

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

Shareholders of ICA Gruppen AB (publ) are hereby invited to the Annual General Meeting to be held at 13.00 CET on Thursday, 12 April 2018, at Quality Hotel Friends, Råsta Strandväg 1, 169 56 Solna. Registration will open at 12.00 CET. Light refreshments will be served in conjunction with the meeting.

### Notice of attendance

Shareholders who wish to participate in the Annual General Meeting must

*(i)* be registered in the shareholder register maintained by Euroclear Sweden AB as per Friday, 6 April 2018,

*(ii)* notify their intention to participate in the Annual General Meeting no later than Friday, 6 April 2018, via the Company's website, [www.icagruppen.se](http://www.icagruppen.se), or by writing to ICA Gruppen AB, Årsstämma 2018, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, 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 identity number, address and telephone number. Shareholders who wish to be accompanied by an assistant (maximum two) must indicate this in their notification. Where applicable, for example for a legal entity, notification 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 6 April 2018 request the nominee to register them in the shareholder's 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 certificate of registration for the legal entity must be appended. The authorisation must be dated. The authorisation may be valid 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 certificate of registration, where applicable, should be sent in good time prior to the Annual General Meeting to ICA Gruppen AB, Årsstämma 2018, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. Proxy forms are 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 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 function of the Board and its committees
9. Presentation of the annual accounts and auditor's report, and of the consolidated accounts and auditor's report on the consolidated accounts
10. Resolution on adoption of the income statement and balance sheet and of the consolidated income statement and balance sheet
11. Resolution on disposition of the Company's profits in accordance with the adopted balance sheet
12. Resolution 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 directors' and auditor's fees
16. Election of board members 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 terms of employment for the members of the Executive Management Team
20. Conclusion of the meeting

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

- Item 2 The Nomination Committee proposes Claes-Göran Sylvén as chairman of the Annual General Meeting.
- Item 11 The Board proposes a dividend of eleven kronor (SEK 11.00) per share for the 2017 financial year. The Board proposes Monday, 16 April 2018 as the record date to receive a dividend. Provided that the Annual General Meeting votes in favour of the resolution, dividends are expected to be paid out via Euroclear Sweden AB on Thursday, 19 April 2018.
- Item 14 The Nomination Committee proposes ten (10) AGM-elected regular board members and one (1) chartered accounting firm as auditor.
- Item 15 The Nomination Committee proposes that directors' fees be paid as per the following proposal. Last year's fees are shown in parentheses.

The Nomination Committee proposes that directors' fees be paid in the combined amount of SEK 5,600,000 (4,850,000), of which SEK 1,100,000 (1,025,000) for the Chairman of the Board and SEK 500,000 (425,000) for each other board member.

The Nomination Committee proposes that SEK 1,300,000 (1,300,000) be paid for committee work, to be apportioned as follows:

- For work on the Audit Committee, payment of a total fee of SEK 425,000 (425,000), of which SEK 170,000 (170,000) for the committee chair and SEK 85,000 (85,000) for each of the other members.
- For work in the Reward Group, payment of a total fee of SEK 175,000 (175,000), of which SEK 75,000 (75,000) for the committee chair and SEK 50,000 (50,000) for each of the other members.
- For work on the Investment Committee, payment of a total fee of SEK 225,000 (225,000), of which SEK 75,000 (75,000) for the committee chair and SEK 50,000 (50,000) for each of the other members.
- For work on the Sustainability Committee, payment of a total fee of SEK 175,000 (175,000), of which SEK 75,000 (75,000) for the committee chair and SEK 50,000 (50,000) for each of the other members.
- A total of SEK 300,000 (300,000) to be held in reserve to give the Board the capacity to appoint up to six additional committee members or to create additional board committees.

If the meeting resolves in accordance with the Nomination Committee's proposals, the fees to board members will total SEK 6,900,000 (6,150,000), which increases the board fees by SEK 750,000.

The Nomination Committee proposes that the auditor's fee be paid on account as per approved invoice.

- Item 16 The Nomination Committee proposes that the following persons be re-elected as board members for a term up to the end of the next Annual General Meeting: Göran Blomberg, Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Hägglund, Jeanette Jäger, Bengt Kjell, Magnus Moberg, Claes-Göran Sylvén and Anette Wiotti. Jan Olofsson has declined re-election. The Nomination Committee proposes that Fredrik Persson be elected as a new board member.

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

The rationale underlying the Nomination Committee's proposals to the 2018 Annual General Meeting for the election of board members is 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.

- Item 17 The Nomination Committee proposes that the chartered accounting firm KPMG AB be re-elected as auditor for the period until the conclusion of the next Annual General Meeting, as recommended and preferred by the Audit Committee. KPMG AB has notified that, upon this resolution being supported, it will appoint Authorised Public Accountant Thomas Forslund as chief auditor.

Item 18 The Nomination Committee proposes that the meeting approves the following principles for the appointment of a nomination committee for the 2019 Annual General Meeting.

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

Two of the members shall be nominated by the largest shareholder and two members shall be nominated by the two next 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 waive its right to appoint a representative to the Nomination Committee, this right shall transfer to the shareholder that has the next largest shareholding on the said 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 a new Nomination Committee is appointed. Unless the members agree otherwise, the chair of the Nomination Committee shall be one of the members who represents the largest shareholder in terms of votes. The chair shall have the deciding vote.

If, during the Nomination Committee's mandate period, one or more of the shareholders that appointed members of the Nomination Committee is/are no longer among the three largest shareholders and the shareholder or shareholders now among the three largest shareholders so request(s), members appointed by the shareholder or shareholders no longer among the three largest shareholders shall resign and the shareholder or shareholders now among the three largest shareholders shall be entitled to appoint a member instead. However, unless there is specific reason, no changes shall be made in the composition of the Nomination Committee if the change takes place 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 has been made.

The Nomination Committee shall apply section 4.1 of the Swedish Corporate Governance Code ("the Code") as a diversity policy, according to which the Nomination Committee shall ensure that the Board has a composition appropriate to ICA Gruppen AB's operations, phase of development and other relevant circumstances, and in which the AGM-elected board members exhibit diversity and breadth of qualifications, experience and background. Further, the Nomination Committee shall strive for gender balance on the board.

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

- i. Proposal for chairman of the meeting
- ii. Proposed number of board members

- iii. Proposal for members of the Board of Directors
- iv. Proposal for Chairman of the Board
- v. Proposal for directors' fees, broken down into amounts for the Chairman of the Board and the other board members, and for fees for committee work
- vi. Proposed number of auditors
- vii. Proposal for auditor or auditors, and proposal for fees to be paid to the Company's auditor or auditors
- viii. Proposed principles for the Nomination Committee

In other respects, the Nomination Committee shall perform the duties incumbent upon a nomination committee in accordance with the 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 bear reasonable costs for external consultants that the Nomination Committee deems necessary to perform its work.

- Item 19 The Board proposes that the following principles for remuneration and other terms of employment for members of the Executive Management Team be approved by the 2018 Annual General Meeting for the period until the conclusion of the 2019 Annual General Meeting.

The Company shall seek to offer its senior executives terms that provide motivation and are in line with the market, and that are also well-balanced and reasonable based on the executives' expertise, responsibilities and performance. The total remuneration package consists of the following components: basic salary, pension benefits, variable remuneration in the form of cash bonus, other remuneration and benefits, and severance pay.

It is important for the Company to provide competitive remuneration packages in line with market terms for senior executives in similar industries so that the Company can recruit, develop and retain senior executives with relevant experience and advanced leadership skills. The levels of remuneration paid to senior executives in related industries and markets are continually monitored and evaluated.

The remuneration principles are also to motivate senior executives to improve the Group's market position and earnings, and are to be linked to long-term growth in shareholder value. Variable remuneration is to be linked to pre-determined objectively measurable criteria.

#### Basic salary

Basic salary is to be on market terms and based on skills, responsibility and performance. Salary levels are to be reviewed regularly (usually annually) in order to ensure that salaries are in line with market levels and reward performance.

#### Pensions

For the CEO and other senior executives a defined contribution pension plan is to be provided. Pension premiums shall amount to a maximum of 35% of annual basic salary

and holiday supplement. Premiums will be paid for as long as the individual is employed. The normal retirement age is 65.

Senior executives employed locally in countries other than Sweden have pension agreements in line with national practice but in accordance with the principles described above. Special pension agreements will be entered into for employees working abroad.

#### Bonus

The CEO and other senior executives in the Group, with the exception of the CEO of ICA Bank, are to be covered by two variable remuneration schemes in 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 50% of annual salary (100% for the CEO of ICA Gruppen).

The Board shall decide on an annual basis whether new programmes will be launched and shall determine the financial targets, target group and maximum cost.

The bonus payment is not pensionable.

#### 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 payable at up to 12 months of basic cash salary if the Company terminates employment. Such severance pay shall be deductible from earnings from future employment.

If a senior executive resigns, the Company may in certain cases choose to apply a non-competition clause. During the period the non-competition clause applies, the Company will pay compensation equivalent to a maximum of 60% of fixed salary. Severance pay and compensation paid during the non-competition period will not be pensionable.

#### Terms for employees working abroad

Special terms shall be offered to employees working abroad. The structure of these terms shall accord with the guidelines on remuneration of senior executives.

#### Other remuneration and benefits

Other remuneration and benefits shall be of limited value in relation to the total remuneration package and are to be in line with market norms.

#### Special circumstances

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

### **Documentation and further information**

The Board of Directors' complete proposed resolutions as set out in points 11 (including the statement pursuant to Ch. 18 section 4 of the Swedish Companies Act) and 19, information about

the proposed auditor, proposed board members, the annual report, the Nomination Committee's report, the audit report, the Board's report on the Reward Group's evaluation in accordance with section 9.1 of the Swedish Corporate Governance Code, the auditor's statement on remuneration of 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.

At the Annual General Meeting, shareholders have the right to information – should the Board consider that this can occur without material harm to the Company – on circumstances that could impact on the evaluation of an item on the agenda and circumstances 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). The Company holds no treasury shares.

Stockholm, March 2018

ICA Gruppen AB (publ)

The Board of Directors