

## **INSTRUCTIONS AND CHARTER FOR THE NOMINATION COMMITTEE IN KAPPAHL HOLDING AB (PUBL)**

It is proposed that the annual general meeting adopt the following instructions and charter for the Nomination Committee.

### **1. Overall purpose and objectives**

The Nomination Committee (*Sw. Valberedningen*), (the “Committee”), is appointed in accordance with routines resolved upon by the annual general meeting in KappAhl Holding AB (publ), (the “Company”). The Company and its subsidiaries are hereinafter referred to as the “Group”.

The main objective and responsibility for the Committee is to present proposals for the nomination of chairman of and members of the Board of Directors and auditor(s). The Committee shall also render recommendations for remunerations to them.

### **2. Appointment of the Election Committee**

It is proposed that the Nomination Committee shall consist of three regular members, representing the three largest owners in the Company as per April 30. The Chairman of the Board shall contact the largest of the three owners and is to be co-opted on the Committee. The members of the Nomination Committee are to be announced no later than six months before the Annual General Meeting.

In the event of a change of ownership occurring not later than six weeks before the Annual General Meeting, the Chairman of the Board shall contact the largest of the three owners without an owner representative and encourage that such representative be appointed. When such an owner representative has been appointed, the representative will become a member of the Nomination Committee and replace the former member of the Nomination Committee who no longer represents any of the three largest shareholders. If any of the three 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 is to encourage the next owner in size (i.e. the fourth largest owner) to appoint an owner representative. This process is to continue until the Nomination Committee consists of three regular members.

The largest owners shall mean those VPC-registered and owner-grouped owners per April 30 and those VPC-registered owners who are registered per such date and in due time before then have notified the Company of the size of their holdings and interest in participating in the Committee.

### **3. Duties**

The Committee shall:

- Represent the owners of the Company in matters falling within the scope of the tasks of the Committee.

- Evaluate to what extent the Board of Directors satisfies requirements based on the Group's business, future development and independence criteria, i. a. by reviewing the results from the Board of Directors' evaluation.
- Establish requirement profiles for members of the Board of Directors.
- Evaluate the appropriate number of members for the Board of Directors.
- As necessary, perform a systematic procedure to find new candidates.
- Communicate with the Audit Committee when, if applicable, considering proposals for auditor(s) and their remuneration.
- Publish proposals in the notices for the annual general meeting and on the Company's website.
- Attend, present and motivate its proposals to the annual general meeting.
- Describe its working procedure on the Company's website.

Further, in performing its duties, the Committee will maintain an effective working relationship with the Board of Directors. To perform his or her role effectively, each member of the Committee shall develop and maintain his or her knowledge and understanding of the Committee's responsibilities and of the Group's business and operations.

The Committee has the right to, as and if necessary in connection with future election of new member of the Board of Directors, obtain material from an external consultant regarding knowledge, experience and profile for suitable candidates, with a right for the Committee to charge the Company with reasonable cost for such material, provided such cost is accounted for at the next Annual Meeting.

#### **4. Organisation**

##### 4.1 Membership etc

- (i) (The annual general meeting shall decide upon such routines by which the members of the Committee are nominated (and – as relevant – replaced).
- (ii) The Committee appoints its chairman. The chairman of the Board of Directors shall not be the chairman of the Committee.
- (iii) The Committee shall consist of such number of members as decided upon by the annual general meeting, which shall not be less than three.
- (iv) The majority of the members of the Committee shall not be members of the Board of Directors. The Chief Executive Officer and other members of senior management of the Company may not be members of the Committee.
- (v) The Secretary of the Board of Directors shall be the secretary of the Committee.

##### 4.2 Meetings

- (i) The Committee shall meet as often as necessary in order to fulfil its duties and responsibilities, but not less than twice a year. The planning of meetings shall take into consideration the timing of the annual general meeting.
- (ii) Meetings are to be convened by the Chairman of the Committee, but can also be convened by any other member of the Committee.
- (iii) The person convening a meeting shall circulate an agenda which shall be drafted together with the Chairman of the Committee one week before the Committee meeting.
- (iv) Supporting documentation shall be circulated at the same time if possible.
- (v) Minutes of meetings shall be kept by the Secretary of the Committee and be securely filed.
- (vi) The Secretary of the Committee shall circulate the minutes of meetings to members of the Committee within two weeks from a Committee meeting.

## **5. Reporting responsibilities etc**

### 5.1 Reporting responsibilities

The Committee shall regularly update and report to the owner(s) who appointed the Committee.

### 5.2 Review of the Committee Charter

The Committee shall annually review the Committee Charter.

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November 2008

*This document is an unofficial translation of the corresponding Swedish document. In the event of any discrepancies between the text contained in this document and the Swedish document, the latter shall prevail.*