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## Presentation of the work of the Nomination Committee for the Annual General Meeting in 2013

The previous Annual General Meeting has decided that the Nomination Committee for the 2013 Annual General Meeting shall consist of four ordinary members, which shall be nominated by the four largest owners of the company as of 30 April 2013. One of the four largest shareholders in the company has declined to appoint a member to the committee, wherein the question was passed to the next shareholder in magnitude. The composition of the Nomination Committee for the Annual General Meeting on 4 December, 2013 was announced on the company's website before 4 June, 2013.

Christian W. Jansson (appointed by Dutot Ltd.), Rune Andersson (appointed by Mellby Gård AB), Evert Carlsson (appointed by Swedbank Robur Fonder AB) and Kristina Leffler (appointed by Livy Ltd.) are part of the Nomination Committee. Anders Bülow, Chairman of the Board, was co-opted to the committee. The Nomination Committee held its constituent meeting on 2 September 2013, and Evert Carlsson was appointed Chairman of the Committee.

The Committee has had three meetings in total, with contacts in between. The Committee has followed the rules of procedure for the Committee which the Annual General Meeting established and thus had the task to work out proposals to be presented at the 2013 Annual General Meeting with regard to:

- Chairman of the Annual General Meeting,
- Board of Directors,
- Chairman of the Board of Directors,
- Auditor or Accounting firm,
- Directors' remuneration (divided on the Chairman of the Board of Directors, other members of the Board of Directors and committee work), and
- Instructions and Rules of Procedures for the next Nomination Committee.

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

The Nomination Committee has noted the evaluation of the Board of Directors and considered what competence and qualities the members' of the Board of Directors should have. The Nomination Committee has strived for a continued good gender balance among the elected members.

The Nomination Committee proposes re-election of Amelia Adamo, Anders Bülow, Paul Frankenius, and Christian W. Jansson. Sonat Burman Olsson has declined re-election. The Nomination Committee proposes that Anders Bülow is elected Chairman of the Board of Directors. Furthermore, the Nomination Committee proposes election of Pia Rudengren as new ordinary board member.

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Amelia Adamo (born 1947), has been a member of the board of KappAhl since 2004. Amelia Adamo is also a member of KappAhl's Remuneration Committee. She is senior publisher of Bonnier Tidskrifter and founded the magazines amelia, Tara and M-magasin, where she is also editor in chief. Amelia Adamo, who has won the Swedish "Great Journalist Award" twice, was formerly the editor in chief of the magazines amelia and Vecko-Revyn and acting chief editor of the evening daily Aftonbladet. Amelia Adamo is also a member of the board of Bonnier Tidskrifter AB and SSRS Holding AB. Amelia Adamo has a B.A in social sciences from the University of Stockholm. As presented in the annual report, Amelia Adamo holds 33,333 shares in KappAhl.

Anders Bülow (born 1953), has been Chairman of the Board of KappAhl since December 2012. Anders is also a member of KappAhl's Remuneration Committee and Audit Committee. Anders is President of Mellby Gård Industri AB and Chairman of the Board of Duni AB. Anders Bülow has a bachelor degree in Business Administration from the University of Stockholm. As presented in the annual report, Anders Bülow holds no shares in KappAhl.

Paul Frankenius (born 1958), has been a member of the board of KappAhl since 2006. Before that he was Deputy CEO of KappAhl from 2002 and before then purchasing director and deputy CEO of Jeans & Clothes Sweden AB. Paul Frankenius is also chairman of the board of Swedbank Sjuhärad AB and Bockasjö AB and member of the board of Scorett Foot Wear AB. As presented in the annual report, Paul Frankenius holds 2 992 228 shares (through a company) in KappAhl.

Christian W. Jansson (born 1949), has been a member of the board of KappAhl since 2011 and is chairman of the board's Remuneration Committee and member of the Audit Committee. Before that, Christian was chairman of the board up until November 2012 and President of KappAhl from 2002. He is also chairman of the boards of Apoteket AB and Svensk Handel. Furthermore he is a member of the boards of Europris AS, Bong AB, the Confederation of Swedish Enterprise and BRIS – Children's Rights in Society. Christian W. Jansson holds a B.Sc. in Business Administration and an honorary doctorate in economics from the University of Lund. As presented in the annual report, Christian W. Jansson holds 13 382 367 shares (through a company) in KappAhl.

Pia Rudengren (f.1965), holds an MBA. She is currently board member and chairman of Social Initiative AB and Board member of Duni AB, Swedbank AB, Wemind AB, Metso Oyj and Tikkurila Oyj. Pia Rudengren has previously held senior management positions including Investor AB and W Capital Management AB. Neither Pia Rudengren nor any of her relatives hold shares or other securities in KappAhl.

It is the opinion of the Nomination Committee that Pia Rudengren possesses the competence, experience and background that is required and appropriate for KappAhl's business operations, development stage and otherwise.

The Nomination Committee has also discussed the issue of the members' of the Board of Directors independence, and found that out of the elected members whom the Nomination Committee proposes for re-election all, except for Christian W. Jansson, are independent of the company and its management, and all, except for Anders Bülow and Christian W. Jansson, are independent in relation to the company's major shareholders. The Nomination Committee has assessed that Pia Rudengren, who is proposed for new election, is independent in relation to the company and in relation to the company's major shareholders. The proposal of the composition of the Board of Directors therefore meets existing requirements of independent members.

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In conclusion, it is the Committee's opinion that the proposed Board of Directors has the competence and qualities required and which are appropriated to KappAhl's business, stage of development and otherwise. A good gender balance has been strived for among the Board members.

The Nomination Committee proposes re-election of Ernst & Young AB as accounting firm for KappAhl, with requests that Stefan Kylebäck is appointed as principally responsible auditor, for the period until the next Annual General Meeting.

Regarding the Board of Directors' remunerations and remunerations for committee work the Committee has suggested unchanged remunerations since previous year. The auditor's fee is proposed to be unchanged according to customary standards and approved invoice.

Finally, regarding Instruction and Rules of Procedure for next year's Nomination Committee, the Committee has proposed that the Instruction and Rules of Procedure shall remain unchanged.

All decisions of the Committee have been unanimous.

Möln dal, November 2013

Nomination Committee of KappAhl AB (publ)