

Unauthorized office translation

**Minutes from** Annual Shareholders' General Meeting in KappAhl AB (publ), 556661-2312, on November 23, at 10.00 hrs, 2010 in Mölndal.

### § 1 Opening of the Meeting

The Meeting was opened by the Chairman of the Board, Finn Johnsson.

### § 2 Appointment of Chairman of the Meeting

Upon proposal from the Chairman of the Nomination Committee and pursuant to the announced notice to attend, **the Meeting resolved** to appoint Finn Johnsson as Chairman of the Meeting. The Chairman noted that Jonas Frii (member of the Swedish Bar Association) had been requested by the Board to serve as Secretary at the Meeting and thus keep today's minutes.

### § 3 Drawing up and approval of voting list

It was noted by the Chairman of the Meeting that verification of the attendance list, available at the Meeting, had been performed when shareholders entered the Meeting.

**The Meeting resolved** that the voting list should be established by presenting the names of those in the attendance list who had not been verified, and that the total number of votes represented according to the attendance list should be reduced by the number of votes for those not verified when entering. The Secretary presented the names of those who had not been verified, and established a register of the present shareholders and their representatives, Appendix 1. The register was presented.

**The Meeting resolved** to approve the register as voting list.

For the sake of good order, the Chairman of the Meeting noted that those separately invited and other participants, according to Appendix 2, are welcome to the Meeting but do not have shareholders' rights at the Meeting.

#### **§ 4 Approval of the agenda**

The proposed agenda was accounted by the Chairman in accordance with the announced notice to attend.

**The Meeting resolved** to approve the proposed agenda.

#### **§ 5 Nomination of one or two persons to verify the minutes**

**The Meeting resolved**, upon proposal from Håkan Westin (representing his own shares), to appoint two persons to verify the minutes, and to appoint Hans Nordström (representing SEB Funds) and Kerstin Ödman (representing her own shares) as such persons to verify today's minutes. **The Meeting resolved**, on the proposal of the same Håkan Westin, to appoint two voting supervisors, and to appoint Hans Nordström (representing SEB Funds) and Kerstin Ödman (representing her own shares), both as such voting supervisors in a potential voting.

#### **§ 6 Question of whether the Meeting has been duly convened**

It was accounted for by the Chairman when and how the notice to attend the Annual Shareholders' General Meeting had been issued.

**The Meeting resolved** that the Meeting had been duly convened.

#### **§ 7 Presentation of the work of the Board and of the Committees of the Board**

The Chairman of the Board of Directors: After the Annual Shareholders' General Meeting last year and until this day, the Board has had six meetings, all of which have been kept in minutes. One meeting has been a constituent meeting and the other meetings have been ordinary meetings. As by the Corporate Governance Report the members' attendance has been good. The Board has considered various questions such as business operations, market development and new start-ups. In addition, the Board has worked with the interim reports and the annual report.

The Chairman continued: The Audit Committee has consisted of two members, Jan Samuelson and Pernilla Ström. The Chairman of the Audit Committee has been Jan Samuelsson. The Secretary of the Board has also been Secretary to the Audit Committee.

Jan Samuelsson: The Audit Committee has followed the formal work plan which has been established for the work. The Committee has continuously reported to the Board during the year and dealt with questions such as the Annual Report, other financial reports and internal control. After the Annual Shareholders' General Meeting last year and until this day, the Audit Committee has had six meetings in total, all of which have been kept in minutes.

The Chairman: The Remuneration Committee has consisted of me and Amelia Adamo. The Committee has dealt with matters concerning remuneration to new senior management and outcome of bonuses. The Committee has continuously reported to the Board and followed the Remuneration Policy which was established by the Annual Shareholders' General Meeting.

The Chairman continued: Prior to this Annual Shareholders' General Meeting, the Nomination Committee has consisted of Kristian Lundius from Dutot Ltd., Thomas Ehlin from Nordea Fonder and Henrik Didner from Didner & Gerge Fonder. As the Chairman of the Board of Directors I have co-opted to the Nomination Committee. The Chairman of the Nomination Committee has been Kristian Lundius.

The Nomination Committee's presentation of its work for the Annual Shareholders' General Meeting in 2010, which has been available prior to the Annual Shareholders' General Meeting, was presented by Kristian Lundius.

**§ 8 Presentation of the Annual Report and the Auditor's Report for the financial year 2009/2010 as well as the Consolidated Annual Report and the Consolidated Auditor's Report for the financial year 2009/2010.**

The Chairman reported on how the Annual Report, the Auditor's Report as well as the Consolidated Annual Report and the Consolidated Auditor's Report had been presented and made available.

**The Meeting resolved** that the Annual Report and the Auditor's Report, as well as the Consolidated Annual Report and the Consolidated Auditor's Report had been duly presented.

The Company's Auditor, Bror Frid chiefly responsible for Öhrlings PricewaterhouseCoopers, presented the Auditor's Report. The shareholders were given the opportunity to ask questions.

The Chief Executive Officer, Christian W. Jansson, gave a presentation of the company's business operations. The shareholders were given the opportunity to ask questions.

: It seems like KappAhl has 25 % sales in the stores more often than before. Is this a strategy?

Chief Executive Officer: Nice clothes sell themselves but sometimes they need a little extra attention. KappAhl has not increased the frequency of sale, but perhaps the consumers' attention of the goods has increased.

: Could you explain the "Sell More"-concept?

Chief Executive Officer: To sell more means that we must increase sales. This can be done in several ways such as by selling more goods, have a more efficient checkout process, manage accounting better and similar actions.

**§ 9 Question of adoption of the Income Statement, the Balance Sheet, as well as of the Consolidated Income Statement and the Consolidated Balance Sheet**

**The Meeting resolved** to adopt the Income Statement and Balance Sheet as presented in the Annual Report for the parent company and the group.

**§ 10 Question of disposition of the profits available for disposal of the Annual Shareholders' General Meeting**

The Chairman of the Board presented the Board and the Chief Executive Officer's proposal of cash dividend for 2009/2010. The cash dividends shall be submitted by SEK 3,25 per share, representing a total value of SEK 243 880 000 and the remaining profits shall be carried forward. The record date for dividends was proposed to be Friday November 26, 2010. If the Meeting decides in accordance with the proposal, the dividend will be paid through Euroclear on Wednesday December 1, 2010.

**The Meeting resolved** that profits brought forward are distributed in accordance with the Board and Executive Director's proposal.

**§ 11 Question of discharge of liability for the Board of Directors and for the Chief Executive Officer**

The company's Auditor, Bror Frid, recommended the Annual Shareholders' General Meeting to grant the Board and Chief Executive Officer discharge of liability for the financial year. It was noted that Board members and the Chief Executive Officer, who are shareholders, cannot themselves or through a representative take part in the Meeting's resolution on discharge of liability.

**The Meeting resolved** to grant the Board of Directors and the Chief Executive Officer discharge of liability for the administration of the company during the financial year.

**§ 12 Determination of the number of members of the Board and Auditors**

The Nomination Committee, represented by Kristian Lundius, presented the proposal to elect five Board members at the Annual Shareholders' General Meeting.

**The Meeting resolved** that five Board members should be elected in accordance with the proposal.

It was noted that this Annual Shareholders' General Meeting shall not elect auditor.

### **§ 13 Determination on remuneration to be paid to the Board of Directors and to the Auditor**

The Chairman of the Nomination Committee presented the proposal of remunerations: For the period from the previous Annual Shareholders' General Meeting until this Meeting, the Board and Committees has had a remuneration of SEK 1 495 000. The remuneration includes compensation for the Audit Committee and Remuneration Committee. The Nomination Committee proposes that remuneration to the Board and its Committees shall be SEK 1 570 000. The proposal is that the Chairman of the Board shall receive SEK 520 000 and each other elected member SEK 190 000. The Chairman of the Audit Committee shall receive SEK 150 000 and other members of the Committee SEK 100 000. The Chairman of the Remuneration Committee shall receive SEK 30 000 and other members of the Committee SEK 10 000.

**The Meeting resolved** the remuneration in accordance with the proposal.

It was noted that the remuneration to be paid to the company's Auditor is evident in the Annual Report and will be paid in accordance with customary norms for charging and approved invoice, and that the proposal means unaltered conditions of remuneration.

**The Meeting resolved** that the conditions of remuneration to the Auditor should be unchanged.

### **§ 14 Nomination of the Board of Directors, Auditor and Deputy Auditor**

The Nomination Committee, represented by Kristian Lundius, presented the proposal to re-elect Finn Johnsson, Amelia Adamo, Paul Frankenius and Jan Samuelson, and through new-election elect Lena Apler. Kristian Lundius also presented the proposal to appoint Finn Johnsson as Chairman of the Board.

Each of the proposed and present members introduced themselves, which was everyone except for Amelia Adamo.

It was noted that California State Teachers Retirement System, represented by Hans Nordström, voted against the proposal, but that no counterproposal had been provided.

**The Meeting resolved** to appoint Finn Johnsson (re-nomination), Amelia Adamo (re-nomination), Paul Frankenius (re-nomination), Jan Samuelson (re-nomination) and Lena Apler (new-nomination) as Board of Directors, and to appoint Finn Johnsson as Chairman of the Board (re-nomination).

Each of the present Employee Representative of Board of Directors Marie Matthiessen, Rose-Marie Zell-Lindström and Helena Blixt introduced themselves. It was noted that Bodil Gummesson could not attend.

Pernilla Ström was thanked in her absent.

### **§ 15 Routines and instructions for the Nomination Committee**

The Chairman presented how the instructions and procedures for the Nomination Committee had been presented and made available. Kristian Lundius presented the Nomination Committee's proposal of that the next Nomination Committee shall consist of three members who shall represent the three largest shareholders of the company as of April 30. The Chairman of the Board shall contact the three largest owners and co-opt to the Committee. The three largest shareholders shall refer to the Euroclear-grouped owners and the ownership-group owners. It was noted that the entire proposal should be considered to have been delivered.

**The Meeting resolved** to establish the routines and instructions according to the Nomination Committee's proposal.

### **§ 16 Remuneration Policy**

The Chairman, who is also the Chairman of the Remuneration Committee, presented the important parts of the proposal as it had been presented in the notice to attend, and made available in its entirety before the Meeting, and added: the remunerations to the management are available in the Annual Report and follows the Auditor's opinion in the Remuneration Policy which was adopted by the last Annual Shareholders' General Meeting. The proposal was founded to be delivered in its entirety.

**The Meeting resolved** to adopt the Remuneration Policy in accordance with Appendix 3.

: In general, KappAhl did not pay out any bonuses during 2010. Does this indicate that business goes bad for KappAhl?

Chairman of the Board: KappAhl has set high targets to be achieved before bonuses are paid out.

### **§ 17 Other matters**

It was established that no other matters had been reported to the Board.

### **§ 18 Closing of the Meeting**

It was noted that all resolutions were adopted by necessary majority.

Upon the proposal of the Chairman of the Meeting, the Meeting directed a special thank you to KappAhl's employees for their work during the year, after which the Chairman declared the Meeting closed.

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Verified

Keeper of minutes

Finn Johnsson

Jonas Frii

Hans Nordström

Kerstin Ödman