

PRESS RELEASE

Möln dal 6 November 2018



KAPPAHL INVITES TO ANNUAL GENERAL MEETING

KappAhl AB's (publ) Annual General Meeting will be held at 10.00 am on Thursday 6 December 2018 at KappAhl's head office, Idrottsvägen 14, Möln dal, Sweden. Notification to participate in the Annual General Meeting should be made, preferably by 12 o'clock noon, on Friday 30 November 2018.

At the Annual General Meeting the following matters, inter alia, are proposed to be dealt with:

- The Board of Directors' proposal about the resolution regarding the adoption of the income statement and balance sheet, distribution of the company's result (proposed dividend of SEK 2.00 per share) and a substantially unchanged remuneration policy for the company management.
- The Nomination Committee's proposals are that Anders Bülow is appointed chairman of the Annual General Meeting, that seven ordinary board members are appointed, that remuneration will be paid with SEK 400,000 to the chairman of the Board of the Directors, and with SEK 200,000 to the other members of the Board of Directors and that remuneration for committee work is unchanged per board member, that Anders Bülow, Cecilia Kocken, Göran Bille, Kicki Olivensjö, Pia Rudengren, Susanne Holmberg and Thomas Gustafsson are re-elected as ordinary members of the Board, that Anders Bülow is re-elected as Chairman of the Board of Directors, and that PwC is re-elected as the accounting firm with Eva Carlsvi as the principally responsible auditor.

The full version of the notice follows on the next page.

For further information, please contact

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This information was submitted for publication, through the agency of the contact person set out above, at 10.00 am CET on 6 November 2018.

KappAhl, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains with 370 KappAhl and Newbie stores in Sweden, Norway, Finland, Poland and Great Britain, as well as Shop Online. Our business idea is to offer value-for-money fashion of our own design to the many people. Sustainability-labeled fashion accounts for 57 per cent of the range. Sales for 2017/2018 totaled SEK 4.8 billion and the company has approx. 4,000 employees in ten countries. KappAhl is quoted on Nasdaq Stockholm. More information at www.kappahl.com.

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The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

NOTICE TO ATTEND THE ANNUAL GENERAL MEETING

Shareholders of KappAhl AB (publ) ("KappAhl") are hereby invited to attend the Annual General Meeting to be held in Mölndal at Idrottsvägen 14, on Thursday December 6, 2018 at 10.00 a.m.

The meeting room will be open from 09.30 a.m. and coffee will be served.

Notification

Shareholders wishing to participate in the Meeting must be registered in the share register kept by Euroclear Sweden AB on Friday November 30, 2018, and have given notice of their attendance and potential advisers by the same date, preferably by 12 o'clock noon, via e-mail to stamma@kappahl.com. Notification of attendance can also be given by telephone on +46(0)31-771 55 00 or by post to KappAhl AB, Annual General Meeting, P.O. Box 303, SE-431 24 Mölndal, Sweden.

The notification must state the name, address, telephone number, corporate or personal identity number and registered shareholding. Any powers of attorney must be in writing and be submitted no later than, but preferably before, the Annual General Meeting. A natural person representing a legal person shall also submit a certified copy of the certificate of registration. The term of a power of attorney may not exceed five years from the issue. KappAhl provides power of attorney forms upon request, and these are also available at KappAhl's website www.kappahl.com/ir.

Shareholders whose shares are registered in the name of a nominee through a bank's trust department or a private securities dealer must temporarily register the shares in their own name to be entitled to participate in the Meeting. Such temporary registration of ownership must be effected no later than Friday November 30, 2018. This means that the shareholder must notify the nominee of this well in advance of that date.

Accounts and complete proposals

The accounts, audit report and statement by the auditor on the compliance of the applicable guidelines for remuneration to the management persons will be available at the latest on Thursday November 15, 2018, and will thereafter be sent to shareholders upon their request, provided that such shareholders state their address, and are also available at www.kappahl.com/ir and at KappAhl's head office in Mölndal, Idrottsvägen 14. Complete proposals are included in this notice or will be available at the latest by Thursday November 15, 2018 at www.kappahl.com/ir and at KappAhl's head office. Copies will be sent to shareholders upon their request, provided that such shareholders state their address.

Agenda

1. Opening of the Meeting.
2. Election of chairman of the Meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or more people to verify the minutes.
6. Consideration whether the Meeting has been duly convened.
7. Presentation of the work of the Board of Directors and its committees.
8. Presentation of the annual accounts and the auditor's report for 2017/2018 and the consolidated accounts and auditor's report for the Group for 2017/2018. Business report by the Chief Executive Officer.
9. Resolution regarding the adoption of the income statement and balance sheet and the Group income statement and Group balance sheet.
10. Resolution regarding the distribution of the Company's result according to the adopted balance sheet.
11. Resolution regarding discharge from liability of the members of the Board of Directors and the Chief Executive Officer.

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12. Determination of the number of members of the Board of Directors and deputy members of the Board of Directors and number of auditors, deputy auditors or accounting firm.
13. Determination of fees to the Board of Directors and the auditor.
14. Election of the Board of Directors.
15. Election of auditor or accounting firm.
16. Instructions and charter for the Nomination Committee.
17. Remuneration policy for the company management.
18. Any other matters.
19. Closing of the Meeting.

Proposed resolutions

Item 2: The Nomination Committee proposes that the Chairman of the Board of Directors Anders Bülow is appointed as chairman of the Meeting.

Item 10: The Board of Directors proposes that a cash dividend of SEK 2.00 per share is distributed for 2017/2018 (SEK 2.00 per share previous year), corresponding to a total of SEK 153,640,760, and that the remaining profit is carried forward. The proposed record day for the dividend is Monday December 10, 2018. If the Meeting resolves in accordance with the proposal, the expected date of payment via Euroclear is Thursday December 13, 2018.

Item 12: Seven ordinary members and one accounting firm are proposed by the Nomination Committee.

Item 13: The Nomination Committee proposes that the fees to the Board of Directors and its committees shall be SEK 2,019,000 (unchanged per member of the Board of Directors since previous year). The proposal means that the Chairman of the Board of Directors is awarded SEK 400,000 (unchanged since previous year) and each other elected member of the Board of Directors is awarded SEK 200,000 (unchanged since previous year), that the chairman of the Audit Committee is awarded SEK 160,000 (unchanged since previous year) and each other member of the Committee is awarded SEK 100,000 (unchanged since previous year), that the chairman of the Remuneration Committee is awarded SEK 35,000 (unchanged since previous year) and each other member of the Committee is awarded SEK 12,000 (unchanged since previous year). It is proposed, in accordance with the recommendation from the Audit Committee, that the fees to the accounting firm shall be unchanged in accordance with customary standards and approved invoice.

Item 14: The Nomination Committee proposes re-election of Anders Bülow, Cecilia Kocken, Göran Bille, Kicki Olivensjö, Pia Rudengren, Susanne Holmberg and Thomas Gustafsson. Moreover, the Nomination Committee proposes that Anders Bülow is elected as Chairman of the Board of Directors.

Item 15: The Nomination Committee proposes, in accordance with the recommendation from the Audit Committee, re-election of PwC (Öhrlings PricewaterhouseCoopers AB) as the accounting firm, with the request that Eva Carlsvi is appointed as the principally responsible auditor. The engagement will run until the next Annual General Meeting.

Item 16: It is proposed that the Nomination Committee will be comprised of four ordinary members, who shall be appointed by the four largest owners as of April 30. The term largest owners here refers to shareholders registered with Euroclear Sweden AB and grouped by ownership as of April 30. The Chairman of the Board of Directors shall be co-opted to the Nomination Committee. If any of the four largest owners refrain from appointing an owner representative, or if an owner representative resigns or relinquishes the position before the assignment is complete, the Chairman shall encourage the next owner in size until the tenth largest shareholder (i.e. first the fifth largest owner) to within a week from the encouragement appoint an owner representative. If, despite such encouragement, only three owner representatives have been appointed as of July 1, the Committee shall be able to constitute itself with three ordinary members and the Committee shall then be able to decide whether the procedure to designate a fourth member should continue or not.

In the event of a significant change of ownership among the largest owners after April 30 but which occurs earlier than eight weeks before the Annual General Meeting, and if a shareholder, who after this change has become one of the four largest shareholders (or the three largest if the Committee has made such a decision as above mentioned), the Committee shall contact and offer the shareholder to be a member of the Committee either by deciding that the shareholder shall replace the smallest shareholder after the change, or by expanding the Committee with one more member. When deciding in accordance with the preceding sentence, the new member shall participate and the member appointed by the smallest owner shall not participate.

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Item 17: A substantially unchanged remuneration policy for the management is proposed with the following main contents:

1. *Fixed salary.* Management persons shall be offered a market level fixed salary based on the employee's responsibilities and behaviour. Salary shall be established for calendar year periods.
2. *Bonus.* Management persons may, from time to time, be offered bonuses. The Chief Executive Officer and the Chief Financial Officer may be offered a bonus of a maximum of 50 percent of the fixed salary and other management persons may be offered a bonus of a maximum of 33 percent of the fixed salary. Bonuses may on the initiative of a management person, before the bonus is disposable, be converted into extra pension provision payment, through so called salary reduction plan. Bonuses shall primarily be based on the operating profit (EBIT), or in exceptional cases in other measurable criteria, for the KappAhl Group and shall be established per each financial year. If all goals are fulfilled the total variable remuneration for the financial year 2018/2019 is excepted to amount to not more than approximately MSEK 7 including social security payments.
3. *Pension.* In addition to what is agreed in collective agreements and other agreement, management persons are entitled to arrange individual pension schemes. Relinquished salaries and bonuses can be used for increased pension provisions, provided that the total cost for KappAhl is unchanged over time.
4. *Notice of termination etc.* Management persons and KappAhl must normally observe a mutual period of six months' notice of termination. Severance payment in excess of unchanged salary during period of notice may occur for the Chief Executive Officer and may amount to a maximum of twelve months salary, less wages paid in other employment.

Duty of disclosure of the Annual General Meeting

The Board of Directors and the Chief Executive Officer shall at the Annual General Meeting, if any shareholder so requests and the Board of Directors believes that it can be done without significant harm to the Company, provide information regarding circumstances that may affect the assessment of items on the agenda, circumstances that can affect the assessment of the Company's or its subsidiaries' financial position and the Company's relation to other companies within the Group. Anyone wishing to submit questions in advance can do so to KappAhl AB, Annual General Meeting, P.O. Box 303, SE-431 24 Mölndal, Sweden.

Number of shares and votes

The total number of registered shares and votes in the Company amounts this day to 76,820,380. The Company holds no own shares.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Mölndal, November 2018

KappAhl AB (publ)

The Board of Directors