

## 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 14.00 CET on Thursday, 11 April 2019, at Quality Hotel Friends, Råsta Strandväg 1, 169 56 Solna. Registration will open at 13.00 CET.

### 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, 5 April 2019,

(ii) notify their intention to participate in the Annual General Meeting no later than Friday, 5 April 2019, via the Company's website, [www.icagruppen.se](http://www.icagruppen.se), or by writing to ICA Gruppen AB, Årsstämma 2019, 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 5 April 2019 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 2019, 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 ICA Gruppen 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 of Directors proposes a dividend of eleven kronor and fifty öre (SEK 11.50) per share for the 2018 financial year. The Board proposes Monday, 15 April 2019 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, 18 April 2019.

- 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 6,100,000 (5,600,000), of which SEK 1,150,000 (1,100,000) for the Chairman of the Board and SEK 550,000 (500,000) for each other board member.

The Nomination Committee proposes that SEK 1,175,000 (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 500,000 (425,000), of which SEK 200,000 (170,000) for the committee chair and SEK 100,000 (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 100,000 (300,000) to be held in reserve to give the Board the capacity to appoint additional members to existing committees 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 7,275,000 (6,900,000), which increases the board fees by SEK 375,000.

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: Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Hägglund, Jeanette Jäger, Magnus Moberg, Fredrik Persson, Claes-Göran Sylvén and Anette Wiotti. Göran Blomberg and Bengt Kjell have declined re-election. The Nomination Committee proposes that Lennart Evrell and Bo Sandström be elected as new board members.

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 2019 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 2020 Annual General Meeting.

The Company is to have a nomination committee consisting of four (4) members representing the Company's shareholders. ICA Gruppen's Chairman is to be co-opted onto the Nomination Committee.

Two of the members are to be appointed by the largest shareholder and two by the next two largest shareholders. The largest shareholders in terms of votes are to be determined based on the list of registered shareholders maintained by Euroclear Sweden AB as of the last trading day in August and they will be contacted by the Company at the earliest opportunity after that date. If any of the three largest shareholders decides to relinquish its right to appoint a representative to the Nomination Committee, this right will be transferred to the shareholder who has the next largest shareholding as of the stated date. The names of the shareholder representatives and the names of the shareholders they represent are to be published no later than six months before the Annual General Meeting. The Nomination Committee's term of office is to continue until a new Nomination Committee has been appointed. Unless the members agree otherwise, the chairman of the Nomination Committee will be one of the members representing the largest

shareholder in terms of voting power. The chairman is to have the deciding vote.

If, during the Nomination Committee's term of office, one or more of the shareholders who have appointed members to the Committee are no longer among the three largest shareholders and the shareholder or shareholders now among the three largest shareholders so request, the members appointed by such shareholder or shareholders are to vacate their positions and the shareholder or shareholders now among the three largest shareholders are to appoint members instead. Except in special circumstances, no changes are to be made to the Nomination Committee's composition if the change takes place later than two months before the Annual General Meeting. Shareholders who have been appointed as members of the Nomination Committee have the right to dismiss those members and appoint new members to the Nomination Committee. Changes in the Nomination Committee's composition are to be announced on the Company's website as soon as they have taken place.

The Nomination Committee is to apply rule 4.1 of the Swedish Corporate Governance Code ("the Code") as the diversity policy with which the Nomination Committee will ensure that the Board of Directors, taking into consideration the nature of ICA Gruppen AB's business, its stage of development and circumstances in general, has an appropriate composition characterised by diversity and breadth with respect to the expertise, experience and backgrounds of the members elected by the general meeting. The Nomination Committee is also to focus on meeting the goal of having gender balance on the Board.

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

- i. proposal for a chairman for the general meeting;
- ii. proposal for number of board members;
- iii. proposal for members of the Board of Directors;
- iv. proposal for Chairman of the Board;
- v. proposal for Board fees, broken down into amounts for the Chairman of the Board and other Board members and as remuneration for committee work;
- vi. proposal for number of auditors;
- vii. proposal for auditor or auditors, and proposal for fees to be paid to the Company's auditor or auditors; and
- viii. proposed principles for the Nomination Committee.

The Nomination Committee is to perform the other duties that are

incumbent upon such a committee according to the Code. The Company will, at the request of the Nomination Committee, provide personnel resources to facilitate its work, such as a secretary for the Committee. As required, the Company is also to 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 ICA Gruppen Management Team be approved by the 2019 Annual General Meeting for the period until the conclusion of the 2020 Annual General Meeting.

The Company must seek to offer its senior executives terms that provide motivation and are in line with market levels, 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, severance pay, and other remuneration and benefits.

It is important for the Company to provide competitive remuneration packages in line with market terms for senior executives 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 are to be compared annually with the levels of remuneration paid to executives with similar responsibilities in other companies.

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

Total pension premiums for the CEO and other senior executives are to 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. Usually the pension plan is designed such that the senior executive receives Alternative ITP/Alternative BTP (the occupational pension scheme for the banking sector). The premium for the alternative solution is adjusted so that the total premium is at the agreed level.

ITP 1/BTP 1 can be applied as a pension plan for senior executives. In the case of ITP 1/BTP 1 the total pension premium may exceed 35% of annual basic salary and holiday supplement because the collective bargaining agreement states that bonuses are also to be pensionable.

Senior executives who held another position within ICA Gruppen before becoming senior executives and were at that time covered by ITP 2/BTP 2 may in certain cases be offered the opportunity to remain in ITP 2/BTP 2 after becoming senior executives. ITP 2/BTP 2 is applied in accordance with the collective bargaining agreements. This means that in the case of ITP 2/BTP 2 the total pension premium may exceed 35% of annual basic salary and holiday supplement.

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 targets in the variable remuneration systems are mainly to be based on financial performance targets, but performance may also be measured against non-financial targets linked to ICA Gruppen's strategies. The Board of Directors decides on an annual basis whether new programmes will be launched and determines the financial targets and maximum cost.

Variable remuneration systems must always have a maximum level. For the 2019 Annual Bonus Programme, the bonus is maximised at 50% of annual salary for the CEO of ICA Gruppen and 25% for other senior executives. For the 2019–2021 Long-term Bonus Programme, the bonus is maximised at 50% of annual salary for the CEO and 25% for other senior executives. The size of the combined bonus is maximised per



person and year at the equivalent of 50% of annual salary (100% of annual salary for the CEO of ICA Gruppen).

As a result of stricter rules on remuneration systems at credit institutions the CEO of ICA Bank is not covered by the bonus programmes adopted after 31 December 2016 for the CEO of ICA Gruppen and other senior executives within the Group. The loss of this bonus is taken into account when the total compensation package is established for the CEO of ICA Bank, within the framework of applicable guidelines. The CEO of ICA Bank is still included in the bonus programmes adopted in 2016.

Bonus will not be pensionable unless otherwise stated in collective bargaining agreements.

Payment of bonus is to be contingent upon the participants' employment not ending during the term of the programme.

#### Terms of severance pay and notice of termination

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 is to 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 postings abroad

In the case of postings abroad special terms are to be offered. The structure of these terms is to be in line with the guidelines for remuneration to senior executives.

#### Other remuneration and benefits

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

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### **Special circumstances**

The Board may deviate from the proposed guidelines if special circumstances exist.

### **Documentation and further information**

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

### **Personal data**

Personal data obtained from the shareholder register, the notice of attendance of the Annual General Meeting and details of proxy representatives and assistants will be used for registration, preparation of the voting list for the Annual General Meeting and, where relevant, minutes of the meeting.

For information concerning how your personal data is processed refer to [www.icagruppen.se/en/dataprotection/#!/](http://www.icagruppen.se/en/dataprotection/#!/)

Stockholm, March 2019

ICA Gruppen AB (publ)

The Board of Directors

