

Presentation of the work of the Nomination Committee for the Annual General Meeting in 2010

The previous Annual General Meeting has decided that the Nomination Committee (the "Committee") for the 2010 Annual General Meeting shall consist of three members, which shall represent the three largest shareholders of the company as of 30 April 2010. On 24 May 2010 it was announced that the Committee for the Annual General Meeting on 23 November 2010 consists of Kristian Lundius (Dutot Ltd.), Thomas Ehlin (Nordea Fonder) and Henrik Didner (Didner & Gerge Fonder). The Committee held its inaugural meeting on 5 July 2010, and Kristian Lundius was appointed Chairman of the Committee. The Chairman of the Board of Directors, Finn Johnsson, has been co-opted to the Committee.

The Committee has had five meetings in total, with contacts in between. The Committee has followed the Instructions and Charter for the Committee which the Annual General Meeting established and had according to this the task to work out proposals to be presented at the 2010 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 Directors and committee work), and
- Instructions and Charter 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, and a gender balance should be strived for.

The Committee proposes re-election of Finn Johnsson, Amelia Adamo, Paul Frankenius and Jan Samuelson. Pernilla Ström has declined re-election. The Committee proposes election of Lena Apler as a new member of the Board of Directors. The Committee also proposes that Finn Johnsson is elected as Chairman of the Board of Directors.

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 strived for a continued good balance between men and women among the elected members and found that a vast majority of the Board members are women. The Committee has also discussed the issue of the Board members independence and found that three out of four elected members are independent of the company and its management, and independent in relation to the company's major shareholders. Board member 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 discussed Lena Aplers independence and found that she is independent in relation to the company and its management, and in relation to major shareholders. The proposal of the composition of the Board of Directors therefore meets existing requirements of independent members.

Lena Apler is 59 years old, an educated economist and the founder, and managing director and partner, of the finance company Collector. Her previous work includes Securumkoncernen and several banks, there among SEB. Her other current positions include

Skogssällskapet, Svenska Garantiprodukter AB, Västsvenska Industri- och Handelskammaren and ÖoB Finans AB. Neither Lena Apler, nor any person related to her, has any shares or other financial instruments in the company.

The Committee considers Lena Apler to have the necessary skills, experience and background appropriate for KappAhl's operations, development stage and relationships otherwise.

Holding of shares in respect of the members proposed for re-election is stated in the Annual Report.

To sum up, it is the Committee's opinion that the proposed Board of Directors has the skills and characteristics required and appropriated to KappAhl's activity, stage of development and relationships otherwise. A good gender balance among the Board members has been strived for. Therefore, the Committee suggests re-election of Finn Johnson, Amelia Adamo, Paul Frankenius and Jan Samuelson as members of the Board of Directors at the Annual General Meeting. The Committee suggests that Lena Apler is elected as a new member of the Board of Directors. The Committee also suggests that Finn Johnsson continues as Chairman of the Board of Directors. Finn Johnson, Amelia Adamo, Paul Frankenius and Jan Samuelson have declared themselves available for re-election. Lena Apler has declared that she is available for election.

Regarding the Board of Directors' remunerations and remunerations for committee work the Committee has suggested an average increased by approximately 5 percent.

Regarding the Instruction and Charter for next years Committee, the Committee has suggested that paragraph 2 "Appointment of the Committee" adjusts to the following:

"It is proposed that the Committee shall consist of three regular members, representing the three largest shareholders in the Company as of April 30. The Chairman of the Board of Directors shall contact the largest of the three shareholders, and shall also be co-opted on the Committee. The members of the Committee shall be announced no later than six months before the Annual General Meeting. The largest shareholders refers to Euroclear Sweden AB (formerly VPC) registered and ownership grouped shareholders as of April 30. If any of the three largest shareholders 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 shareholder in size (i.e. the fourth largest owner) to appoint an owner representative. This process shall continue until the Committee consists of three regular members.

In the event of a later change of ownership among the largest shareholders which occurs not later than six weeks before the Annual General Meeting, and if a shareholder, who after this change has become one of the three largest shareholders, expresses the desire to be a member of the Committee, the Committee shall offer the shareholder to be a member of the Committee by either decide that the shareholder shall replace the smallest shareholder after the change, or by expand the Committee with one more member."

The Committee considers this to be a more accurate description of the Committees' work in the Instruction and Charter in comparison with the earlier version.

All other decisions of the Committee have been unanimous.

Mölndal, Sweden in November 2010

Nomination Committee in KappAhl 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.