

Corporate governance report 2014



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Long-term approach, continuity and commitment

2014 was an eventful and intense year for ICA Gruppen. The fast pace and numerous activities clearly set their mark on the Board's work during the year. A lot of effort was made and focus was placed on the ongoing divestment of ICA Norway and acquiring Apotek Hjärtat – two transactions that will impact ICA Gruppen's operations and development for a long time to come.

It is in connection with these types of activities that the Board's effectiveness and abilities are put to the test. I am very happy to report that the Board's commitment is unwavering and our appetite for debate is great. Our discussions have been fruitful, constructive and characterised by openness, respect and a desire to see beyond the obvious.

Questions about acquisitions and sales took up a significant portion of the Board's attention, but the recurring agenda items, of course, also included following up on financial targets and the strategic priorities we have set. Development has gone in the right direction in both cases. Our strategy is firmly established and ICA Gruppen's financial position is both strong and stable.

The Board has performed its duties through formal Board meetings and in various committees. The fact that all Board members are members of at least one committee allows participation and continuity to be maintained between the formal meetings.

The Board has, as always, applied a long-term perspective throughout the year. ICA has existed for almost a century and we are aiming for at least another 100 years. We make our decisions on goals, strategies and special initiatives based on this long-term perspective.

This approach is also reflected in the new financial targets established by the Board at the end of last year. The target areas are the same but the target figures have been adjusted in some cases. These adjustments reflect the major changes that have taken place in our organisation during the year, but also that the main focus of the Company is unchanged. Our intention with the new target figures is a continued sharp focus on long-term growth with good profitability. Building on a strong cash flow and healthy capital structure, we want to create room for continued investments as well as good and stable returns to shareholders.

In order to make sustainable decisions, we need knowledge and insights into day-to-day work as well as the changes that are driving the markets. In my opinion, the Board has a good mix of expertise. To help us we have efficient systems, routines and procedures in place to follow up targets, internal control and risk management. Through sound and appropriate corporate governance processes, we want to create the necessary conditions for a healthy corporate culture to best help the Group and its operations develop.

One of the Board's tasks is to support members of the Management Team and critically evaluate their work. To succeed in this, there needs to be an open and constructive dialogue between the Board and the Management Team. From the Board's perspective, we feel that this is the case. I would therefore like to take this opportunity to thank Per Strömberg and the rest of the Management Team for excellent cooperation in 2014. I would also like to express our appreciation for the commitment that has permeated the efforts of everyone in the entire organisation. It bodes well for the next 100 years.

Stockholm, February 2015

Claes-Göran Sylvén
Chairman of the Board

“Our intention with the new goals is a continued sharp focus on long-term growth with good profitability”

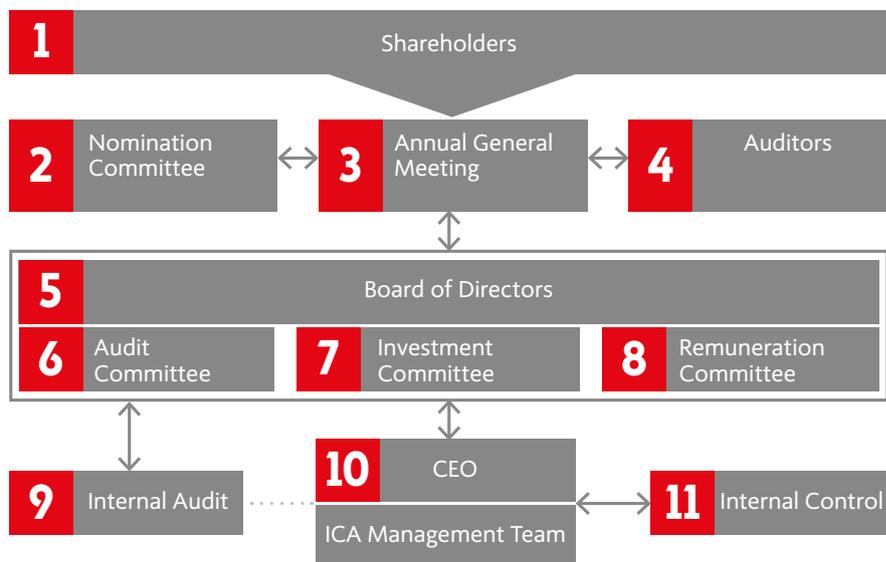


Further information:

- Swedish Companies Act, www.government.se
- NASDAQ Stockholm, www.nasdaqomxnordic.com
- Swedish Corporate Governance Code and specific Swedish regulations on corporate governance, www.bolagsstyrning.se

Governance for value creation

Corporate governance is about how companies should be operated so as to safeguard primarily the interests of the owners, but also the interests of the customers and employees. The overall goal is to increase shareholder value and in this way meet the requirements that the owners have with regard to their invested capital. The main external and internal control instruments for ICA Gruppen (ICA Gruppen or the Company) are the Swedish Companies Act, NASDAQ Stockholm's Rule Book for Issuers, the Swedish Corporate Governance Code, the Articles of Association adopted by the Annual General Meeting, the rules of procedure for the Board of Directors, the instructions for the Board committees, the instructions for the CEO including instructions on financial reporting, and the policies established by the Board. ICA Gruppen's Board of Directors is responsible for the Company's organisational structure and the administration of the Company's affairs. The CEO is responsible for ensuring that the day-to-day administration of the Company is carried out in accordance with the Board's guidelines and instructions. In dialogue with the Chairman of the Board, the CEO also compiles an agenda for Board meetings and is responsible for providing the meetings with information documents and



materials for use as a basis for decisions. The CEO also ensures that Board members receive information on ICA Gruppen's development so that they can reach well-founded decisions.

Shares, shareholders and share repurchase

1 ICA Gruppen has a share structure with two classes of shares: ordinary shares and C shares. The C shares, which comprise 40.8% of the total number of shares, are unlisted and do not carry entitlement to cash dividends. The remaining 59.2% are listed ordinary shares with dividend entitlement. As of 31 December 2014 all the C shares and 10.5% of the ordinary shares, i.e. 51.3% in total, were owned by ICA-handlarnas Förbund (the Association of ICA Retailers), which is ICA Gruppen's largest shareholder. The second largest shareholder, AB Industrivärden, owns 10.5% of the ordinary shares. The other ordinary shares were held as of 31 December 2014 by 30,678 shareholders. As of this date, none of these shareholders held more than 10.5% of the shares in the Company, either directly or indirectly. In voting at general meetings each share carries entitlement to one vote and each person entitled to vote may vote for the full number of shares he/she represents.

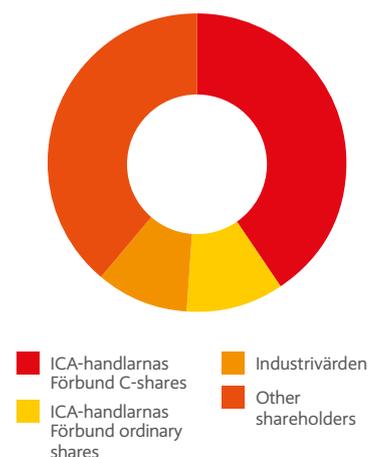
The share capital in ICA Gruppen amounts to SEK 502,866,988, distributed among 201,146,795 shares, each with a quota value of SEK 2.50. The number of ordinary shares is 119,078,903 and the number of C shares is 82,067,892. As of 31 December 2014 ICA

Gruppen held 141,655 ordinary shares in treasury, corresponding to 0.0007% of the capital and votes. The number of outstanding shares and votes is thus 201,005,140. As of 31 December 2014 the Board had no outstanding authorisations from the Annual General Meeting for the Board of Directors to issue new shares or acquire additional shares.

Section 5 of the Articles of Association states that from the beginning of 2011, the holder of C shares, i.e. ICA-handlarnas Förbund, may request the conversion of C shares in ICA Gruppen that do not carry entitlement to dividend into dividend entitled ordinary shares. Such conversion is to take effect five years after receipt of the conversion request. On 1 January 2011 ICA-handlarnas Förbund lodged a request with the Board of the Company for all the C shares to be converted into ordinary shares. With effect from 2016, therefore, the share structure of ICA Gruppen will consist solely of ordinary shares with dividend entitlement.

More information on ICA Gruppen's shares and shareholders can be found in the section "Shares and shareholders" and on the Company's website, icagruppen.se.

Shareholders



Nomination Committee

2 The rules for ICA Gruppen's Nomination Committee were adopted at the 2014 Annual General Meeting. The Nomination Committee is to consist of four members representing the Company's shareholders. ICA Gruppen's Chairman is to be co-opted onto the Nomination Committee. Two of the members are nominated by the largest shareholder and two by the two next largest shareholders. The largest shareholders in terms of votes are to be determined based on the list maintained by Euroclear Sweden AB of registered shareholders as of the last trading day in August. If, during the Nomination Committee's term, one or more of the shareholders who have appointed members to the Committee are no longer among the three largest shareholders, the members appointed by these shareholders are to vacate their positions and the shareholder or shareholders who are now among the three largest shareholders are to appoint new member. The Nomination Committee will present proposals regarding the following matters prior to the 2015 Annual General Meeting:

- (i) Proposal on a chairman for the meeting
- (ii) Proposal on the members of the Board of Directors
- (iii) Proposal on the Chairman of the Board

(iv) Proposal on Board fees, broken down into amounts for the Chairman of the Board and other Board members and as remuneration for committee work and

(v) Proposal on an auditor or auditors and proposed fees to be paid to the Company's auditor.

The work of the Nomination Committee

The composition of the Nomination Committee was announced on 24 September 2014. It consisted of representatives from the three largest shareholders: ICA-handlarnas Förbund, Industrivärden AB and AMF – Insurance and Funds. After SEB Investment Management increased its ownership, surpassing AMF – Insurance and Funds as the third largest shareholder, AMF – Insurance and Funds vacated its position and SEB Investment Management was asked to appoint a member to the Nomination Committee. Following this adjustment, which was announced on 18 November 2014, the Nomination Committee consists of Claes Ottosson (ICA-handlarnas Förbund), Anna-Karin Liljeholm (ICA-handlarnas Förbund), Anders Nyberg (Industrivärden AB) and Hans Ek (SEB Investment Management). No fees were paid by ICA Gruppen to the members of the Nomination Committee for their work. Claes-

Göran Sylvén was co-opted onto the Nomination Committee. The Nomination Committee met with CEO Per Strömberg and CFO Sven Lindskog who, along with Claes-Göran Sylvén, provided information on ICA Gruppen's operations, Board work and future focus areas. The Nomination Committee was also presented with the results of the 2014 evaluation of the Board. In addition, the Audit Committee reported to the Nomination Committee on the work of the Board, of the Audit Committee and of ICA Gruppen's Accounting function. This information provided to the Nomination Committee gave the Committee a sound basis for an assessment on whether the composition of the Board is satisfactory and on the type of expertise and experience needed on the Board. Shareholders with suggestions and points of view on the work of the Nomination Committee can submit their ideas ahead of the 2015 Annual General Meeting to the Nomination Committee no later than Monday, 2 March 2015. The Nomination Committee's proposals for the 2015 Annual General Meeting are described in the notice of the meeting and on the Company's website, icagruppen.se.

Annual General Meeting

3 The general meeting of shareholders is ICA Gruppen's highest decision-making body. The general meeting that is held within six months of the end of the financial year and that adopts the income statement and balance sheet is known as the Annual General Meeting. ICA Gruppen's Annual General Meeting is normally held in Stockholm. In addition to resolutions on the adoption of the income statement and balance sheet for ICA Gruppen, the Annual General Meeting also takes decisions on, among other things, the allocation of profits, the composition of ICA Gruppen's Board of Directors, fees for the Board and guidelines for remuneration to senior executives. The AGM also elects external auditors. General meetings are advertised in Post- och Inrikes Tidningar (the Official Swedish Gazette) and on the Company's website, icagruppen.se. When meetings are convened this information is advertised in Svenska Dagbladet, Dagens Nyheter and Dagens Industri. Shareholders who are registered in the share register five working days prior to a meeting and who have duly notified ICA Gruppen of their intention to attend are entitled to participate in the meeting, in person or through a proxy, and to vote at the meeting for or against the proposals presented and to pose ques-

tions to the Board of Directors and the CEO. Decisions at the AGM are normally taken by simple majority. In elections, the person receiving the most votes is deemed elected. Certain decisions, such as on amendments to the Articles of Association, must be approved by a qualified majority.

2014 Annual General Meeting

The 2014 Annual General Meeting was held on Friday 11 April at the Friends Arena in Solna. In addition to shareholders, the meeting was attended by ICA Gruppen's Board of Directors, Management Team, employees, media representatives and a number of invited guests. The minutes from the Annual General Meeting and associated documents are available on ICA Gruppen's website icagruppen.se.

2015 Annual General Meeting

The 2015 Annual General Meeting will be held on Wednesday 22 April 2015 at Globen in Stockholm. Shareholders who, no later than Thursday, 16 April 2015, are registered in the share register (held by Euroclear Sweden AB) and have notified the Company of their intention to participate in the AGM are entitled to participate in the AGM, in person or

through a proxy. In order to have a matter considered, shareholders must submit such a request no later than 5 March 2015 in accordance with the instructions on ICA Gruppen's website, icagruppen.se.

Auditor

4 According to the Articles of Association, the Annual General Meeting is to appoint a minimum of one and a maximum of two auditors, or one or two registered public accounting firms. The accounting firm of Ernst & Young AB was elected auditor at the 2014 Annual General Meeting for a term of one year. Ernst & Young AB has therefore audited the Company's accounts for 2014 and authorised public accountant Erik Åström was the auditor in charge. Erik Åström attended one Board meeting to present Ernst & Young AB's audit process for ICA Gruppen and to give Board members an opportunity to ask questions without management being present.

The Board of Directors

5 The Board of Directors is responsible for the administration of ICA Gruppen's affairs. The duties of the Board include establishing business goals and strategies; appointing, evaluating and, if necessary, dismissing the CEO; approving significant assignments which the CEO has outside the Company; ensuring that systems for business monitoring and control are effective; ensuring that there is satisfactory control of compliance with applicable laws and regulations; and ensuring that ethical rules have been established for employee conduct. The Board is also to ensure that the information procedures are correct, relevant, reliable and transparent.

According to the Articles of Association adopted at the 2013 Annual General Meeting, ICA Gruppen's Board of Directors is to consist of between five and ten members elected by the Annual General Meeting. There are no other rules in the Articles of Association concerning the appointment or removal of Board members. The present Board has nine elected members – see section on ICA Gruppen's Board of Directors. The CEO makes presentations at Board meetings and the General Counsel is the secretary to the Board. In addition to the Board members elected by the Annual General Meeting, the Board has two employee representatives, each with a deputy. At the 2014 Annual General Meeting all of the board members were re-elected. Margot Wallström resigned from the Board on 3 October 2014 when she became Sweden's Minister for Foreign Affairs. Without Margot Wallström the Board consists of two women and nine men. The Board is made up of individuals with extensive and substantial expertise from ICA, retail, business development, corporate finance, corporate governance, sustainability work, enterprise and social issues.

Board committees

ICA Gruppen's Board has three regular committees: the Audit Committee, the Remuneration Committee and the Investment Committee. In addition, in 2014 the Board set up a temporary committee to support the management of ICA Gruppen in their work on the divestment of the Norwegian operations: the Special Committee. The committees report to the Board on a regular basis on their work. The committees are to be regarded as the Board's working committees and do not assume the responsibility that is incumbent upon the Board as a whole.

Audit Committee

6 The Audit Committee's tasks are to supervise the Company's accounting and financial reporting, and to monitor the effectiveness of the Company's internal control, internal audit, risk management and compliance with rules and regulations. The Audit Committee must also keep itself

Independence of Board members

Four of the Board's members, Bengt Kjell, Cecilia Daun Wennborg, Jan Olofsson and Andrea Gisle Joosen, are independent in relation to ICA Gruppen, its management and the largest shareholders. Combined, they have many years' experience of management and board positions in various listed companies and organisations. Peter Berlin and Magnus Moberg are ICA retailers and members of the board of ICA-handlarnas Förbund. ICA-handlarnas Förbund is a non-profit association for Sweden's ICA retailers. According to NASDAQ Stockholm's Rule Book for Issuers and the Code's rules on independence, Peter Berlin and Magnus Moberg are independent in relation to ICA Gruppen and its management, but not in relation to the principal shareholder ICA-handlarnas Förbund. Magnus Moberg and Peter Berlin have each been involved in establishing new ICA stores. In conjunction with the establishment of a new ICA store, ICA Sverige AB (a subsidiary of ICA Gruppen) may provide a financing solution to the ICA retailer. Magnus Moberg and Peter Berlin were party to such a financing solution. This does not affect their independence in relation to the Company or their membership of ICA-handlarnas Förbund, and thus does not affect their independence in relation to ICA Gruppen. Up to 20 May 2013, Claes-Göran Sylvén, Fredrik Hägglund and Göran Blomberg were members of the Company's Management Team. Accordingly, under the Code they are not considered independent in relation to the Company and its management. As employees of ICA-handlarnas Förbund since 20 May 2013, Fredrik Hägglund and Göran Blomberg are not considered independent in relation to the Company's principal shareholder ICA-handlarnas Förbund

informed concerning the audit of ICA Gruppen and must review and monitor the impartiality and independence of the audit. The Audit Committee assists with the preparation of proposals to the Annual General Meeting concerning the election of auditors. In 2014 the Audit Committee consisted of Cecilia Daun Wennborg (chairman), Bengt Kjell, Göran Blomberg and Magnus Moberg. Matters are presented by the Company's CFO.

Investment Committee

7 The Investment Committee's main tasks are to review and quality assure the documentary basis for decisions on acquisitions and divestments, to recommend decisions and to ensure compliance with ICA Gruppen's Investment Policy. In addition, the Investment Committee has an investment and divestment mandate as set out in the Company's delegation arrangements. In 2014 the Investment Committee consisted of Claes-Göran

either. Claes-Göran Sylvén was employed as President of ICA-handlarnas Förbund but left this position on 31 January 2014. In his capacity as an ICA retailer and member of ICA-handlarnas Förbund, however, he is still not regarded as independent in relation to ICA-handlarnas Förbund.

The work of the Board

The main task of the Board of Directors is to manage the Company's affairs on behalf of the shareholders such that the shareholders' interest in a solid, long-term capital return is satisfied in the best possible way. The main issues for the Board to address are strategy work, risk management and value creation. The Board is guided in its work by the Chairman. Work processes are determined by the rules of procedure established by the Board each year, and by applicable laws and regulations. The Board has also prepared instructions for the CEO and for its working committees, as well as other policy documents that provide guidance for ICA Gruppen's employees. Each year the Board reviews the rules of procedure and instructions. The rules of procedure and instructions now in place were discussed and formally adopted at the Board meeting on 2–3 June 2014. In the 2014 financial year the Board of Directors met 25 times.

Conflicts of interest

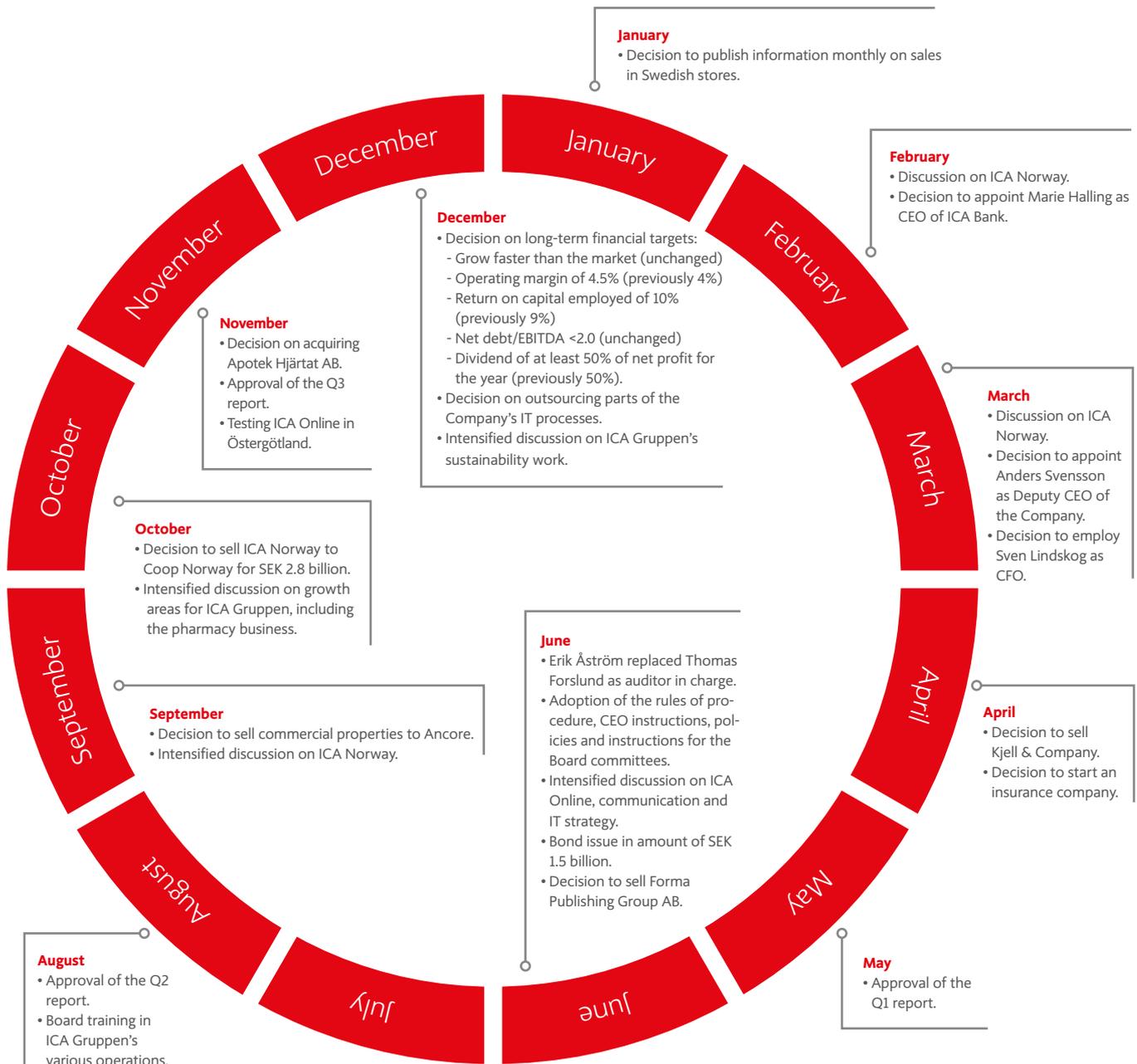
The ICA Gruppen's Board of Directors has decided that the CEO and the Board members must not deal with matters relating to agreements between themselves and the Company or matters between the Company and third parties if the person in question has a significant interest that could conflict with the Company's interests.

Sylvén (chairman), Jan Olofsson, Margot Wallström (resigned 3 October 2014) and Peter Berlin.

Remuneration Committee

8 The Remuneration Committee is responsible for the preparation and evaluation of issues regarding remuneration and other terms of employment for ICA Management Team, including pay structures, pension plans, incentive programmes and other terms of employment. The Committee also monitors and evaluates the variable remuneration arrangements for the ICA Management Team that are ongoing or were concluded during the year, and monitors and assesses the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting, as well as current pay structures and remuneration levels within the Company. In 2014 the Remuneration Committee consisted of Claes-Göran Sylvén (chairman), Andrea Gisle Joosen and Fredrik Hägglund.

Matters arising and business dealt with in 2014



Internal Audit

9

The Company has an Internal Audit function. This is an independent, objective function that works according to instructions from the Board and reports to the Audit Committee. Internal Audit examines corporate governance, risk management and management and control of ICA Gruppen's business processes. Each year the Audit Committee draws up a risk-based plan for Internal Audit work to ensure that it focuses on the areas where most value can be added to ICA Gruppen. Internal Audit examines how ICA Gruppen's operations are working in Sweden, Norway and the Baltic countries and how progress can be made from a management and control perspective. Store audits constitute a special area within the review of business processes. In 2014 Internal Audit also examined Hemtex and inkClub. The observations and recommendations made by Internal Audit aim to reduce the level of risk within a business area as well as to increase efficiency and improve ICA Gruppen's processes. It is the responsibility of the respective management team to put in place appropriate action plans based on the recommendations made by Internal Audit. An important aspect of Internal Audit's work is to review the action plan quarterly. Internal Audit reports quarterly to ICA Gruppen's Audit Committee, which in turn reports to the Board. This reporting covers the audit work carried out over the past quarter and the status of the action plans. Internal Audit also writes a report annually which is presented to the Board.

Evaluation of the Board of Directors

An evaluation of the Board of Directors is carried out every year in order to develop the work of the Board and provide a basis for the Nomination Committee's evaluation of the Board's composition. The evaluation of the Board in 2014 took the form of members being interviewed by Alumni AB. The evaluation showed that the Board functioned well and is a well-composed group of highly committed individuals. Each of the members contributes broad expertise and many years' experience in various areas that are relevant to ICA Gruppen's operations.

Remuneration to the Board of Directors

The Nomination Committee submits proposals to the Annual General Meeting for resolutions on Board fees. The 2014 Annual General Meeting approved the Nomination Committee's proposal concerning fees. Information on Board fees in 2014 can be found in Note 4 for the Group. The Nomination Committee's remuneration proposals for the 2015 Annual General Meeting are described in the notice of the meeting.

Rules and regulations

External rules

As a Swedish public limited company with securities listed on NASDAQ Stockholm, ICA Gruppen is, among other things, obliged to comply with the Swedish Companies Act, the NASDAQ Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the Code).

Deviations from the Code, stock exchange rules or good stock market practice

The Company has deviated from rule 9.2 of the Code in respect of the Remuneration Committee and independence of its members in relation to the Company and management in that committee member Fredrik Häggglund is not deemed to be independent in relation to the Company and management – see section Independence of Board members. The reason for the deviation is the previous ownership structure (up to March 2013) when the Company owned 40% of the operating group, ICA AB. At the time Fredrik Häggglund was the General Counsel for the Company and a member of the Board of ICA AB. In those positions he gained considerable experience in establishing and defining remuneration principles for the management of ICA AB, i.e. largely the same management team as the Company has today. He also has wide-ranging experience of remuneration in listed and unlisted companies. The Board has determined that Fredrik Häggglund brings necessary and valuable expertise to the Remuneration Committee while continuity is being maintained.

Other than the above-mentioned deviation, there have been no other deviations from the Code or the stock exchange rules. The Company has not been the subject of a decision by the NASDAQ Stockholm Disciplinary Committee nor a decision on infringement of good practice in the stock market by Aktiemarknadsnämnden (the Swedish Securities Council).

Internal rules

ICA Gruppen has a number of internal rules which, together with the external rules, provide a framework for its operations. The main rules are the Articles of Association, the rules of procedure for the Board of Directors and each committee, the instructions for the CEO including instructions on financial reporting, delegation arrangements and ICA's Good Business. In addition, the following fundamental policies are in place:

- Financial Policy
- Insurance Policy
- Guarantee Policy
- Information Policy
- Corporate Security Policy
- Legal Matters Policy
- Tax Policy

ICA's Good Business

ICA Gruppen's internal rules and policies relating to ethics and social responsibility are brought together in ICA's Good Business. ICA's Good Business is designed to be applied practically in day-to-day operations. There are policies and associated guidelines to provide support and help with this. ICA's Good Business state that ICA will:

- Be driven by profitability and with high ethical standards
- Listen to customers and always base decisions on their needs

- Nurture diversity and growth among its employees
- Maintain an open dialogue internally and with the community
- Ensure quality and safe products
- Promote a healthy lifestyle
- Adopt sound environmental practices to promote sustainable development.

How ICA Gruppen's sustainability work is managed
The overarching strategic direction for the Company's sustainability work is set by the ICA Management Team and is managed through strategic planning and business planning processes. Ultimate responsibility for sustainability issues rests with ICA Gruppen's CEO.

For a number of years the companies in ICA Gruppen have been using selected key indicators in the areas of the working environment, the environment, equality, human rights and quality. The Company publishes quarterly reports on its sustainability work showing ongoing developments during the year. The report covers all the companies in the Group except the portfolio companies. In addition, the Company publishes an annual sustainability report in accordance with Global Reporting Initiative (GRI) guidelines to provide an overall picture of its sustainability work. Read more about the Group's sustainability work in the section "Sustainability work" and on the Company's website, www.icagruppen.se.

ICA Gruppen has a Business Ethics & Policy Committee (BEPC) which is tasked with developing and, if need be, monitoring the Company's application of ICA's Good Business. The Committee also suggests sustainability priorities and monitors ethical dilemmas, risks and public opinion. The Committee produces policies which are then submitted to the Management Team for approval. The Committee reports to the CEO, is inter-departmental, consists of representatives from the Company's central functions and is headed by the SVP Corporate Responsibility.

The Board of Directors conducts a review annually of ICA Gruppen's sustainability work as it relates to ICA's Good Business. The review involves an analysis of risk and ethical dilemmas and gaining a deeper understanding of specific identified areas. BEPC prepares the report which is presented by the SVP Corporate Responsibility.

All employees are responsible for ensuring that the Company is in compliance with external and internal rules, including ICA's Good Business guidelines. Employees are encouraged to report any irregularities in the Company's operations. Employees can report any issues to their immediate superior or to the HR department. If neither of these options is appropriate, the employee can instead report the matter directly to the Company's internal audit function. Reports can be made anonymously. The status of individual employees is not negatively affected if they raise an issue.

ICA retailers, i.e. business owners operating ICA stores and thus not employed by ICA Gruppen, are responsible for ensuring that their business is in compliance with external and internal rules. The rules contain a specific set of rules called ICA's Good Business for Stores describing how ICA retailers are to behave under the ICA brand. The Company and the Association of ICA Retailers have together created an accountability board tasked with addressing accountability matters relating to the commitments of the retailers as ICA retailers and the responsibilities pursuant to the statutes of the Association of ICA Retailers, including ICA's Good Business for Stores. The accountability board can issue reminders, warnings or expulsions.

ICA Gruppen's Board of Directors



	Claes-Göran Sylvén	Peter Berlin	Göran Blomberg	Cecilia Daun Wennberg	Andrea Gisle Joosen	Fredrik Hägglund
	Chairman	Board member	Board member	Board member	Board member	Board member
Born	1959	1960	1962	1963	1964	1967
Education	Studies in finance and business (finance, business management, leadership development etc.)	Master of Science in Business and Economics	Master of Science in Business and Economics	Master of Science in Business and Economics	Master of Science in Business and Economics	Bachelor of Law degree
Elected	2013	2011	2013	2005	2010	2013
Other significant assignments	Board member Centrum Fastigheter i Norrtälje AB and Svensk Handel etc.; ICA retailer, ICA Kvantum Flygfyren in Norrtälje.	Chairman of the Board ICA-handlarnas Förbund etc.; board member Hyllie Mat AB and Grobladet AB; CEO Hyllie Mat AB; ICA retailer ICA Kvantum Emporia in Malmö.	Chairman of the Board Retail Finance Europe AB and board member Hakon Media AB, Expandia Modular AB etc.; CFO ICA-handlarnas Förbund.	Board member Getinge AB, Loomis AB, Proffice Aktiebolag, Eniro AB, Aktiebolaget Svensk Bilprovning, Sophiahemmet Aktiebolag, etc.	Board member Dixons Carphone Plc, Neopitch AB and Light-house Group AB; CEO of Sale Nordic AB.	Board member Euro-Commerce, Independent Retail Europe etc.; CEO ICA-handlarnas Förbund.
Previous significant positions	Chairman of the Board ICA AB; CEO Hakon Invest AB (publ) and ICA-handlarnas Förbund.	Chairman of the Board Sandby Livs AB; board member Erfa gruppen AB and ICA AB. CEO Erfa gruppen AB and Sandby Livs AB.	Board member ICA AB and Rindi Energi AB etc.; CFO Hakon Invest AB, RNB Retail and Brands AB, Portwear AB and Pronyx AB.	Vice President Ambea AB, President and CFO Carema Vård and Ormsorg Aktiebolag, Acting CEO Skandia-banken, Head of Skandia Sweden and CEO SkandiaLink Livförsäkrings AB.	Board member Branchen Forbruger-elektronik DK, and Elektronikbranschen Sweden; CEO Boxer TV Access AB, CEO Panasonic Nordic AB, CEO Chantelle AB, etc.	Board member ICA AB and the Swedish Anti-Corruption Institute; Vice President and Legal Counsel ICA-handlarnas Förbund. Legal Counsel Hakon Invest AB. Lawyer Clifford Chance, Brussels. Assistant Lawyer Linklaters.
Total remuneration in 2014, SEK	1,050,000	370,000	430,000	490,000	370,000	370,000
Independent¹⁾	Not independent in relation to the Company, its management and the Company's principal shareholder.	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholder.	Not independent in relation to the Company, its management and the Company's principal shareholder.	Independent in relation to the Company, its management and the Company's principal shareholder.	Independent in relation to the Company, its management and the Company's principal shareholder.	Not independent in relation to the Company, its management and the Company's principal shareholder.
Shareholding	617,889 shares (incl. related parties)	133,930 shares (incl. related parties)	11,000 shares (incl. related parties)	3,125 shares (incl. related parties)	1,105 shares (incl. related parties)	13,192 shares (incl. related parties)
Committee	Member of the Remuneration Committee (chairman) and the Investment Committee (chairman)	Member of the Investment Committee and the Special Committee	Member of the Audit Committee	Member of the Audit Committee (chairman)	Member of the Remuneration Committee	Member of the Remuneration Committee
Attendance at board meetings	24/25	25/25	25/25	22/25	23/25	25/25
Attendance at Audit Committee meetings	-	-	5/5	4/5	-	-
Attendance at Special Committee meetings	-	-	6/6	-	-	-
Attendance at Remuneration Committee meetings	9/9	-	-	-	9/9	9/9
Attendance at Investment Committee meetings	11/11	10/11	-	-	-	-

¹⁾ For further information on independence see the section Board of Directors.



Bengt Kjell	Magnus Moberg	Jan Olofsson	Jonathon Clarke	Magnus Rehn
Board member	Board member	Board member	Board member Employee representative The Commercial Employees' Union	Board member Employee representative Unionen
1954	1966	1948	1968	1966
Master of Science in Business and Economics	Studies in finance and business (finance, business management, leadership development etc.)	Master of Science in Business and Economic	Trained welder, studies in labour law	Upper secondary school
2013	2008	2005	2013	2013
Chairman of the Board Hemfosa Fastigheter AB (publ) and Skånska Byggsvaror Holding AB; board member Aktiebolaget Handel och Industri, Indutrade Aktiebolag, Pandox Aktiebolag, Swegon Aktiebolag, Plastal Industri AB, etc.; CEO Aktiebolaget Handel och Industri.	Chairman of the Board Nya Ulfmag AB; board member ICA-handlarnas Förbund, Jomag AB and Storbutiken i Falköping AB; CEO Storbutiken i Falköping AB. ICA retailer ICA Maxi Falköping.	Chairman of the Board INIT Aktiebolag and Korshags Food AB; board member and CEO Kabinettet AB.		
Chairman of the Board Kungsliden AB; board member Höganäs AB, Skanska AB, Munters AB, Össur Hf, Fermenta AB, Byggnadsfirman Wallenstam AB, Bonifazius AB, Gandalf AB, Helsingborgs Dagblad, Nordic Tankers Holding AB and Hoist International AB etc.; Vice President Industrivärden, Senior Partner Navet Affärsutveckling AB, Head of Corporate Finance Securum.	Chairman of the Board Köpet i Sandared AB; board member Moberg & Svensson i Sandared AB and Ulfmag AB.	Chairman of the Board Bindomatic AB, Silva AB, Arkitektkopia AB and Printley AB; board member MultiQ International AB and Koneo AB; Head of M&A and Deputy Head of Corporate Finance Handelsbanken Capital Markets. Deputy CEO and Vice President Esselte AB.	Employee representative, ICA AB.	Employee representative, ICA AB.
430,000	405,000	395,000	–	–
Independent in relation to the Company, its management and the Company's principal shareholder.	Independent in relation to the Company and its management, but not in relation to the Company's principal shareholder.	Independent in relation to the Company, its management and the Company's principal shareholder.	–	–
0 shares (incl. related parties)	43,750 shares (incl. related parties)	3,000 shares (incl. related parties)	0 shares (incl. related parties)	250 shares (incl. related parties)
Member of the Audit Committee and the Special Committee	Member of the Audit Committee	Member of the Investment Committee and the Special Committee		
18/25	23/25	25/25	25/25	24/25
3/5	5/5	–	–	–
4/6	–	6/6	–	–
–	–	–	–	–
–	–	11/11	–	–

Ann Lindh
Deputy member
Employee representative
Unionen

Born: 1964
Education: Upper secondary school
Appointed: 2013
Previous significant positions: Employee representative ICA AB.
Total remuneration 2014: SEK – Independent: –
Shareholding: 0 (including related parties)
Attendance at board meetings: 11 of 25
Attendance at Audit Committee meetings:–
Attendance at Remuneration Committee meetings: –
Attendance at Investment Committee Meetings: –

Marcus Strandberg
Deputy member
Employee representative
The Commercial Employees' Union

Born: 1966
Education: Upper secondary school
Appointed: 2013
Previous significant positions: Employee representative ICA AB.
Total remuneration 2014: SEK – Independent: –
Shareholding: 0 (including related parties)
Attendance at board meetings: 20 of 25
Attendance at Audit Committee meetings:–
Attendance at Remuneration Committee meetings: –
Attendance at Investment Committee Meetings: –

CEO and Management Team

10 CEO CEO Per Strömberg is responsible for the day-to-day administration of the Company in accordance with the guidelines and instructions issued by the Board. In dialogue with the Chairman of the Board, the CEO also compiles an agenda for Board meetings and is responsible for providing the meetings with information documents and material as a basis for decisions. In addition, the CEO must ensure that the members of the Board receive information on ICA Gruppen's performance in order that they may make well-founded decisions. The Board has approved Per Strömberg's significant assignments and financial commitments outside the Company, such as his assignments as a member of the boards of Almond Group Holding AB, Childhood Foundation, En Frisk Generation and Segulah Advisor AB. The CEO has no significant shareholdings or proprietary involvement in companies with which the Company has significant business ties. An evaluation of the CEO was carried out by the Board in 2014 without management being present.

ICA Management Team

Alongside CEO Per Strömberg, the members of ICA Gruppen's Management Team are the CFO, SVP HR & ICA School, SVP Portfolio Companies, SVP Strategy & Business Development, SVP Corporate Communication and the CEOs of ICA Sweden, ICA Norway, Rimi Baltic, ICA Real Estate, ICA Bank and ICA Special. The Management Team meets regularly to discuss matters relating to, for example, corporate governance, reporting and strategy. In addition, the Management Team prepares information on matters where the rules of procedure state that a decision by the Board is required, and assists the CEO in executing decisions made by the Board.

In addition to their collective responsibility for the management of the Company, each member of the Management Team bears individual responsibility for his or her respective area of the Company. To support the Management Team's work the Management Team has set up four committees: the Reward Group, the Business Ethics and Policies Committee, the Retail Investment Committee and the Enterprise Risk Management Committee. Furthermore, separate meetings are held on a regular basis for an update on internal audit matters (IMT Audit update) at which all Management Team members are present. At the beginning of each financial year the Management Team assesses its work, focusing on the quality of decisions, agendas, the meeting structure, effectiveness and the Management Team's overall performance.

Central group functions

The Company has ten central group functions: Corporate Communication, Strategy & Business Development, HR & ICA School, Legal, Corporate Security, Enterprise Risk Management, Accounting/Internal Control, Treasury & Tax, Group IT and Internal Audit.

Remuneration to senior executives

Guidelines 2014

The Company's guidelines for remuneration to senior executives, adopted at the 2014 Annual General Meeting, state that the remuneration packages are to be in line with market terms for senior executives in similar sectors and are aimed at recruiting, developing and retaining senior executives with relevant experience and expert leadership qualities. 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. The 2014 AGM also decided to authorise the Board to make decisions regarding a share investment programme whereby the senior executives are expected to invest a certain portion of their gross salary in shares in the Company.

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 (not including bonuses), paid as long as the individual is employed. Senior executives employed in a country other than Sweden have pension agreements in line with national practices and that follow the principles described above.

A few senior executives with contracts signed previously are entitled to retire at the age of 62 with a defined-benefit pension plan for the period until the normal retirement age of 65.

Bonuses

The CEO and other senior executives in the Company are 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 bonus programme). The size of the combined bonus is maximised per person and year at the equivalent of 52% of annual salary (104% for the CEO). The bonus is not pensionable. Payment of bonus is to be contingent upon the participants' employment not being terminated during the term of the programme. The Board of Directors has the right to adjust the bonus system in the case of, for example, extraordinary increases or decreases in the Group's earnings.

– Annual bonus programme

A cash-based bonus programme linked to the budget for each financial year and maximised at 27% of annual salary (54% for the CEO). The targets for the bonus programme are determined by the Board of Directors ahead of each financial year and individual bonus agreements are to be signed with each participant. The content of the agreements depends on the participant's position at the time of signing. The targets must be objectively quantifiable and related to the budget.

– Long-term bonus programme

A cash-based, three-year bonus programme linked to value creation within the Group and maximised at 25% of annual salary (50% for the CEO). The targets for the bonus programme must be objectively quantifiable and determined by the Board, and must be linked to both absolute and relative performance criteria. Fulfilment of the absolute performance criteria accounts for 60% of the maximum outcome and the relative performance criteria for the remaining 40%.

Share investment programme

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 expecting the senior executives to invest a certain portion of their fixed gross salary in shares in the Company.

The CEO and senior executives were expected to acquire shares in the Company during the period April-June 2014 for an amount of between 5% and 10% of their fixed gross salary for the financial year. Shares already held are not to be included in the calculation. Acquired shares are to be held for the entire period the executives are employed by the Group.

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

- (i) the executive is still employed by the Group (period of notice of termination does not count as employment),
- (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.

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 18 months of basic cash salary if the Company terminates employment. 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.

There are exceptions to the notice period, severance pay and deduction clause in a few agreements entered into before the 2014 Annual General Meeting.

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.

Special circumstances

The Board has the right to deviate from the guidelines proposed above if there is particular reason to do so. On the following occasions the Board deviated from the guidelines for good reason:

Stay-on bonus, ICA Norge AS

The CEO within ICA Norge AS were offered the opportunity to be included in a stay-on bonus so that action could be taken to ensure that the CEO of ICA Norge AS remains employed for a period in order to carry out work according to the plan established.

Share investment programme 2014

With regard to the share investment programme approved by the 2014 AGM, the Board decided to defer the acquisition period from April–June 2014 until 13 November 2014–31 December 2014. The payout has been adjusted accordingly. The period was deferred because the senior executives concerned had been prevented from acquiring shares since under law they had what is known as inside information concerning current business projects.

Long-term incentive programme

In view of the sale of ICA Norge AS, the CEO of ICA Norge AS will receive compensation corresponding to the full programme period for the long-term incentive programme 2013. The compensation has been calculated based on the average historical outcome of ICA Gruppen's completed long-term incentive programmes.

Proposal to the 2015 Annual General Meeting

The Board of Directors proposes to the 2015 Annual General Meeting that the principles described above, which were adopted at the 2014 AGM, be adopted again with the following additions/adjustments.

Long-term bonus programme

The bonus in the long-term bonus programme is maximised at 64% for the CEO and 32% for certain senior executives. The reason for the increase of maximal level is raised requirements on entering the programme and that the Company wishes to create a long-term flexible remuneration that encourage strong performances.

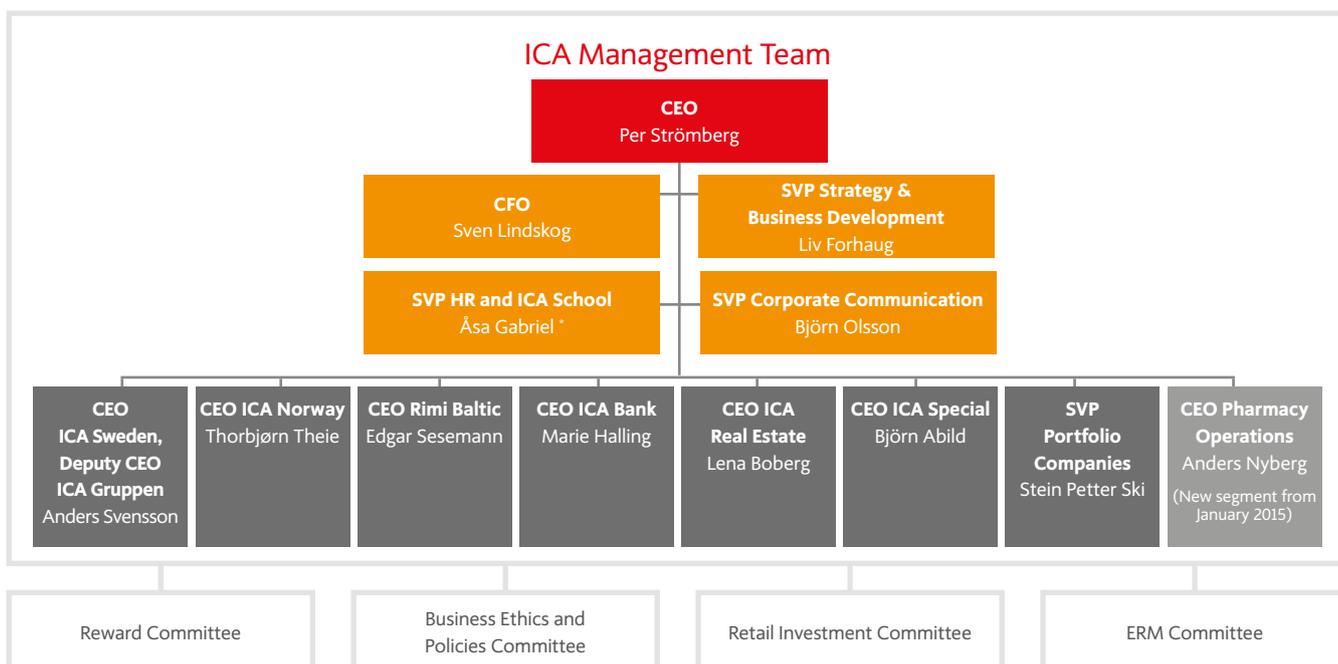
Severance pay

Severance pay can be paid to senior executives at up to 12 months of basic cash salary if the Company terminates employment. The reason for the change is current market practice.

The Board's proposed guidelines are given in full in the notice of the Annual General Meeting.

Further information

More information on fixed and variable remuneration is available on the Company's website, in the Board's account of the Remuneration Committee's evaluation according to item 9.1 of the Swedish Corporate Governance Code, in the notice to attend the Annual General Meeting and in Note 4 for the Group.



* Åsa Gabriel is leaving ICA Gruppen on 30 April 2015 and will be succeeded by Petra Albuschus.

Executive Management



	Per Strömberg	Björn Abild	Lena Boberg	Liv Forhaug	Åsa Gabriel *	Marie Halling
	CEO, ICA Gruppen AB Employed at ICA and member of ICA's management since 2012.	CEO, ICA Special Employed at ICA and member of ICA's management since 2009.	CEO, ICA Real Estate Employed at ICA since 2007 and member of ICA's management since 2010.	SVP Strategy & Business Development, ICA Gruppen AB Employed at ICA and member of ICA's management since 2013.	SVP HR & ICA School, ICA Gruppen AB Employed at ICA since 2004 and member of ICA's management since 2008.	CEO, ICA Bank Employed at ICA and member of ICA's management since 2014.
Born	1963	1955	1970	1970	1959	1963
Education	Master of Science in Business and Economics	Master of Science in Business and Economics	Master of Science in Business and Economics	Master of Science in Business and Economics	Master of Science in Business and Economics	Master of Law
Other assignments	Board member Segulah Advisor AB, Almondy Group Holding AB, Childhood Foundation and En Frisk Generation.	Board member DistIT AB and Angered Byggarvar Aktiebolag.	–	Board member Hemtex AB and Thule Group AB.	–	–
Experience	President and CEO Lantmännen (2007–2012) and Sardus AB (2006–2007). Kraft Foods (1988–2006) including Managing Director Kraft Foods Sweden; Managing Director Kraft Foods Denmark; Director Business Development Kraft Foods International, London. Various managerial positions at Kraft Freia Marabou, Sweden.	CEO Expert Sverige AB (2004–2009); CEO Team Sportia AB (2001–2004); CEO Dagab Närlivs AB (1998–2001); Marketing and Sales Director Sardus AB (1996–1998); Marketing and Sales Director Bergendahl Grossist AB (1993–1996).	CFO ICA Real Estate (2007–2010) and Skandrenting AB (1999–2007). Project Manager and consultant Knowit AB (1999). Financial Manager Hagströmer & Qviberg Fondkommission AB (1996–1998); Financial Manager Nordien System AB (1995).	McKinsey & Company, Partner and responsible for the retail sector in Scandinavia (2006–2013), previously Project Manager and consultant (1996–2005). Worked in Sweden, elsewhere in Europe and in the US.	CEO Twilfit AB (2002–2004). Statoil (1986–2002) including HR and HMS Director Statoil Detaljhandel AS, Franchise and Competence Director for Statoil Detaljhandel AS, Marketing Director Statoil AB, HR Director Statoil Detaljist AB, Administration Director Statoil AB.	Swedbank (2005–2014), including head of the Eastern region and member of Swedbank's Group Executive Committee, head of Retail Banking and Private Banking. FöreningsSparbanken (1996–2005), including head of Corporate Banking FöreningsSparbanken Stockholm.
Shareholding	7,850 shares (incl. related parties)	1,100 shares (incl. related parties)	500 shares (incl. related parties)	2,700 shares (incl. related parties)	1,600 shares (incl. related parties)	950 shares (incl. related parties)

* Leaving ICA Gruppen on 30 April 2015; to be succeeded by Petra Albuschus.



Sven Lindskog	Björn Olsson	Edgar Sesemann	Stein Petter Ski	Anders Svensson	Thorbjørn Theie	Anders Nyberg
CFO, ICA Gruppen AB Employed at ICA and member of ICA's management since 2014.	SVP Corporate Communication, ICA Gruppen AB Employed at ICA since 2004 and member of ICA's management since 2009.	CEO, Rimi Baltic Employed at ICA since 1999 and member of ICA's management since 2008.	SVP Portfolio Companies, ICA Gruppen AB Employed at ICA Gruppen (Hakon Invest) and member of management since 2005.	CEO ICA Sweden, Deputy CEO ICA Gruppen Employed at ICA and member of ICA's management since 2009.	CEO, ICA Norway Employed at ICA and member of ICA's management since 2012.	CEO, Pharmacy Operations Employed at ICA and member of ICA's management since 2015.
1963	1971	1961	1967	1964	1959	1956
Master of Science in Business and Economics	Master's degree in Political Science, Economics and Commercial Law	Diploma in Market Economics	University degree focusing on Economics and Politics, University of York, UK	Master of Science in Business and Economics	Officer: Befalsskolen for Infanteriet og Hærens Krigsskole (Norwegian Military Academy, Oslo).	Studies in finance and business, Stockholm University
–	–	–	Chairman of the Board Hemtex Aktieföretag; board member Cervera AB.	Chairman of the Board Svensk Dagligvaruhandel Ekonomisk Förening (Swedish Grocery Trade Federation); Deputy Chairman Svensk Handel AB (Swedish Trade Federation) and board member Svenskt Näringsliv (Confederation of Swedish Enterprise).	–	Chairman of the Board, Sveriges Apoteks-förening
CFO Höganäs Group (2007–2014), Sardus Group (2006–2007) and Unilever Nordic (2005–2006). Other senior positions at Unilever Nordic (1998–2004), Unilever global head office Holland (1996–1998), Unilever Hungary (1994–1996), Unilever Sweden (1989–1993).	Head of Media Relations/ Acting Head of Communications Svensk Handel (Swedish Trade Federation) (2000–2003).	ICA including CEO Rimi Estonia, Purchasing Director ICA AB, ICA Sverige AB and ICA Handlarnas AB. Business Unit Director Grocery KF Stormarknader (1992–1998). Category Director B&W Stormarknader (1990–1992). Department Manager B&W Falkenberg and B&W Täby (1990–1996).	Partner ABG Sundal Collier specialising in Corporate Finance (2003–2005). Worked at Ministry of Enterprise, Energy and Communications/Swedcarrier (2001–2003). Before that various positions at Enskilda Securities (1989–2001).	Positions at Arla (2002–2009) including Senior Vice President Arla Foods Consumer Nordic, CEO Arla Foods Sweden. Procter & Gamble (1993–2002) including Sales Director Procter & Gamble Sweden, Logistics Director Procter & Gamble Nordic, various positions at Procter & Gamble Nordic and Procter & Gamble UK. Consultant Andersen Consulting (1988–1993).	Managing Director Kjøpmannshuset Norg-esgruppen AS (1999–2012). Business Development Director Spar Norge (1995–1999). Sales & Marketing Director Nycomed Pharma (1986–1995).	CEO Apotek Hjärtat (2009–). Deputy CEO ICA AB (2006–2008) and Axfood (2001–2005). ICA (1992–2000); Deputy CEO, ICA Sweden, Senior Vice President Strategy & Business Development, CEO, ICA Öst. Åhléns (1988–1992); Regional Manager/Marketing Manager Livs.
700 shares (incl. related parties)	572 shares (incl. related parties)	1,000 shares (incl. related parties)	7,250 shares (incl. related parties)	1,400 shares (incl. related parties)	0 shares (incl. related parties)	5,000 shares (incl. related parties)

Internal control over financial reporting

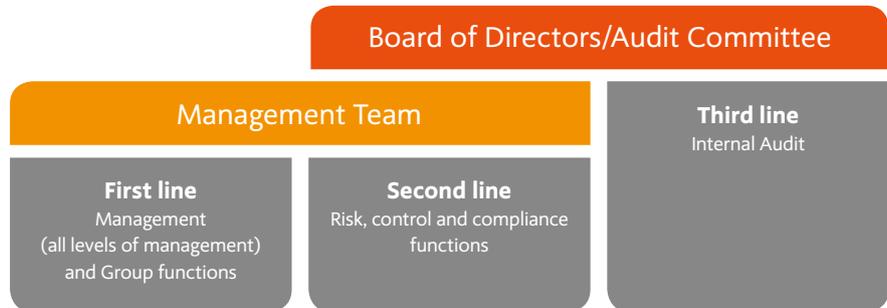
This section has been prepared in accordance with the Code and the Annual Accounts Act, and describes the Company’s internal control and risk management in relation to reporting. The aim is to provide shareholders and other stakeholders with an understanding of how internal control over financial reporting is organised within the Company.

11 The Board of Directors is responsible for ensuring that ICA Gruppen has good internal control and routines to guarantee compliance with the adopted principles for financial reporting and internal control. The Board is also responsible for ensuring that financial reporting conforms to the Companies Act, applicable accounting standards and other requirements of listed companies.

Model for internal control

ICA Gruppen employs a model that has three “lines of defence” describing how responsibility for internal governance and control is organised. The first line of defence is the operations which, in their respective areas, are responsible for maintaining good internal control and in doing so, identifying and managing the risk of errors in financial reporting. The second line of defence is the Group’s risk and control functions, which are tasked with supporting the first line of defence and providing information to management. The third line of defence consists of the independent Internal Audit function which is tasked with examining the efficiency and reliability of the Group’s internal governance and control.

ICA Gruppen’s internal control work is based on the internal control principles produced by the Committee of Sponsoring Organizations of the Tradeway Commission (COSO). These principles have five basic elements: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring.



1. Control environment

A good control environment forms the foundation for an effective internal control system within a company. It is built on an organisation with clear decision paths, where authority and responsibilities have been distributed based on guidelines and where there is a corporate culture with shared values. The control environment is also affected by the individual employee’s awareness of his or her role in the maintenance of good internal control.

The Board’s rules of procedure and the instructions for the CEO ensure a clear division of roles and responsibilities designed for effective control and management of operational risks. The Board has also adopted a number of basic guidelines and policies of significance for maintaining effective control, such as the delegation arrangements, the Financial Policy, Guarantee Policy, Sustainability Policy and Communication Policy.

2. Risk assessment

The Audit Committee is responsible for ensuring that significant risks of errors in financial reporting are identified and managed. Within ICA Gruppen there is continuous dialogue with each operating company to ensure good internal control and awareness of operational risks. For a description of the Group’s risk and risk management see page 16.

3. Control activities

The Board is of the opinion that there is a solid understanding among the employees of the need for good control over financial reporting. ICA Gruppen’s internal control structure is based on established policies and guidelines and regular reporting to the Board. Another starting point for ICA Gruppen’s internal control structure is the Group’s business critical processes in which control activities have been implemented based on the assessed risk of errors.

The Company mainly uses three types of controls:

- Group-wide controls relating to the overall control environment related to the Company’s fulfilment of the policies.
- Process controls for the Group’s business critical processes. These are aimed at managing the risk of errors in each of the processes. The controls that manage the material risk of errors are classified as key controls and are included in the Group’s regular monitoring of internal control.
- IT controls cover the IT processes, IT environment and IT applications that are critical from a financial or commercial perspective.

4. Information and communication

Efficient and correct communication of information, both internally and externally, is important for ensuring complete and accurate financial reporting at the right time. Policies, routines, handbooks and other documents of significance for financial reporting are updated and communicated to the relevant employees on an ongoing basis. The Group's Accounting function has direct operational responsibility for ongoing financial accounting and works to achieve consistent application of the Group's guidelines, principles and instructions for financial reporting. Subsidiaries and operating units provide regular financial reports and reports on operating activities to Management Team which in turn reports to the Board of Directors. The Communication Policy and associated guidelines ensure that external communication is correct and meets the requirements for companies listed on NASDAQ Stockholm. Financial information is provided regularly through annual reports, interim reports, press releases and notices on the Company's website, icagruppen.se.

5. Monitoring

The Board continually assesses the information submitted by the Management Team and the Audit Committee. The Audit Committee's work on monitoring the efficiency of internal control is of particular importance. This includes ensuring that action is taken to deal with any deficiencies and that proposed measures arising from internal and external audits are heeded. In addition, Management Team, Internal Audit and Internal Control review and follow up as described in this section.

Internal Control

ICA Gruppen has an Internal Control function tasked with coordinating and supervising the process of internal governance and control within the Group. The Internal Control function is also responsible for contributing to and supporting all internal control work within ICA Gruppen. The process of internal control over financial reporting is aimed at managing the risk of material errors in financial reporting with a reasonable degree of certainty and in compliance with laws and regulations. Internal Control defines the business critical processes and key controls that are part of the Group's regular evaluation of internal control processes. The evaluation is based on a process of periodic self-evaluation. The results are compiled in reports submitted by Internal Control to the ICA Management Team.

Auditor's report

To the annual meeting of the shareholders of ICA Gruppen AB, corporate identity number 556048-2837

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of ICA Gruppen AB for the year 2014. The annual accounts and consolidated accounts of the company are included on pages 4–37, 56–117 and important events on the inside cover.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of ICA Gruppen AB for the year 2014.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence which we have obtained is sufficient and appropriate in order to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm February 13, 2015

Ernst & Young AB

Erik Åström

Authorized Public Accountant

ICA Gruppen AB is a leading retail company with a focus on food and health. The Group includes ICA Sweden and Rimi Baltic which mainly conduct grocery retail, ICA Real Estate which owns and manages properties, ICA Bank which offers financial services and, since January 2015, Apotek Hjärtat which conducts pharmacy operations. The Group also includes ICA Norway, which is being divested, and a number of wholly-owned or partly-owned portfolio companies. In 2014 ICA Gruppen had net sales of around SEK 87.2 billion and more than 19,000 employees.

www.icagruppen.se



ICA Gruppen AB 171 93 Solna, Sweden	Visiting address: Svetsarvägen 16 Tel: +46 8 561 500 00	www.icagruppen.se	Corporate registration number 556048-2837
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ICA Sverige AB 171 93 Solna, Sweden Visiting address: Svetsarvägen 16 Tel: +46 8 561 500 00 www.ica.se	ICA Norge AS Postboks 6500 Rodeløkka 0501 Oslo, Norway Visiting address: Sinselveien 45 Tel: +47 23 05 50 00 www.ica.no	Rimi Baltic AB A. Deglava Str 161 1021 Riga, Latvia www.rimibaltic.com	ICA Fastigheter AB 721 84 Västerås, Sweden Visiting address: Ingenjör Bååths gata 11, T2 Tel: +46 21 19 30 00 www.icafastigheter.se	ICA Banken AB 171 93 Solna, Sweden Visiting address: Svetsarvägen 16 Tel: +46 8 561 500 00 www.icabanken.se	ICA Portföljbolagen 171 93 Solna, Sweden Visiting address: Svetsarvägen 16 Tel: +46 561 500 00	Apoteksverksamheten Visiting address: Solna Torg 19, 6tr 171 45 Solna Tel: +46 10 499 00 00
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