

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Minutes from Annual Shareholders' General Meeting in KappAhl AB (publ), 556661-2312, on Wednesday November 28, 2012, at 6 pm, at the company's office, Idrottsvägen 14 in Mölndal.

§ 1 Opening of the Meeting

The Meeting was opened by the Chairman of the Board, Christian W. Jansson.

§ 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 Chairman of the Board Christian W. Jansson 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.

It was resolved that the voting list should be established by reading the names that had not been verified and that the total number of votes represented 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 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 presented 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 and check the votes

The Meeting resolved, upon proposal from Håkan Westin (representing his own shares and Dutot Ltd.), to appoint two persons to verify the minutes, and to appoint Niklas Häggström (representing Kas Bank, New Zealand Superannuation Fund and the other funds that according to the attendance list are managed by Handelsbanken) and Gunnar Ek (representing Sveriges Aktiesparares Riksförbund) 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 Niklas Häggström (representing Kas Bank, New Zealand Superannuation Fund and the other funds that according to the attendance list are managed by Handelsbanken) and Gunnar Ek (representing Sveriges Aktiesparares Riksförbund), both as such voting supervisors in a potential voting.

§ 6 Consideration whether the Meeting has been duly convened

The Meeting had been convened through advertising in Post- och Inrikes Tidningar, Göteborgs-Posten and Svenska Dagbladet on October 31, 2012.

The Meeting resolved that the Meeting had been duly convened.

§ 7 Presentation of the work of the Board of Directors and its committees

The Chairman: After the Annual Shareholders' General Meeting last year and until this day, the Board has had thirteen meetings, all of which have been kept in minutes. 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 Sonat Burman Olson. The Chairman of the audit committee has been Jan Samuelsson. The Secretary of the Board has also been Secretary to the audit committee.

The Chairman: 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, currency questions, valuation questions and internal control. After the Annual Shareholders' General Meeting last year and until this day, the audit committee has had five 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 previous Annual Shareholders' General Meeting.

The Chairman continued: Prior to this Annual Shareholders' General Meeting, the nomination committee has consisted of me Christian W. Jansson (appointed by Dutot Ltd.), Rune Andersson (appointed by Mellby Gård Industri AB) and Evert Carlsson (appointed by Swedbank Robur Fonder AB). The Chairman of the nomination committee has been Evert Carlsson.

The nomination committee's presentation of its work, which has been available prior to the Meeting, was presented by Evert Carlsson.

§ 8 Presentation of the annual report and the auditor's report as well as the consolidated annual report and the consolidated auditor's report for the period 2011-09-01 – 2012-08-31. Business report by the Chief Executive Officer

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, the authorized auditor Bror Frid chiefly responsible for PricewaterhouseCoopers AB, presented the auditor's report. The shareholders were given the opportunity to ask questions.

The auditor has in his presentation made notes regarding inter alia the value of inventories and that the proposed rights issue is an significant prerequisite for further financing. Is it good order in the company?

The company's auditor: We have made an unmodified auditor's report with a specific piece of information. The order in the company is good.

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

Are you satisfied with the KappAhl brand being associated with "25% discount", and should you not discontinue the focus on men's fashion? Furthermore, with regard to the sale of the head office and distributions center, is it compelled by the banks?

The Chief Executive Officer: The company operates on a campaign-driven market and I do not agree on that the company is associated with a 25% discount, we have a balanced and market approach towards campaigns. The company does not run as many campaigns as previously. The business area Men should not be discontinued. KappAhl is an overall concept and the men's fashion adds much. The property sale was a natural part of reducing the debt.

I call for a more clearly staff policy, focusing on sale.

In some stores, there are no hooks in the fittings rooms to hang clothes on. In some cases there is a stool to put clothes on. How is the maintenance of the stores?

The Chief Executive Officer: In a store network of 388 stores, there is always maintenance to do. We do continuous maintenance of the stores.

: What are your plans for the business in Poland?

The Chief Executive Officer: Poland is one of our five markets. We work intensely with all of our markets. There are also individual plans of action for stores in Poland which do not quite deliver in accordance with our expectations.

Why do you have models in your commercial instead of actresses?

The Chief Executive Officer: The persons used in our commercial are both models and actors.

): Does the company have the right size and does it work with the right target group? Furthermore, how is it that the company previously made such great profit and dividends, and now has a difficult situation, where has the money gone?

The Chief Executive Officer: We address the right target group. KappAhl does not run more discount campaigns than other market players. We use the money in the business as further described in our annual report and our interim reports.

Is it not better trying to expand the intended target group including also younger women?

The Chief Executive Officer: Our most important target group is women in the prime of life. We will not focus on younger women.

In the men's range it seems like there are no clothes for dressing up, why?

The Chief Executive Officer: The men's range includes garments for both celebration and everyday.

Which banks are the company working with, and should the dividend policy be revised?

The Chief Executive Officer: We are working with Swedbank AB and Nordea AB. The rights issue and the property sale are made to decrease the debt ratio.

The Chairman: As stated in the notice to the Meeting, the Board of Directors proposes that no dividend is to be made.

How much more expensive will it be to rent the premises for the head office and the distribution centre after the sale?

Håkan Westin, Chief Financial Officer: Altogether it will be less expensive to rent the premises than owning them.

: Why would you change the
Chairman of the Board?

Evert Carlsson: Christian W. Jansson himself has had a wish that a new Chairman of the Board should be appointed. Christian will remain as an ordinary member of the Board.

The Chairman: I think it is better for the company with a new Chairman of the Board that is not as "close" to the business operations that I could get as a former Chief Executive Officer.

§ 9 Resolution regarding the adoption of the income statement and balance sheet and the Group income statement and Group balance sheet

The Meeting resolved to adopt the income statement for the financial year 2011-09-01–2012-08-31 and balance sheet as presented in the annual report for the parent company and the group as per 2012-08-31.

§ 10 Resolution regarding the distribution of the profits according to the adopted balance sheet

The Chairman of the Board presented the Board and the Chief Executive Officer's proposal that no cash dividend is to be distributed for 2011/2012, and that the profit of SEK 1,635,699,139 is carried forward.

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

§ 11 Resolution regarding discharge from liability of the members of the Board of Directors and the Chief Executive Officer

The company's auditor recommended the 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 for themselves.

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 Board members and deputy board members, as well as auditors, deputy auditors or audit firm

The nomination committee, represented by Evert Carlsson, presented the proposal to elect five Board members and one registered audit firm at the Meeting.

The Meeting resolved to elect five Board members and one registered audit firm.

§ 13 Determination of fees to the Board of Directors and the auditor

The nominations committee proposes that the fee to the Board of Directors and its committees shall be SEK 1,360,000 (unchanged since previous year). The proposal means that the Chairman of the Board is awarded SEK 360,000 and each other elected member of the Board is awarded SEK 180,000, that the chairman of the audit committee is awarded SEK 145,000 and that 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 that the other members of the committee are awarded SEK 10,000.

The Meeting resolved the remuneration in accordance with the proposal.

The remuneration paid to the company's auditor has been paid in accordance with customary norms for charging and approved invoice, and the proposal means unaltered conditions of remuneration for the new auditor.

The Meeting resolved that the conditions of remuneration to the new auditor should be unchanged.

§ 14 Election of the Board of Directors

The nominations committee proposes re-election of Amelia Adamo, Sonat Burman Olsson, Paul Frankenius and Christian W. Jansson. Jan Samuelson has declined re-election. The nominations committee proposes new election of Anders Bülow as ordinary member of the Board and appointment of Anders Bülow to Chairman of the Board acceding on December 1, 2012.

Each of the proposed and present members introduced themselves. The shareholders were given the opportunity to ask questions.

The Meeting resolved to appoint Amelia Adamo (re-nomination), Sonat Burman Olsson (re-nomination), Paul Frankenius (re-nomination), Christian W Jansson (re-nomination) and Anders Bülow (new-nomination) as Board of Directors, and to appoint Anders Bülow as Chairman of the Board (new-nomination) acceding on December 1, 2012.

Jan Samuelson was thanked.

§ 15 Election of auditor or audit firm

The nomination committee proposes new election of the registered audit firm Ernst & Young Aktiebolag, with the wish that authorized auditor Björn Grundvall is appointed as main responsible auditor. The term of office shall run until the next Annual General Meeting.

The authorized auditor Stefan Kylebäck presented the proposed audit firm. The shareholders were given the opportunity to ask questions.

The Meeting resolved to appoint Ernst & Young Aktiebolag as auditing firm until the next Annual General Meeting.

§ 16 Instructions and charter for the nomination committee

The Chairman presented how the instructions and procedures for the nomination committee had been presented and made available. The Chairman presented the nomination committee's proposal that the next nomination committee shall consist of four ordinary members, who shall be appointed by the four largest shareholders as of April 30. The term largest shareholders here refers to shareholders registered with Euroclear Sweden AB and grouped by ownership as of April 30. It was noted that the entire proposal should be considered to have been delivered.

: It is important that the persons included in the nomination committee represent all shareholders. Consideration should be given to elect the nomination committee members at the Annual General Meeting.

The Chairman noted that the members of the nomination committee should represent all shareholders.

The Meeting resolved to establish the routines and instructions according the nomination committee's proposal, Appendix 3.

§ 17 Remuneration policy for the company management

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 follow, in accordance with the auditor's opinion, the Remuneration policy which was adopted by the last annual general meeting. The proposal was found to be delivered in its entirety.

The Meeting resolved to adopt the Remuneration policy in accordance with Appendix 4.

§ 18 Proposal for resolution on a) amendment of Articles of Association; and 18 b) approval of the Board of Directors' resolution to issue new shares with preferential rights for current shareholders.

The Chairman accounted for the Board of Directors resolution of October 23, 2012, to increase the share capital by issuing new shares with preferential rights for current shareholders, and amendment of the Articles of Association in accordance with the terms set out in the notice to

attend the Meeting, Appendix 5, the Board of Directors' complete proposals, Appendix 6 and press releases, Appendix 7 and 8, conditioned by approval from the Meeting.

It was noted that the Meeting's decision is valid only if approved by shareholders holding at least two-thirds of the votes cast and the shares represented at the Meeting.

It was noted that the Meeting's decision according to 18 a) and 18 b) shall be adopted as one resolution, and that the rights issue is dependent on the amendment of the Articles of Association.

The Chairman presented the main terms and conditions of the rights issue. It was noted that the proposal shall be considered to have been presented as a whole, by the fact that it was *inter alia* available at the Meeting.

The shareholders were given the opportunity to ask questions.

: What are the company's costs for the guarantees?

Håkan Westin, Chief Financial Officer: The compensation to the guarantors corresponds to about 2,5 percent of SEK 249 million, i.e., about SEK 6 million.

The Meeting resolved, with the majority required, that is; with two-thirds of the votes cast and the shares represented at the Meeting, that the decision made by the Board of Directors on October 23, 2012 to increase the company's share capital by a rights issue with preferential rights for the shareholders and to amend the Articles of Association according to item 18 a) in the notice to attend the Meeting, should be approved.

Article 4 of the Articles of Association will be worded as follows:

"The share capital shall amount to no less than SEK thirty two million (32,000,000) and no more than SEK one hundred twenty eight million (128,000,000). The number of shares shall be no less than two hundred twenty five million (225,000,000) and no more than nine hundred million (900,000,000)."

The resolution included authorization for the Board of Directors to extend both the subscription period and the period of payment, and that the Chief Executive Officer, or the person whom the Chief Executive Officer appoints, shall be authorized to make minor changes in the resolution as may be required in connection with the registration of the decision with the Companies Registration Office and Euroclear Sweden AB.

§ 19 Proposal on a) amendment of the Articles of Association; and 19 b) a reverse share split.

The Chairman accounted for the Board of Directors proposal on a reverse split of shares, meaning that six shares are consolidated into one share and amendment of the Articles of Association in accordance with the terms set out in the notice to attend the Meeting, Appendix 5 and the Board of Directors' complete proposals Appendix 9.

It was noted that the Meeting's decision is valid only if approved by shareholders holding at least two-thirds of the votes cast and the shares represented at the Meeting.

It was noted that the Meeting's decision according to 19 a) and 19 b) shall be adopted as one resolution, and that the reverse share split is dependent on the amendment of the Articles of Association.

The Chairman presented the main terms and conditions of the reverse share split. It was noted that the proposal shall be considered to have been presented as a whole, by the fact that it was inter alia available at the Meeting.

The shareholders were given the opportunity to ask questions.

Why have you chosen a consolidation of six shares into one share and why should "excess" shares be transferred into the company's ownership?

The Chairman: The reason we have chosen this number of shares is because it, through the consolidation, corresponds to the number of shares prior to the rights issue last year. Transferring the excess shares to the company's ownership is the same as the shares are team-sold. The excess shares will be sold by a securities institution and the consolidation will take place after the rights issue.

Should not the shareholders who do not have even number of shares get shares from the guarantors, in order to achieve an even number in the reverse share split?

The Chairman: The reverse share split has nothing to do with guarantees issued.

The Meeting resolved, with the majority required, that is; with two-thirds of the votes cast and the shares represented at the Meeting that the Board of Director's proposal on a reverse share split and an amendment of the Articles of Association in accordance with item 19 a) in the notice to attend the Meeting, should be approved. It was noted that the Board of Directors was authorized to adjust the proposal to the "excess" shares sold on behalf of the shareholders in the event of adverse tax consequences for the company if the shares is transferred in its possession.

Article 4 of the Articles of Association will be worded as follows:

"The share capital shall amount to no less than SEK thirty two million (32,000,000) and no more than SEK one hundred twenty eight million (128,000,000). The number of shares shall be no less than thirty seven million five hundred thousand (37,500,000) and no more than one hundred fifty million (150,000,000)."

The resolution included authorization for the Board of Directors to extend both the subscription period and the period of payment, and that the Chief Executive Officer, or the person whom the Chief Executive Officer appoints, shall be authorized to make minor changes in the resolution as may be required in connection with the registration of the decision with the Companies Registration Office and Euroclear Sweden AB.

§ 20 Other Matters

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

§ 21 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 thanks to the management as well as to KappAhl's employees for their valuable contribution during the year. The Chairman thanked Bror Frid for his work as main responsible auditor for the company.

The Chairman declared the Meeting closed with greetings of a merry Christmas and a good KappAhl-year.

—

Verified

Keeper of minutes

Christian W. Jansson

Jonas Frii

(Chairman)

Gunnar Ek

Niklas Häggström