

## Presentation of the work of the Nomination Committee for the Annual General Meeting in 2009

The previous Annual General Meeting has decided that the Nomination Committee (the "Committee") for the 2009 Annual General Meeting shall consist of three members, which shall represent the three largest shareholders of the company as of 30 April 2009. On 25 May 2009 it was announced that the Committee for the Annual General Meeting on 25 November 2009 consists of Kristian Lundius (Dutot Ltd.), Kristina Leffler (Livy Ltd.) and Philip Wendt (Länsförsäkringar). The Committee held its inaugural meeting on 22 June 2009, and Kristian Lundius was appointed Chairman of the Committee. The Chairman of the Board of Directors Finn Johnsson has co-opted to the Committee.

The instructions of the previous Annual General Meeting indicate that when there is a change of ownership, the Chairman of the Board of Directors shall contact the one of the three largest shareholders who does not have a shareholder representative and urge him or her to appoint one. When such shareholder representative has been appointed, he or she becomes a member of the Committee and replaces the former member who does not represent the three largest shareholders anymore. More than six weeks before the Annual General Meeting, there was a change of ownership which led to KG Lindvall (Swedbank Robur funds became the new third largest owner) replaced Philip Wendt in the Committee.

In total the Committee has had three meetings and contacts in between. The Committee has followed the formal work plan which the Annual General Meeting established and accordingly had the task to work out proposals to be presented at the 2009 Annual General Meeting on:

- Chairman of the Annual General Meeting,
- Board of Directors,
- Chairman of the Board of Directors,
- Directors' remuneration (divided on the Chairman of the Board of Directors, other members of the Board of Directions and committee work), and
- instructions and formal work plan for the next Committee.

The aim of the Committee's work has primarily been to create an appropriate composition of the Board of Directors, through which members' combined expertise and experience creates a broad base that conforms well with KappAhl's activity, stage of development and relationships otherwise. The Board of Directors shall be characterized by diversity and wideness in members' skills, experience and background.

The Committee has noted the evaluation of the Board of Directors. The Committee has considered what competence and characteristics the Board members should have. The Committee has also found there to be a good balance between men and women among the elected members and that a vast majority of the Board are women. The Committee has also discussed the issue of the Board members independence, and found that four out of five elected members are independent of the company and its management. Director Paul Frankenius can, because of his previous employment in the company, not be considered independent of the company and its management. The Committee has also found that all elected members of the Board are independent of the company and its directors and also

independent in relation to the company's major shareholders. The proposal of the composition of the Board of Directors therefore meets the existing requirements of independent members.

To sum up, it is the Committee's opinion that the current Board of Directors has the skills and characteristics required and is appropriate to KappAhl's activity, stage of development and other conditions. Therefore, the Committee suggests that all elected members are re-elected at the Annual General Meeting. The Committee also suggests that Finn Johnsson continues as Chairman of the Board of Directors. All elected members have declared themselves available for re-election.

Regarding directors' remunerations and remunerations for committee work the Committee has suggested unchanged remunerations.

Regarding instruction and formal work plan for next year's Committee, the Committee suggests the instruction and formal work plan to be unchanged. Swedbank Robur funds have, through KG Lindvall, expressed its reservations about the part of the proposal which concerns the number of members of the Committee, he suggests that representatives of the four largest shareholders should be appointed rather than representatives of the three largest shareholders, thereby a broader owner representation would be achieved and a better balance between the main shareholders and other owners. Nevertheless, Swedbank Robur Funds have endorsed the other parts of the proposal.

All other decisions of the Nomination Committee have been unanimous.

Mölndal, Sweden in October 2009

Nomination Committee in KappAhl Holding AB (publ)

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