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Axfood's board of directors proposes long-term share-based incentive programme

The Board of Directors of Axfood Aktiebolag (publ) has decided to propose that the Annual General Meeting resolve to introduce a long-term share-based incentive programme ("LTIP 2017"). As proposed, the programme includes approximately 70 employees in Axfood's Executive Committee, members of the management teams of Axfood's subsidiaries, and certain other persons in management functions.

The incentive programme entails the following, in brief:

- Participation in LTIP 2017 requires a personal shareholding in Axfood that is allocated to LTIP 2017. Depending on the participant category, the participants will be able to allocate a maximum of 4,700, 850 or 250 shares to the programme.
- After the set vesting period, the participants will be granted shares in Axfood free of charge, provided that certain conditions are met. To receive shares in Axfood under matching share rights, the participant must continue to be employed by the Axfood Group during the vesting period, his or her personal shareholding in Axfood must have remained during the same period, and the total return for the company's shares (TSR) during the period 2017–2019 must have exceeded 0%. Share grants supported by performance share rights require continued employment in the Axfood Group and that the employee's shareholding remains during the period, and are based in part on the company's TSR compared with the SIX Return Index and in part on the company's average sales growth under the condition that a set, average EBIT margin has been achieved.
- The maximum number of shares in Axfood that can be granted under LTIP 2017 is limited to 200,000.
- Based on an unchanged share price during the term of the programme, a vesting period of three years and certain additional assumptions, the total cost of LTIP 2017 including social security costs is estimated to be approximately SEK 31.4 m.

The principal motives for establishing LTIP 2017 are to align the shareholders' interests with the interests of the Executive Committee and other key persons and thereby ensure maximum long-term value creation and to encourage personal shareholding in Axfood. Further, the Board is of the opinion that LTIP 2017 will help Axfood recruit and retain persons in the Executive Committee and other key persons.

The Board of Directors will shortly issue a notice of the Annual General Meeting of Axfood, which will be held on 15 March 2017 in Stockholm, and in connection with this the Board's complete proposal for decision will be published.

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