

Item 20

The Board's proposed resolution on termination of the 2011 and 2012 incentive programmes and on transfer of treasury shares

The Board proposes that the Annual General Meeting resolve to terminate the incentive programmes that the Annual General Meetings in 2011 and 2012 resolved to introduce for the company's CEO, other senior executives and other employees and, as a result thereof, resolve to transfer treasury shares to the participants in the incentive programmes.

Background and reasons

The incentive programmes consist of a combined share matching and performance share programme. The programmes were introduced in order to create a compensation system linked to the company's financial performance, which was considered essential to attract and retain qualified employees in Hakon Invest and otherwise for the company's development. The programmes are based on each participant having purchased shares in Hakon Invest ("Saving Shares") on NASDAQ OMX Stockholm at market price and retaining the Saving Shares for a period of at least three years. Provided the participant is still employed and still holds his or her Saving Shares, after three years the share matching programme entitles the participant to receive one matching share free of charge for each Saving Share. The performance share programme means that the participant, in addition to a matching share, can also receive up to four¹ additional performance shares for each Savings Share, provided certain clearly defined performance requirements have been met.

In view of the fact that Hakon Invest has acquired all Ahold's shares in ICA AB, Hakon Invest is changing its name to ICA Gruppen² in order to reflect the direction of the Group. In addition, the majority of Group Management and several employees will leave Hakon Invest for employment in ICA-handlarnas Förbund (the Association of ICA Retailers) as of 20 May 2013. Hakon Invest's new management will instead mainly consist of people from ICA who are not included in Hakon Invest's incentive programmes but are covered by other programmes which are adapted to the operations of ICA and ICA Gruppen. The programmes which the new Group Management are covered by are described in the Board's proposal for guidelines for remuneration to senior executives (item 19 in the proposed agenda for the Annual General Meeting). The prerequisites for Hakon Invest's current incentive programmes have therefore changed significantly.

Further information on the incentive programmes is provided in [Annex 1](#).

Resolution proposed

In view of the above background and the practical management which continued

¹ For the 2012 programme a maximum of three performance shares can be received for each Saving Share.

² See proposal for change of name in item 13 of the agenda.

application of the incentive programmes would involve, the Board proposes early termination of the programmes on the following terms.

Termination will involve a final settlement of the programmes with full allocation to participants as follows: all performance requirements are considered to be 100 per cent fulfilled and the three-year requirement for holdings of Saving Shares and the requirement of continued employment are also considered to be fulfilled. In order to be able to provide matching and performance shares to the participants in the incentive programmes it is further proposed that the Annual General Meeting resolves that the company transfers 86,700 common treasury shares to the participants on the terms set out above, and otherwise on the terms that apply to the incentive programmes. It is proposed that termination of the programmes and the transfer of treasury shares be effected no later than 28 June 2013. The Board will be authorised to put the above resolutions into effect.

Costs of terminating the incentive programmes

Final termination of the two incentive programmes with full allocation to their participants as described above would involve a total cost of SEK 11.0 million (of which SEK 8.7 million relates to senior executives). Of the total cost, SEK 2.4 million was distributed last year, while SEK 8.6 million will be expensed in 2013.

Of the total cost, SEK 4.6 million (of which SEK 4.0 million relates to senior executives) relates to the 2011 programme and SEK 6.4 million (of which SEK 4.7 million relates to senior executives) to the 2012 programme.

Since it is proposed that the programmes be terminated by allocating common shares, there will be no negative effect on equity.

Effects on key ratios and dilution effects

The costs and the dilution are expected to have a marginal effect on Hakon Invest's key ratios.

Preparation of the proposal

The proposal was drawn up by the Remuneration Committee of the company's Board and the Board of Directors as a whole. It received final approval from the Board on 16 April 2013.

Decision requirements

A valid decision on this item must be supported by shareholders representing at least nine-tenths of both the votes cast at the Annual General Meeting and the shares represented at the Meeting.

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Annex 1**Existing incentive programmes***2012 incentive programme*

The 2012 Annual General Meeting approved a combined share matching and performance share programme, subject to own investment, with a three-year earnings period. The programme requires participants to actively purchase new shares (“Saving Shares”) at market price and for these Saving Shares to be locked in for a period of three years. Provided that the participant is still employed and still holds the Saving Shares, participants are entitled to receive matching shares at no cost. If certain clearly defined performance requirements are met, participants are entitled to receive what are known as performance shares at no cost.

If the Annual General Meeting approves the proposal in item 20, the CEO will receive a total of 10,800 matching and performance shares, while other senior executives will receive 8,000 matching and performance shares each, amounting to 24,000 shares in total for other senior executives. Other employees will receive 1,600 matching and performance shares each, amounting to 12,800 shares in total for other employees. Overall, the number of matching and performance shares allocated will amount to 47,600 shares.

2011 incentive programme

The 2011 Annual General Meeting approved a combined share matching and performance share programme, subject to own investment, with a three-year earnings period. For the further terms of the programme, refer to the details of the 2012 programme above.

If the Annual General Meeting approves the proposal in item 20, the CEO will receive a total of 10,000 matching and performance shares, while other senior executives will receive 7,500 matching and performance shares each, amounting to 22,500 shares in total for other senior executives. Other employees will receive a maximum of 1,000 matching and performance shares each³, amounting to 6,600 shares in total for other employees. Overall, the number of matching and performance shares allocated will amount to 39,100 shares.

³ The number of matching and performance shares depends on the number of Saving Shares that the participant holds.

Number of treasury shares transferred under the 2011 and 2012 incentive programmes			
Position	2011	2012	Total
CEO	10,000	10,800	20,800
Other executives	22,500	24,000	46,500
Other employees	6,600	12,800	19,400
Total	39,100	47,600	86,700

2010 incentive programme

The 2010 Annual General Meeting approved a combined share matching and performance share programme, subject to own investment, with a three-year earnings period. For the further terms of the programme, refer to the details of the 2012 programme above. The measurement period ended on 31 December 2012 and shares will be allocated to the participants following publication of the interim report for January-March 2013, which is planned for 29 April 2013. The CEO will receive 3,852 matching and performance shares, while other senior executives will receive 2,889 matching and performance shares each, amounting to 8,667 shares in total for other senior executives. Other employees will receive a maximum of 500 matching shares.⁴ In total, 16,279 matching and performance shares will be allocated, provided that the participants still hold their Saving Shares and are employed within the Hakon Invest Group on 29 April 2013.

Refer also to Note 8 in the company’s Annual Report for 2012.

⁴ The number of matching and performance shares depends on the number of Saving Shares that the participant holds.