

Notice to attend the Annual General Meeting

Shareholders of KappAhl Holding AB (publ) are hereby invited to the Annual General Meeting to be held in Mölndal at Idrottsvägen 14, on Wednesday 25 November 2009 at 10.00 am.

The meeting room will be open from 9.30 am 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 (formerly VPC) no later than Thursday 19 November 2009, and have given notice of their attendance and that of any advisers by 12 noon on the same date via email to gm@kappahl.com. Notification of participation can also be given by telephone on +46 31 771 55 00, by fax on +46 31 771 58 15, or by post to KappAhl Holding AB, Annual General Meeting, Box 303, 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. Powers of attorney and certificate of registration must be no older than one year.

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. This temporary registration of ownership must be effected no later than Thursday 19 November 2009. This means that the shareholder must notify the nominee of this well in advance of that date.

Accounts and complete proposals

The accounts and audit report will be sent to shareholders who so request, and are also available at www.kappahl.com/ir or the company's head office in Mölndal, Idrottsvägen 14. Complete proposals are contained in this notice or will be available by Wednesday 11 November 2009 at www.kappahl.com/ir and at the company's head office. Copies will be sent to shareholders on request.

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 and check the votes
6. Consideration whether the Meeting has been properly convened
7. Presentation of the work of the Board of Directors and its committees
8. Presentation of the annual report and the audit report for 2008/2009 and the consolidated accounts and the audit report for the Group for 2008/2009. Business report by the Chief Executive Officer.
9. Consideration regarding the adoption of the income statement and balance sheet and the Group income statement and Group balance sheet

10. Consideration regarding the distribution of the profits at the disposal of the Meeting
11. Consideration regarding discharge from liability of the members of the Board of Directors and the Chief Executive Officer
12. Determination of the number of Board members to be elected by the Meeting
13. Determination of fees
14. Election of the Board of Directors
15. Procedures and instructions for the Nominations Committee
16. Remuneration policy for company management
17. Amendment of the articles of association (Section 1 Business Name)
18. Any other business
19. Closing of the Meeting

Proposed resolutions

Principal shareholders' position: Shareholders representing about 34 per cent of the total number of votes in the company ("the Principal Shareholders") have announced that they intend to vote at the Meeting in favour of the following proposals:

Item 2: The Nominations Committee proposal that the Chairman of the Board Finn Johnsson be appointed chairman of the Meeting.

Item 10: The Board of Directors proposal that a cash dividend of SEK 1.25 per share be distributed for 2008/2009, corresponding to a total of SEK 93 800 000, and that the remaining profits be carried forward. The proposed record day for the dividend is Monday 30 November 2009. If the Meeting resolves in accordance with the proposal, the expected date of payment via Euroclear is Thursday 3 December 2009.

Item 12: Five ordinary members are proposed by the Nominations Committee.

Item 13: The Nominations Committee proposes an unchanged fee to the Board of Directors and its committees of SEK 1 495 000 (previously SEK 1 495 000). The proposal means that SEK 495 000 is awarded to the Chairman of the Board and SEK 180 000 to each of the other members elected by the Meeting, that the Chairman of the Audit Committee is awarded SEK 145 000 and the other members of the Committee are awarded SEK 95 000 and that the Chairman of the Remuneration Committee is awarded SEK 30 000 and the other members of the Committee are awarded SEK 10 000. The Audit Committee and Nominations Committee propose that the fee to the auditors shall be in accordance with customary standards and the approved invoice.

Item 14: The Nominations Committee proposes re-election of Finn Johnsson, Amelia Adamo, Paul Frankenius, Jan Samuelson and Pernilla Ström and that Finn Johnsson be appointed Chairman of the Board.

Item 15: It is proposed that the Nominations Committee will comprise three ordinary members who will represent the three largest shareholders as of 30 April. If any of the three largest shareholders waives the right to appoint a representative, the Chairman shall invite the next shareholder in order of size to designate a representative until the Nominations Committee consists of three members. In case of significant changes in ownership taking place earlier

than six weeks before the Annual General Meeting, the Chairman of the Board will contact that of the three largest shareholders who do not have a representative. The term “three largest shareholders” refers here to shareholders registered with Euroclear and grouped by ownership and the shareholders registered with Euroclear which have notified the company of the size of their holding and their interest in participating in the Nominations Committee.

Item 16: An unchanged remuneration policy for the management team is proposed with the following main contents:

1. *Fixed salary.* Senior executives will be offered a fixed salary that is market related and based on responsibility and conduct. Salary will be set for a calendar year.
2. *Bonus.* Senior executives may, from time to time, be offered a bonus of a maximum of fifty per cent of fixed salary. Senior executives may, on their own initiative, convert the bonus into extra pension payments. The bonus is to be based primarily on the operating profit (EBIT) for the KappAhl Group and is to be set for the financial year.
3. *Pension.* In addition to the terms of collective agreements or other contracts, senior executives can arrange individual pension solutions. Salary or bonus waivers can be used to increase allocation to a pension plan provided the cost to KappAhl is unchanged over the period.
4. *Notice of termination and severance pay.* Senior executives and KappAhl must mutually observe a period of six months’ notice of termination. There is no severance pay other than salary during the period of notice.

Item 17: The Board of Directors proposes that the articles of association (Section 1 Business Name) be amended so that the company’s business name is KappAhl AB (publ) instead of the previous KappAhl Holding AB (publ).

Total number of shares and votes in KappAhl Holding AB

The total number of shares and votes in the company is 75 040 000.

Mölndal, October 2009

KappAhl Holding AB (publ)

Board of Directors