

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

Shareholders in ICA Gruppen AB (publ) are hereby invited to the Annual General Meeting to be held at 09.30 CET on Wednesday, 22 April 2015 at Ericsson Globe, Globentorget 2, Stockholm. Admission is via Annex Entrance 3 (facing Arenatorget). 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 Thursday, 16 April 2015, and

(ii) notify their intention to participate in the Annual General Meeting no later than Thursday, 16 April 2015 via the Company's website, [www.icagruppen.se](http://www.icagruppen.se), or by writing to ICA Gruppen AB, Årsstämma 2015, 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 16 April 2015 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 (publ), Årsstämma 2015, 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 Management Team
20. Resolution authorising the Board to make decisions concerning the disposal of treasury shares
21. 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 nine kronor and fifty öre (SEK 9.50) per ordinary share for the 2014 financial year. The Board proposes Friday, 24 April 2015 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, 29 April 2015.

P 14 The Nomination Committee is proposing ten (10) regular Board members elected by the general meeting and one (1) authorised accounting firm as auditor.

P 15 The Nomination Committee proposes that the fees to the Board shall amount to SEK 4,100,000 in total, with SEK 950,000 being paid to the Chairman of the Board and SEK 350,000 to each of the other members elected by the meeting.

The Nomination Committee proposes that SEK 1,125,000 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 300,000 will be held in reserve to give the Board the capacity to appoint up to six 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 and Claes-Göran Sylvén. The Nomination Committee proposes Jeanette Christensen Jäger as a new Board member.

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 2015 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 re-elected 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. Ernst & Young AB has stated that, if re-elected, authorised public accountant Erik Åström will be appointed as chief auditor.

More information on the authorised public accountant 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 2016 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 should apply until further notice.

- P 19 The Board proposes that the following principles for remuneration and other employment terms for the Management Team be approved by the 2015 Annual General Meeting for the period until the conclusion of the 2016 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 monitored and assessed. The total remuneration is to comprise the following components: basic salary, pension benefits, bonus, other remuneration and benefits, and

severance pay.

There is also a share investment programme for senior executives.

#### 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 individual is employed in the Company.

Senior executives employed in a country other than Sweden have pension agreements in line with national practices and that follow the principles described above.

#### Bonuses

The CEO and other senior executives in the Group are to be covered by 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 incentive programme). The size of the combined bonus is maximised per person and year at the equivalent of 59% of annual salary (118% 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 12 months of basic cash salary if the Company terminates employment. Such severance pay is deductible.

If the executive terminates employment and the Company decides to apply a non-competition clause which has been agreed upon 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 be in line with market norms.

#### Share investment etc.

For the purpose of increasing the senior executives' identification with and interest in the Company and its value growth, the Board is to make a decision annually that senior executives are expected to invest a certain portion of their gross salary in shares in the Company.

During a period to be specified by the Remuneration Committee that starts on or after the day following the Annual General Meeting and ends on or before 31 December 2015, the CEO and senior executives are expected to acquire shares in the Company for a sum amounting to between 5% and 10% of their fixed gross salary for the current financial year. Shares already held are not to be included in the calculation. Acquired shares are to be held throughout the period the executive is employed by the Group.

Twelve months after the shares in the Company are acquired as described in the previous paragraph the Company's executives will receive a net sum equivalent to 50% of their investment, on condition that all the following criteria are met:

- i. the executive is still employed by the Group,
- ii. the executive still holds all of the acquired shares, and
- iii. the threshold of at least 50% of the outcome of the annual bonus programme for the investment year in question has been achieved.

#### Special circumstances

The Board has the right to deviate from the guidelines proposed if special circumstances exist.

P 20 The Board proposes that the Annual General Meeting authorises the Board to decide to dispose of shares held in treasury, on the following terms.

1. Up to 141,655 ordinary shares may be disposed on Nasdaq Stockholm at a price within the price range for the ordinary share on Nasdaq Stockholm at any given time.
2. The authorisation may be used on one or more occasions, but no later than the 2016 Annual General Meeting.

The purpose of the proposal is to allow the Board to dispose of the 141,655 ordinary shares that are held by the Company. The ordinary shares were repurchased by the Company previously via Nasdaq Stockholm in order to meet the allocation for the earlier warrant and incentive programmes that the Company had. The warrant and incentive programmes have been concluded, and consequently the Company no longer has need of the ordinary shares. The Board wishes to increase the liquidity of the ordinary shares, and is therefore proposing that the shares are disposed of rather than being withdrawn by reducing the share capital. The reason for deviating from the preferential rights of shareholders when disposing of treasury shares is that disposal of the shares via Nasdaq Stockholm can take place more quickly and with greater flexibility and is more cost-effective than transferring the shares to all shareholders.

#### **Documentation and further information**

The Board of Directors' complete proposed resolutions as set out in items 11 (including statement pursuant to chapter 18 section 4 of the Swedish Companies Act), 18–20, information about the proposed auditor and proposed Board members, the annual report, 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 all 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 resolution proposed by the Board in item 20 shall only be passed if supported by shareholders representing at least two thirds of both the votes cast and of the shares represented at the Annual General Meeting.

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 the date of this notice there are 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 2015

ICA GRUPPEN AB (publ)

Board of Directors

*To English-speaking shareholders: The notice of the Annual General Meeting is available in English at <http://www.icagruppen.se/en/>.*