

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 Tuesday, 21 April 2020, at Rigoletto, Kungsgatan 16, 111 35 Stockholm. 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 Wednesday, 15 April 2020,

(ii) notify their intention to participate in the Annual General Meeting no later than Wednesday, 15 April 2020, via the company's website, www.icagruppen.se, or by writing to ICA Gruppen AB, Årsstämma 2020, 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 15 April 2020 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 2020, 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.



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 of the members of the ICA Gruppen Management Team
20. Resolution on amendment of the Articles of Association
21. 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 is proposing a cash dividend for the 2019 financial year of SEK 12.00 per share. The Board proposes Thursday, 23 April 2020 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 Tuesday, 28 April 2020.

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 6,420,000 (6,100,000), of which SEK 1,200,000 (1,150,000) for the Chairman of the Board and SEK 580,000 (550,000) for each other board member.

The Nomination Committee proposes that SEK 1,175,000 (1,175,000) be paid for committee work, to be apportioned as follows:

- For work on the Audit Committee, fees totalling SEK 500,000 (500,000) to be paid, of which SEK 200,000 (200,000) to the chairman and SEK 100,000 (100,000) to each of the other members.
- For work on the Remuneration Committee, fees totalling SEK 175,000 (175,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.
- For work on the Retail Investment Committee, fees totalling SEK 225,000 (225,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.
- For work on the Sustainability Committee, fees totalling SEK 175,000 (175,000) to be paid, of which SEK 75,000 (75,000) to the chairman and SEK 50,000 (50,000) to each of the other members.
- A total of SEK 100,000 (100,000) 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 7,595,000 (7,275,000), which increases the board fees by SEK 320,000 (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, Lennart Evrell, Andrea Gisle

Joosen, Fredrik Hägglund, Jeanette Jäger, Magnus Moberg, Fredrik Persson, Bo Sandström, Claes-Göran Sylvén and Anette Wiotti.

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 2020 Annual General Meeting for the election of board members is presented in its report at 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 Helena Arvidsson Älgne as chief auditor.
- Item 18 The Nomination Committee proposes that the meeting approves the following principles for the appointment of and instructions for the nomination committee for the 2021 Annual General Meeting.

The company is to have a Nomination Committee consisting of four (4) members. ICA Gruppen AB's Chairman is to be co-opted onto the Nomination Committee. In these instructions "Registered Shareholder" shall mean a shareholder that has expressed in writing to the Board of Directors a wish to nominate a member of the Nomination Committee.

The three Registered Shareholders with the largest shareholdings in terms of voting power, based on the list of registered shareholders maintained by Euroclear Sweden AB as of the last trading day in August, are entitled to appoint a member of the Nomination Committee. Of these three Registered Shareholders, the largest shareholder in terms of voting power is entitled to appoint two members of the Nomination Committee and the two next largest shareholders in terms of voting power are entitled to appoint one member each. Should one of these three Registered Shareholders fail to appoint a member of the Nomination Committee within 10 days of the last trading day in August, the right to appoint a member shall transfer to the Registered Shareholder that has the next largest shareholding as of the last trading day in August and that has not already appointed a member. The names of the members and the names of the Registered Shareholders that appointed them 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 appointed by the Registered Shareholder with the most voting power. The chairman is to have the deciding vote.

If a member of the Nomination Committee represents a Registered Shareholder that has sold the bulk of its holding of shares in the company, the member shall offer to give up their place and the Nomination Committee shall ask the company's other Registered Shareholders, in order of size starting with the largest Registered Shareholder in terms of voting power that has not already appointed a member, whether such shareholder wishes to appoint a replacement for the member that has made their place available. Except in special circumstances, no changes are to be made to the Nomination Committee's composition if the change takes place less 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 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's business, its stage of development and the 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 of 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 appointment of, and instructions 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 of Directors proposes that the following guidelines for remuneration of senior executives be approved by the 2020 Annual General Meeting and apply until further notice.

These guidelines are to be applied to remuneration that is agreed, and to changes that are made to previously agreed remuneration, from the time the guidelines are adopted.

Senior executives in this context are the CEO of ICA Gruppen, the Deputy CEO of ICA Gruppen and the senior managers making up the executive management of ICA Gruppen.

How the guidelines promote the company's and the Group's business strategy, long-term interests and sustainability

In brief, the company's and the Group's business strategy is aimed at ensuring lasting growth and profitability in a market in major transition. One of the strategic objectives determining priorities is that ICA is to be a positive force in the community. This means that ICA aspires to lead the development towards a more sustainable and healthier society. More information on the company's strategic priorities can be found in the company's Annual Report and on the company's website, among other places.

To successfully implement the company's and the Group's business strategy and safeguard the long-term interests of the company and the Group, the company and the Group need to be able to recruit, develop and retain senior executives with relevant experience, expertise and advanced leadership skills. It is therefore important that the company and the Group are able to offer their senior executives a competitive remuneration package.

On this basis, the company and the Group must seek to offer their 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 guidelines for remuneration aim to provide a clear framework for remuneration of senior executives so that terms can be formulated that benefit the company's business strategy and long-term interests – including its lasting growth and profitability – and that contribute to long-term growth in shareholder value.

Components of the remuneration package

The remuneration package is to be in line with market levels and may consist of the following components:

- Fixed cash remuneration
- Variable cash remuneration
- Pension benefits
- Other benefits

Fixed cash remuneration

The fixed cash remuneration for senior executives is to be in line with the market and based on responsibilities, expertise and performance. The level of fixed cash remuneration is to be reviewed regularly, usually annually.

Variable cash remuneration

Senior executives may be included in two variable remuneration programmes 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 variable cash remuneration is to be linked to pre-determined and measurable criteria which may be financial or non-financial. The criteria are to be designed so as to promote the company's and the Group's business strategy and long-term interests, including sustainability, by being clearly linked to business targets and/or the company's and the Group's strategies.

The Board of Directors makes decisions regarding:

- Whether a new Annual Bonus Programme is to be launched
- Whether a new Long-term Bonus Programme is to be launched
- The structure and details of the bonus programmes, based on these guidelines
- Cost frameworks for the bonus programmes

- The financial targets for the Annual and Long-term Bonus Programmes
- Adjustments to the arrangements of current bonus programmes in extraordinary circumstances
- Authorisation of the company's Remuneration Committee to make decisions regarding variable cash remuneration, with the authorisation effective from time to time being regulated by instructions for this work

Financial targets

Financial targets that the company generally considers to have a good link to promotion of the company's and the Group's business strategy, long-term interests and lasting growth are:

- Operating profit/loss (EBIT)
- Net sales growth
- Market share growth
- Return on capital employed (ROCE)
- Operating working capital days

In bonus programmes covering senior executives the figures stated above are to be weighted such that, combined, they make up at least 60% of the total potential outcome relating to financial targets.

Assessing the fulfilment of criteria

At the end of the measurement period for fulfilment of the criteria for paying variable cash remuneration it shall be determined to what extent the criteria have been fulfilled. This assessment shall be based on an evaluation of the criteria as they are described in the senior executives' bonus agreements.

A maximum level of combined variable remuneration shall be set for each senior executive and year. The total variable cash remuneration paid to the CEO of ICA Gruppen shall not exceed 100% of annual basic salary and holiday supplement. For other senior executives the total variable cash remuneration paid shall not exceed 50% of annual basic salary and holiday supplement.

The amounts paid under variable remuneration programmes shall not be pensionable, unless stated otherwise in the rules of any collectively agreed pension plans that are applied.

Payment of variable cash remuneration shall be conditional upon the

senior executive remaining employed for the full term of the bonus programme. If a senior executive retires during the term of a programme, payment may be allowed provided that the senior executive participated in the programme for at least two thirds of its term.

Annual Bonus Programme

The total bonus paid to the CEO of ICA Gruppen under the Annual Bonus Programme shall not exceed 50% of annual basic salary and holiday supplement. For other senior executives the total bonus paid under the Annual Bonus Programme shall not exceed 25% of annual basic salary and holiday supplement.

The framework for the total potential outcome of the Annual Bonus Programme shall be as follows:

- At least 50% of the total potential outcome shall be based on the outcome for financial targets. These may be measured at both Group and/or unit level.
- Up to 50% of the total potential outcome may be based on non-financial targets. These shall normally be linked to business targets and/or strategies at Group and/or unit level.

The targets shall be reviewed ahead of the launch of each new Annual Bonus Programme so that they are relevant in terms of the current strategic focus and priorities.

Long-term Bonus Programme

The total bonus paid to the CEO of ICA Gruppen under the Long-term Bonus Programme shall not exceed 50% of annual basic salary and holiday supplement. For other senior executives the total bonus paid under the Long-term Bonus Programme shall not exceed 25% of annual basic salary and holiday supplement.

The framework for the total potential outcome in the Long-term Bonus Programme shall be as follows:

- At least 30% of the total potential outcome shall be based on the outcome for financial targets. These may be measured at both Group and/or unit level.
- At least 30% of the total potential outcome shall be based on the relative financial outcome. This is assessed by comparing the results for financial key ratios that are considered to contribute to long-term growth in shareholder value with the corresponding key ratios for a pre-determined comparison group of companies with similar operations. The outcome shall be dependent on the company's ranking in comparison with this group.

- At least 15% of the total possible outcome shall be based on targets clearly linked to the company's and the Group's aspiration to lead the development towards a more sustainable and healthier society.

Special arrangements for variable remuneration programmes at credit institutions

Due to the stricter rules on remuneration programmes at credit institutions, the CEO of ICA Bank is not covered by the variable remuneration programmes launched for senior executives. This is taken into account – within the framework of applicable guidelines – when the total remuneration package is determined for the CEO of ICA Bank.

Pension benefits – retirement pension

Senior executives may be covered by an individually designed pension plan or a collectively agreed pension plan.

Individually designed pension plan

Senior executives who are covered by an individually designed pension plan shall have a total premium for retirement pension, including waiver of premium, amounting to a maximum of 40% of annual basic salary and holiday supplement.

Collectively agreed defined contribution pension plan

For senior executives with contracts stating that they will receive a pension in accordance with a collectively agreed defined contribution pension plan, premiums will be paid in accordance with the detailed terms of the collectively agreed pension plan.

The company has no direct influence over the maximum premium levels for collectively agreed pension plans and consequently no maximum premium is stated in these guidelines.

Collectively agreed defined benefit pension plan

For senior executives with contracts stating that they will receive a collectively agreed pension plan that is principally a defined benefit plan, premiums will be paid in accordance with the detailed terms of the collectively agreed pension plan.

The company has no direct influence over the maximum premium levels for collectively agreed pension plans and consequently no maximum premium is stated in these guidelines.

Pension benefits – disability pension

Disability benefits for senior executives shall be designed so as to replicate the benefits paid under collective agreements applied within the company and the Group. In addition, senior executives may be offered financial cover for any higher salary elements for which collective agreements do not provide compensation in the form of disability benefits.

The company has no direct influence over the maximum premium levels for disability insurance and consequently no maximum premium is stated in these guidelines.

Other benefits

The cost of other benefits for senior executives employed in Sweden shall not normally exceed of 15% of fixed annual cash salary. Examples of other benefits which senior executives employed in Sweden may receive include a company car, health insurance, domestic services and financial cover for family/survivors. In special cases the cost may exceed 15%, but shall not then exceed 70% of fixed annual cash salary. Where a decision is taken to allow the cost to exceed 15% there must be special circumstances. Examples of special circumstances include overnight accommodation or visits home that are taxed as benefits where these are paid for in full or in part by the employer for a limited period of time due to the executive's family residing in a different location to the executive's place of work.

Employment arrangements that are entirely or partly subject to rules other than Swedish rules

Senior executives whose employment arrangements are entirely or partly regulated by rules other than Swedish rules may receive a level of remuneration or remuneration components that deviate from these guidelines. However, the total remuneration shall be assessed as being relevant as regards promoting the company's and the Group's business strategy, long-term interests and sustainability, and the terms shall be adapted to binding legislation, regulations and practice in the market concerned.

Senior executives whose terms of employment are entirely or partly regulated by rules other than Swedish rules may be covered by an expanded package of other benefits. The value of this expanded package shall not exceed 200% of their fixed annual cash salary. Examples of benefits that may be included in an expanded package include paid accommodation, insurance for working abroad, payment of school fees for accompanying children and paid visits home for the

family.

Remuneration in extraordinary circumstances

Additional remuneration may be paid in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with a view to either recruiting or retaining a senior executive, or as compensation for extraordinary work beyond an individual's usual duties. Such remuneration may not be paid in an amount exceeding 100% of fixed annual cash salary per year and senior executive. Decisions on such remuneration shall be made by the Board of Directors after being prepared by the Remuneration Committee.

Terms relating to termination of employment and severance pay

A mutual notice period of six (6) months shall apply to senior executives. Severance pay corresponding to a maximum of 12 months of fixed cash salary may be payable to senior executives if the employer terminates the employment. Any earnings from new employment shall be deducted from such severance pay.

If a senior executive resigns, the employer may choose to invoke a non-competition clause in cases where such a clause has been agreed. During the period the non-competition clause applies, the employer will pay compensation equivalent to a maximum of 60% of fixed salary. Severance pay and compensation paid during the non-competition period shall not be pensionable.

Consideration of remuneration and employment terms for other employees

In preparing the Board's proposal for these guidelines on remuneration, consideration was given to the salaries and employment terms of the company's and the Group's other employees. To do this, the Remuneration Committee and the Board of Directors took into consideration information concerning the employees' remuneration and remuneration components, as well as the rate of increase in remuneration over time, as part of their assessment of whether the guidelines are reasonable.

Decision process for establishing, reviewing and implementing the guidelines

The Remuneration Committee shall monitor and evaluate the application of the guidelines, variable remuneration programmes for senior executives that are ongoing and those that were concluded during the year, as well as remuneration structures and levels within the company and the Group. For each financial year the Board of Directors

shall prepare a remuneration report and make this available to shareholders on the company's website at least three weeks prior to the Annual General Meeting.

The duties of the Remuneration Committee include preparing the Board's resolution on proposed guidelines for remuneration of senior executives. The Board is to prepare proposed new guidelines at least every four years and submit the proposal for decision at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting.

Proposed new/revised fixed cash remuneration and variable cash remuneration for the CEO of ICA Gruppen shall be prepared by the Remuneration Committee for decision by the Board of Directors. The CEO of ICA Gruppen shall not be present when the Board is deciding on these matters.

Deviation from the guidelines

The Board of Directors may decide to deviate entirely or partly from the guidelines in individual cases provided that there are judged to be special circumstances that make it necessary to deviate from the guidelines in order to satisfy the long-term interests of the company and the Group or to ensure the financial viability of the company and the Group.

Item 20 The Board of Directors proposes that the Articles of Association are amended as follows.

1. That the term "registered name of the company" in § 1 of the Articles of Association is adjusted to "name of the company".
2. That "15. Adoption of principles for remuneration and other employment terms pertaining to the company's management" in § 9 of the Articles of Association is deleted (and that the numbering of the subsequent item is adjusted to take account of this change).
3. That the reference to "the Swedish Act on the Accounting of Financial Instruments (1998:1479)" in § 11 of the Articles of Association is adjusted to "the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479)".
4. That "firstly, be registered in the transcript or other representation of the entire share register pertaining to the circumstances five working days prior to the meeting and, secondly," in § 12 second paragraph of the Articles of Association is deleted and that the term "The latter" in the subsequent sentence is replaced with "This", giving the clause the following wording:

“§ 12

Notice of a general meeting of shareholders shall be made in the form of an announcement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and by the notice being made available on the company's website. Notification that the notice has been issued shall be given through an advertisement in Svenska Dagbladet.

To be entitled to participate in a general meeting, shareholders shall notify the company of their intention to attend the meeting not later than the date stipulated in the notice convening the general meeting. This date must not be a Saturday, Sunday, any other public holiday, Midsummer's Eve, Christmas Eve or New Year's Eve and must not be more than five working days before the meeting.

Shareholders are only entitled to be accompanied by assistants if the shareholder notifies the company of the number of assistants (not more than two) in the notification as set out in the preceding paragraph.”

For a decision in accordance with the Board of Directors' proposal the resolution must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting.

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), item 19 and item 20, 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 Remuneration Committee's evaluation in accordance with 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. Copies of documents will be sent free of charge to shareholders who so request and provide their postal address. Such requests can be sent to ICA Gruppen AB (publ), Attn. Secretary to the Board, Box 4075, SE-169 04 Solna, Sweden.

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/#/

Stockholm, March 2020

ICA Gruppen AB (publ)

The Board of Directors

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