributed as follows. For work on the Audit Committee, compensation totalling SEK 425,000 shall be paid, of which SEK 170,000 to the chairman and SEK 85,000 to each of the other members. For work on the Remuneration Committee, compensation totalling SEK 175,000 shall be paid, of which SEK 75,000 to the chairman and SEK 50,000 to each of the other members. For work on the Investment Committee, compensation totalling SEK 225,000 shall be paid, of which SEK 75,000 to the Chairman and SEK 50,000 to each of the other members. A total of SEK 75,000 will be held in reserve to give the Board the

capacity to appoint up to three additional committee members or create additional Board committees.

The Nomination Committee proposes that the auditors be paid in accordance with approved invoices.

- P 16 The Nomination Committee proposes that the following be re-elected as Board members for the period up to the end of the next Annual General Meeting: Peter Berlin, Göran Blomberg, Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Hägglund, Bengt Kjell, Magnus Moberg, Jan Olofsson, Claes-Göran Sylvén and Margot Wallström.

The Nomination Committee proposes that Claes-Göran Sylvén be re-elected as Chairman of the Board.

The reasons underlying the Nomination Committee's proposals to the 2014 Annual General Meeting for the election of the Board members are presented in its report at [www.icagruppen.se](http://www.icagruppen.se). More detailed information about the proposed Board members is also available on the website.

- P 17 The Nomination Committee proposes that the registered accounting firm Ernst & Young AB be re-elected as auditor for the period until the conclusion of the next Annual General Meeting. If re-elected, Ernst & Young AB will appoint authorised public accountant Tomas Forslund as chief auditor.

More information on Tomas Forslund can be found at [www.icagruppen.se](http://www.icagruppen.se)

- P 18 The Board and the Nomination Committee propose that the meeting resolve to appoint a Nomination Committee for the 2015 Annual General Meeting as follows.

The company shall have a Nomination Committee consisting of four (4) members who represent the Company's shareholders. The Chairman of the Board of ICA Gruppen shall be co-opted onto the Nomination Committee.

Two of the members shall be nominated by the largest shareholder and two members shall be nominated by the two subsequent largest shareholders. The largest shareholders based on voting rights shall be determined based on a list of registered shareholders provided by Euroclear Sweden AB as of the last trading day in August and they will be contacted soon thereafter by the Company. In the event that any of the three largest shareholders decides to forego the right to appoint a representative to the Nomination Committee, this right shall transfer to the shareholder that has the next largest shareholding on the aforementioned date. The names of the shareholder representatives and the names of the shareholders they represent shall be announced not later than six months prior to the Annual General Meeting. The mandate period of the Nomination Committee shall extend until the next Nomination Committee is appointed. Unless the members agree otherwise, the chairman of the Nomination Committee shall be one of the members who represent the largest shareholder in terms of votes. The chairman shall have the decisive vote.

If, during the mandate period of the Nomination Committee, one or more of the shareholders

that appointed members of the Nomination Committee is/are no longer among the three largest shareholders, the members appointed by these shareholders shall resign and the, or those, shareholder(s) that are now among the three largest shareholders shall be entitled to appoint members. Unless there is specific reason, however, no changes shall occur in the composition of the Nomination Committee if only minor changes in ownership have occurred or if changes occur later than two months prior to the Annual General Meeting. Shareholders that have appointed a member of the Nomination Committee are entitled to remove such member and appoint a new member of the Nomination Committee. Any change in the composition of the Nomination Committee shall be announced on the Company's website as soon as it occurs.

The Nomination Committee will present proposals regarding the following matters prior to the Annual General Meeting:

- i. Proposal for chairman of the meeting
- ii. Proposal for members of the Board of Directors
- iii. Proposal for Chairman of the Board
- iv. Proposals for fees payable to the Board of Directors, broken down into amounts for the Chairman of the Board and other Board members and as remuneration for committee work
- v. Proposal for auditor or auditors and proposed fees to be paid to the Company's auditor

The Nomination Committee shall in general perform its duties in accordance with the Swedish Corporate Governance Code. At the request of the Nomination Committee, the Company shall provide personnel resources – such as a secretarial function in the Nomination Committee – to facilitate its work. As required, the Company shall also be responsible for reasonable costs for external consultants that the Nomination Committee deems necessary to perform its work.

It is proposed that the resolution on the Nomination Committee, which leaves the arrangements essentially unchanged compared with 2014, should apply until further notice.

- P 19 The Board proposes that the following principles for remuneration and other employment terms for the Executive Management be approved by the 2014 Annual General Meeting for the period until the conclusion of the 2015 Annual General Meeting. The guidelines shall be applied in agreements concluded subsequently.

For the Company to be able to recruit, develop and retain senior executives with relevant experience and expert leadership qualities it is important to have a competitive remuneration package in line with market terms for senior executives in similar sectors.

The remuneration principles are also to motivate senior executives to enhance the Group's market position and earnings, and are to be linked to long-term growth in shareholder value. In addition, variable remuneration is to be linked to quantifiable criteria set in advance.

The levels of remuneration paid to senior executives in related industries and markets is continually investigated and assessed. The total remuneration is to comprise the following components: basic salary, pension benefits, bonus, other remuneration and benefits, and

severance pay.

Senior executives shall also be required to invest in shares.

#### Basic salary

The basic salary is to be on market terms and based on skills, responsibility and performance.

#### Pensions

For the CEO and other senior executives a defined contribution pension plan is to be applied, with pension premiums amounting to a maximum of 35% of pensionable salary. Premiums are to be paid as long as the person is employed in the Company.

Executives employed in countries other than Sweden have pension agreements in line with national practice and which abide by the above principles.

#### Bonuses

The CEO and other senior executives in the Group are to be included in two variable remuneration schemes taking the form of a cash bonus, one of which runs for one year (annual bonus programme) and the other for three years (long-term bonus programme). The size of the combined bonus is maximised per person and year at the equivalent of 52% of annual salary (104% for the CEO).

The bonus is not pensionable.

The Board will determine annually whether new programmes are to be started and will determine thresholds, target groups and maximum cost.

#### Notice of termination and terms of severance pay

A mutual notice period of six (6) months is to apply to senior executives. Severance pay to senior executives is to be paid at up to 18 months of basic cash salary if the Company terminates employment. The severance pay will be deductible.

If it is the executive that terminates the employment and the Company decides to apply a non-competition clause which has been agreed in certain cases, the Company will provide compensation during the period the non-competition clause applies at a maximum amount of 60% of basic salary. Severance pay and compensation paid during the non-competition period will not be pensionable.

#### Other remuneration and benefits

Other remuneration and benefits are to be of limited value in relation to the total remuneration and are to correspond to the market norm.

#### Share investment requirements etc.

With a view to increasing senior executives' identification with and interest in the Company and the development of its value, the Board will decide each year that senior executives are expected to invest a certain portion of their gross salary in shares in the Company.

During the period April–June 2014 the CEO and senior executives are expected to acquire shares in the Company for a sum amounting to between 5% and 10% of their gross basic salary for the financial year. Shares already held cannot be counted towards this. Shares acquired are to be held for the period that the senior executive is employed in the Group.

Twelve months after acquiring shares in the Company in accordance with the previous paragraph the Company's executives will receive a net cash amount equal to 50% of their investment, provided that all the following conditions are met:

- i. the executive remains employed in the Group (the notice period shall not be considered employment for this purpose),
- ii. the executive still holds all the shares acquired, and
- iii. a threshold of at least 50% of target for the annual bonus programme has been reached in respect of the current year.

Deviation for good reason

The Board has the right to deviate from the guidelines proposed if there is particular reason to do so.

**Documentation and further information**

The Board of Directors' complete proposed resolutions as set out in items 11 and 18, information about the proposed auditor and proposed Board members, the annual accounts, the Nomination Committee's report, the audit report, the Board's statement on the Remuneration Committee's evaluation in accordance with Section 9.1 of the Swedish Corporate Governance Code, the auditor's statement on remuneration to senior executives and proxy forms are available from the Company and on the Company's website [www.icagruppen.se](http://www.icagruppen.se). Copies of documents will be sent free of charge to shareholders who so request and provide their postal address.

The CEO, or a person appointed by the CEO, is authorised to make minor adjustments to decisions which may prove necessary in conjunction with registration of the Annual General Meeting's resolutions with the Swedish Companies Registration Office and Euroclear Sweden AB respectively due to other formal requirements.

ICA-handlarnas Förbund (the Association of ICA Retailers), which owns approximately 51.3% of the number of shares and votes in the Company, has announced that it supports the proposals tabled by the Board and the Nomination Committee.

At the Annual General Meeting, shareholders have the right to information – should the Board consider that this can occur without significant damage to the Company – on circumstances that could impact on the evaluation of an item on the agenda and relationships that could impact on the evaluation of the Company's or a subsidiary's financial situation.

As of 14 March 2014 there were 201,146,795 shares and voting rights in ICA Gruppen AB (publ), of which 82,067,892 are C shares and 119,078,903 are ordinary shares. 141,655 ordinary shares are held by ICA Gruppen AB (publ).

Stockholm, March 2014

ICA GRUPPEN AB (publ)

Board of Directors