Point 20 according to the proposal for the agenda at the Annual General Meeting of May 10, 2006

Approval of the Board's proposal for the 2006 option program and on the transfer of own shares

The Board proposes that the Annual General Meeting approves a call options program for 2006 for the Company's President and other members of the management group as well as certain key employees and approves the requisite transfer of the Company's shares for fulfilling the options program.

Background and reasons
In its proposal for the principles governing remuneration and terms and conditions for employment for senior executives (refer to Point 19 in the proposal for the agenda) Hakon Invest's Board believes that a remuneration system linked to the company's earnings trend is crucial in attracting and retaining skilled employees and for the company's development in other respects. By linking an employee's pay to the company's earnings progress and further development, long-term growth is given priority and the employees concerned and shareholders gain the same goals. Consequently, the Board proposes that a long-term bonus program be introduced that is conditional on and linked to the company's earnings per share. At the same time, the company believes that it is a major ´benefit for shareholders that senior executives share joint interest with shareholders in gaining a positive trend in the share price. Consequently, half of the earnings-based bonus shall be used to acquire call options within the framework of the proposed options program. In addition, senior executives may buy additional call options at market price within the framework of the options program.

The President, members of the management group and certain key personnel shall, utilizing 50% of the bonus scope in accordance wit the principles for remuneration and terms and conditions for employment for senior executives (refer to Point 19 in accordance with the proposal for the agenda), purchase options at market price within the framework of the options program. The scope of the bonus depends on the trend in the company's earnings per share. The scope in the options program that remains after any triggering of the bonus program may be used by senior executives, if they wish, for the purchase of additional options at market price.

The Company currently has no stock-related incentive program.

In conjunction with the public listing of common shares in December 2005 all employees in the company were offered by the majority shareholder, ICA-handlarnas Förbund, to acquire call options on shares in the company. The offering covered 10,000 – 50,000 call options, depending on the employee’s position. Overall, company employees acquired 338,500 call options, each of which provide the right to purchase one common share in the company during the second half of 2008 at an exercise price of SEK 97.50. ICA-handlarnas Förbund subsidized the call options in two ways. 5,000 call options per employee were 100% subsidized. For an excess number of call options employees receive an extra subsidy (cash payment) over a two-year period, if employment continues. Neither call options nor the extra conditional payment involve any payment expenses for the company. However, according to IFRS 2, the company reports the amounts as an expense in the income statement and as an increase in shareholders’ equity.

Against the background above, the Board feels that the existence of a stock-incentive program for the company’s senior executives and certain other key personnel is of major significance for the company and its development. In view of the proposed conditions, the size of the allotment, the existence of other incentive programs and other circumstances, the proposed options program is deemed to be reasonable and beneficial for the company and its shareholders.

Call options program for 2006

The call options program for 2006 will comprise a maximum of 350,000 options, each of which provides the right to purchase one common share in the company. The allotment of options depends on the continuing employment as of January 1, 2007. Preliminarily, the right to buy options will be granted to six people and covers 230,000 options. The President may acquire rights to buy a maximum of 60,000 options, other members of group management 40,000 options and investment managers 20,000 and 30,000 options, respectively. Recruitment during 2006 may result in a slight broadening of the program within the given framework. Allotment is determined by the Remuneration Committee after the publication of the 2006 financial statements.

Key terms and conditions governing options and the terms and conditions for the transfers of own shares

The options may be exercised during the period September 1, 2009 – March 31, 2010.

The Board proposes that the company, in conjunction with the requests for exercise of the options and waiving the preferential rights of shareholders, may transfer a maximum of 350,000 shares in the company at the exercise price.

The exercise price shall be 110 % of the volume-weighted mean for the paid prices as quoted on the Stockholm Stock Exchange for the company’s common shares over a period of five trading days immediately after the company publishes its financial statements for 2006, rounded off to the nearest krona, with fifty öre being rounded down. Payment for shares acquired on the basis of the call options shall be made within ten banking days following the purchase request.

Options shall be available for purchase at an estimated market price (option price or option premium) computed using the customary valuation model (Black & Scholes) during the same period stated in the preceding paragraph. Computation will be done by Handelsbanken Capital Markets. The option premium will be rounded off to the nearest ten öre.

The options shall be feely transferable and, following acquisition, are not linked to employment.

Complete terms and conditions for options

The complete terms and conditions for options are presented in Appendix 1. According to the terms and conditions for the options, the number of shares and exercise price may be adjusted in certain cases.

Cost of the call options program and dilution effects

Since the option premium is deemed to on market terms and the option terms and conditions are such that the call options are deemed to be securities, for tax purpose, for the holders, the company's cost for the call options program consists merely of the implementation, valuation and administration of the program. Overall, these cost are expected to amount to about SEK 1 million.

The company's undertakings pursuant to the options program will be secured through the buyback of own shares (refer to Point 21).

Given the current number of shares, a transfer of 350,000 common shares would result in a dilution of the current shareholders' holding by some 0.218 % (with the preliminary allotment of 230,000 common shares, the effect would be about 0.143 %). Through the buyback of the same number of shares, the number of common shares outstanding would be reduced by a similar amount

Preparation of the proposal

The proposal was prepared by the remuneration committee of the Company's Board, and consists of two Board members, and was confirmed by the Board on March 16, 2006. The company's management and external consultants have assisted the remuneration committee in its work.

Requirements for approval

The approval of the Annual General Meeting pursuant to this point is valid only if it is supported by shareholders with at least nine-tenths of the votes cast and shares represented at the Annual General Meeting.