

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 the Annual General Meeting in KappAhl AB (publ), 556661-2312, on Thursday December 6, 2018, at 10 am, at the company's office, Idrottsvägen 14 in Mölndal.

§ 1 Opening of the Meeting

The Meeting was opened by the Chairman of the Board, Anders Bülow. Present members of the Board and KappAhl's management introduced themselves.

§ 2 Appointment of Chairman of the Meeting

Upon proposal from the Nomination Committee and pursuant to the announced notice to attend the Meeting, **the Meeting resolved** to appoint the Chairman of the Board Anders Bülow as Chairman of today's 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.

It was noted by the Chairman that the minutes will include a summary of dissenting votes that have been cast through specific voting instructions from certain shareholders.

§ 3 Drawing up and approval of the voting list

It was noted by the Chairman 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 the voting list.

For the sake of good order, the Chairman 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.

The Meeting resolved to approve the proposed agenda.

§ 5 Election of one or more people to verify the minutes

The Meeting resolved, upon proposal from Joakim Winggren (representing his own shares), to appoint two persons to verify the minutes, and to appoint Henrik Winge (representing his own shares) and Lina André (representing the funds represented by Skandinaviska Enskilda Banken AB (publ)) as such persons to verify today's minutes.

§ 6 Consideration whether the Meeting has been duly convened

The Chairman noted that the Meeting had been convened through advertising in Post- och Inrikes Tidningar, Göteborgs-Posten and Svenska Dagbladet on November 8, 2018 and that the notice was kept available on the company's website.

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 reported how the work of the Board was carried out during the past year, and Pia Rudengren, Chairman of the Audit Committee, and Susanne Holmberg, Chairman of the Remuneration Committee and the Offer Committee, reported how the work in the Board's committees were carried out during the past year.

The Chairman noted that the Nomination Committee prior to the Meeting had consisted of Rune Andersson (appointed by Mellby Gård AB), Marianne Nilsson (appointed by Swedbank Robur Fonder AB), Elisabet Jamal Bergström (appointed by Handelsbanken Fonder AB) and Johan Strandberg (appointed by SEB Fonder) and that the Chairman of the Nomination Committee was Rune Andersson.

Following the reports by the Chairman, Pia Rudengren and Susanne Holmberg, the shareholders were given the opportunity to ask questions.

§ 8 Presentation of the annual accounts and the auditor's report for 2017/2018 and the consolidated accounts and auditor's report for the Group for 2017/2018. Business report by the Chief Executive Officer

The Chairman reported on how the annual accounts and the auditor's report and the consolidated accounts and auditor's report for the Group had been presented and made available.

The Meeting resolved that the annual accounts and the auditor's report and the consolidated accounts and auditor's report for the Group had been duly presented.

The company's auditor, through the authorized auditor Eva Carlsvi as the principally responsible auditor for PwC (Öhrlings PricewaterhouseCoopers AB), presented the auditor's report, the report on the Corporate Governance Statement and the report on whether the guidelines adopted by the Annual General Meeting regarding remuneration to the senior management have been complied with and recommended discharge from liability for the members of the Board of Directors and the Chief Executive Officers.

Following the presentation by Eva Carlsvi, the shareholders were given the opportunity to ask questions.

The company's acting Chief Executive Officer and group Chief Executive, Göran Bille, gave a presentation on the company's operations, and related mainly to the presentation in [Appendix 3](#).

After the presentation by Göran Bille, the shareholders were given the opportunity to ask questions.

What is your view on the relationship between physical stores and e-commerce, and what is your view on the future of e-commerce?

Göran Bille: E-commerce is an important part of our expansion, but physical presence is also important as it creates a customer flow to our e-commerce. Therefore, the physical store network and e-commerce go hand in hand, and it is important that KappAhl has a physical as well as a digital presence in the future.

E-commerce should mean lower stock volumes, but that does not seem to be the case for KappAhl?

Göran Bille: Currently, our stock for stores and e-commerce are managed separately, but our ambition is to consolidate these stocks in order to be able to lower our stock levels.

The Chairman: We have also implemented measures that allow us to shorten the lead times from ordering and production to delivery of goods in order for us to be able to achieve a more optimal stock level and increase the stock turnover rate.

In general, you have a lower turnover per store abroad, for example in the UK. How high turnover is required for a store to be profitable?

Göran Bille: In the UK, we have established smaller store units (Newbie) compared to Sweden. Most stores in the UK are profitable, and the turnovers per square meter are

generally higher in the UK than for KappAhl's average store. The store network in the UK focuses on creating customer awareness about Newbie, which we consider to be an important tool for our establishment on this market.

What do you mean by sustainable fashion?

Göran Bille: We have several activities aimed at creating sustainable fashion. Among other things, we encourage our suppliers and industry colleagues to work more sustainable, for example, by reducing the use of water and energy in order to minimize the environmental impact. We also work actively to improve the working conditions in individual manufacturing countries.

Given that the "recycled garment" was named the Christmas gift of the year, how does second hand sales affect KappAhl?

Göran Bille: The second hand sale is a small competitor in this context, but it is important for KappAhl to follow the movements. Among other things, we collect old textiles in our stores. We have also noticed an active second hand market for children's clothing from our Newbie line, which we find very positive.

I would like to start by complimenting your annual report which contains good and transparent information about the company.

The annual report shows that the average store has a turnover of approximately MSEK 13. In general, what is required to achieve profitability in each store?

Göran Bille: Each store has its own cost situation depending on the geographic location of the store, which primarily affects the rent level. This means that there is no direct correlation between the turnover of a store and its profitability.

Rent levels have generally increased in recent years, what does that mean for KappAhl and how do you handle it?

Göran Bille: Increased rent levels are something we mainly see in the urban areas and we are constantly negotiating with the property owners in order for us to keep our rental costs as low as possible. We also work to reduce and use the floor space in our existing premises in a more efficient manner.

KappAhl produces approximately 7,700 unique items each year, how do you manage to get that many items on the market?

Göran Bille: We strive for a clarity in our offer and that means that a certain number of items are required in our assortment.

In recent years, several board members have been replaced. How does the work of the Board function with that many new board members from different industries? Is the current Board composition appropriate?

The Chairman: The current Board composition works well and it is valuable with many different competences and experiences within the Board as it contributes to create an important breadth of competence.

KappAhl's turnover has largely remained unchanged over the past five years and even the gross margin has remained unchanged. How will you handle future developments?

The Chairman: That is not really the whole picture. The children's range, Newbie in particular, has had a very good development in recent years and we have a fundamentally sound children's store with a strong brand potential. However, the women's segment has had a weaker development during a longer time period. In the future, we must do the right things to strengthen KappAhl's offer towards the woman customer and in order to do this, we must create full consensus and understanding of who our primary customer is.

You propose a relatively large dividend of SEK 2.00 per share, which corresponds to approximately two thirds of your net profit. Do you see a positive future?

The Chairman: We have a low indebtedness which allows this dividend to be distributed to our shareholders.

Do you intend to introduce cashless stores?

Göran Bille: We have already introduced several cashless stores and we will most likely introduce more in the future.

Why do you still have the men's line?

Göran Bille: We believe that our men's line is an important business that complements our offer.

§ 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 2017-09-01 – 2018-08-31 and balance sheet as presented in the annual accounts for the parent company and the Group as per 2018-08-31.

§ 10 Resolution regarding the distribution of the company's result according to the adopted balance sheet

The Chairman presented the Board's proposal that a cash dividend of 2.00 SEK per share, equivalent to SEK 153,640,760, is to be distributed for the financial year 2017/2018, and that the remaining profit shall be carried forward. The proposed record day for the dividend was Monday December 10, 2018. The expected date of payment of dividend via Euroclear Sweden AB is Thursday December 13, 2018.

The Meeting resolved that available profits should be distributed in accordance with the proposal from the Board.

§ 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 discharge the members of the Board and the Chief Executive Officers from liability for the financial year. The Chairman noted that the company had two Chief Executive Officers during the financial year and that the resolution regarding discharge from liability thus refers to the acting Chief Executive Officer Göran Bille as well as the former Chief Executive Officer Danny Feltmann Espersen. It was further noted that the members of the Board and the Chief Executive Officer, who are shareholders, cannot themselves, or through a representative, take part in the Meeting's resolution on discharge from liability for themselves.

The Meeting resolved to grant the members of the Board and the Chief Executive Officers discharge from liability for the administration of the company during the financial year. It was noted that members of the Board and the Chief Executive Officer, who are shareholders, did not themselves, or through a representative, take part in the Meeting's resolution on discharge from liability for themselves.

§ 12 Determination of the number of members of the Board of Directors and deputy members of the Board of Directors and number of auditors, deputy auditors or accounting firm

The report by the Nomination Committee, which had been available prior to the Meeting, was presented by Marianne Nilsson.

The Nomination Committee, represented by Marianne Nilsson, presented the proposal that seven ordinary members of the Board and one registered accounting firm should be elected at the Meeting.

The Meeting resolved to elect seven ordinary members of the Board and one registered accounting firm.

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

Marianne Nilsson presented the Nomination Committee's proposal that the fees to the Board of Directors and its committees shall be SEK 2,019,000, which means an unchanged fee per member since previous year. The proposal means that the Chairman of the Board is awarded SEK 400,000 and each other elected member of the Board is awarded SEK 200,000, that the chairman of the Audit Committee is awarded SEK 160,000 and that each other member of the committee is awarded SEK 100,000, and that the chairman of the Remuneration Committee is awarded SEK 35,000 and that each other member of the committee is awarded SEK 12,000.

The Meeting resolved on fees in accordance with the proposal from the Nomination Committee.

Marianne Nilsson: The fees paid to the company's auditor has been paid in accordance with customary standards and approved invoice, and the proposal means unchanged conditions of fees as the previous Annual General Meeting resolved upon.

The Meeting resolved that the fees for the auditor should be unchanged.

§ 14 Election of the Board of Directors

Marianne Nilsson presented the Nomination Committee's proposal regarding re-election of the ordinary Board members Anders Bülow, Cecilia Kocken, Göran Bille, Kicki Olivensjö, Pia Rudengren, Susanne Holmberg and Thomas Gustafsson, and re-election of Anders Bülow as Chairman of the Board.

The shareholders were given the opportunity to ask questions.

The Meeting resolved to appoint each of Anders Bülow (re-election), Cecilia Kocken (re-election), Göran Bille (re-election), Kicki Olivensjö (re-election), Pia Rudengren (re-election), Susanne Holmberg (re-election) and Thomas Gustafsson (re-election) as Board of Directors and to appoint Anders Bülow as Chairman of the Board (re-election).

§ 15 Election of auditor or accounting firm

Marianne Nilsson: In accordance with the recommendation from the Audit Committee, the Nomination Committee proposes re-election of the registered accounting firm PwC (Öhrlings PricewaterhouseCoopers AB), with the request that the authorized auditor Eva Carlsvi is appointed as the principally responsible auditor. The term of office shall run until the next Annual General Meeting.

The Meeting resolved to appoint PwC as the accounting firm until the next Annual General Meeting.

§ 16 Instructions and charter for the Nomination Committee

The Chairman presented how the instructions and charter for the Nomination Committee had been presented and made available. The Chairman presented the Nomination Committee's proposal that the 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 the shareholders registered with Euroclear Sweden AB and grouped by ownership as of April 30. The proposal in its entirety was found to be presented.

The shareholders were given the opportunity to ask questions.

The Meeting resolved to adopt instructions and charter in accordance with the Nomination Committee's proposal, [Appendix 4](#).

§ 17 Remuneration policy for the company management

The Chairman presented material parts of the proposal as it had been presented in the notice to attend the Meeting and made available in its entirety before and at the Meeting. The proposal in its entirety was found to be presented.

The shareholders were given the opportunity to ask questions.

The Meeting resolved to adopt the Remuneration policy for the company management in accordance with the Board's proposal, Appendix 5.

§ 18 Any other matters

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

§ 19 Closing of the Meeting

The Chairman noted that all resolutions were adopted with the required majority and that dissenting votes had occurred through special voting instructions in accordance with Appendix 6.

Furthermore, the Chairman noted that the Chief Executive Officer was authorized to make such minor adjustments of the resolutions that may be necessary for registration of the resolutions.

The Chairman thanked all who had attended the Meeting and then declared the Meeting closed.

(Signature page follows)

Verified

Keeper of the minutes

Anders Bülow
(Chairman of the Meeting)

Jonas Frii

Henrik Winge

Lina André

Appendix 3



2017/2018 – ETT UTMANANDE ÅR

Göran Bille, tfvd och koncernchef

KappAhl

KappAhl

Vår omvärld

VÄXANDE MODEMARKNAD

KÖPPUPPLEVELSEN I FOKUS

OMNI CHANNEL - VÄGEN FRAMÅT

PERSONLIGARE RELATION TILL KUND

CIRKULÄRT OCH HÅLLBART MODE

Vår affärsplan
"CLARITY FOR THE CUSTOMER"

KOORDINERAT SORTIMENT

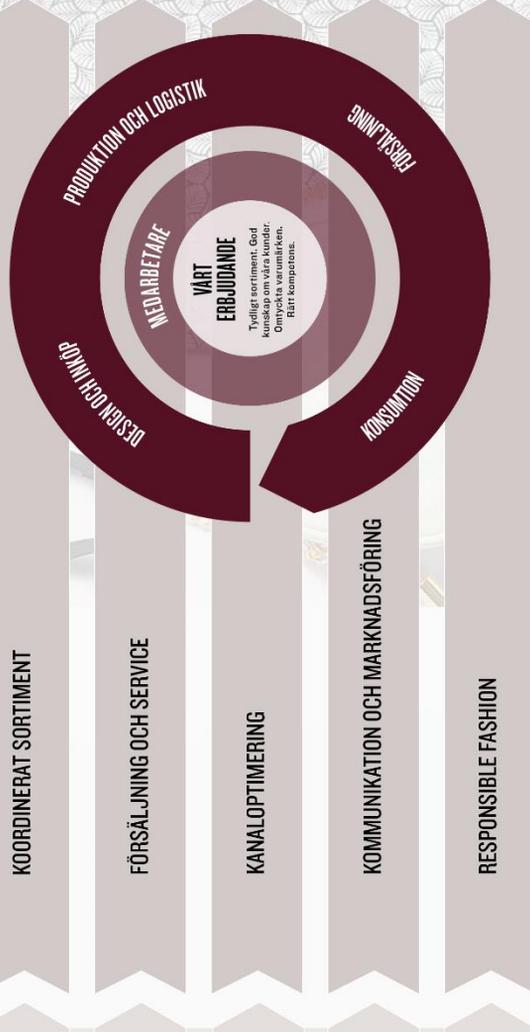
FÖRSÄLJNING OCH SERVICE

KANALOPTIMERING

KOMMUNIKATION OCH MARKNADSFÖRING

RESPONSIBLE FASHION

Vår värdekedja



Våra mål

TILLVÄXT

4%

KÖPPELSMARGINAL

10%

FÖRSTÅNDSVALET
FÖR Vår KUND

EMPLOYEE NET PROMOTER SCORE

>25

MEDARBETARNA HAR
FÖRTÖNDE FÖR KAPPAHL'S
HÅLLBARHETSARBETE

7,0

VÅRA KUNDGRUPPER

KVINNAN

50%

- Kvinnan som i första hand shopper till sig själv.
- KappAhls huvudkund – Kvinnan mitt i livet.
- Ålder 40+



FÖRÄLDERN

- Föräldrar som primärt handlar till sina barn.
- I första hand kvinnan som handlar till barnen på KappAhl.
- Ålder 25-44



40%

MANNEN

10%

- Mannen som i första hand shopper till sig själv.
- Ålder 40-59



NEWBIE-KUNDEN

- Föräldrar som primärt handlar till barnen.
- I första hand kvinnan som handlar Newbie-kläder till barnen.
- Ålder 20-39



KappAhl

2017/2018

ETT UTMANANDE ÅR

- Utmaningar på KappAhl
 - Pris- och kampanjstrategierna räckte inte till under Q1-Q2
 - Utvecklingen av varuflödet inte optimalt.
 - För begränsat erbjudande på Dam och Herr.
- Marknad i transformation
- Tuff konkurrens
- Vädereffekter



KappAhl

2017/2018

EN STARKARE POSITION

- Norge och Polen ökade sitt bidrag.
- Fortsatt ökning på Barn.
- Expanderande butiksnätverk
 - KappAhl 347 butiker
 - Öppnade 4 / stängde 4 / byggde om 23
 - Newbie Store 22 butiker
 - Öppnade 11 / stängde 1
 - Framgångsrik etablering i Storbritannien

KappAhl





2017/2018

EN STARKARE POSITION

- Intensivt utvecklingsarbete med digitala lösningar
 - Omni-tjänsterna utvecklas väl.
 - E-handeln ökar 38%.
 - Över 50% Click&Collect.
 - Handla online i butik ökar.
 - Lansering av digitala betalningslösningar även i butik
- Ny kundtjänst medfört ökad kundservice och bidrag till försäljningen.

KappAhl

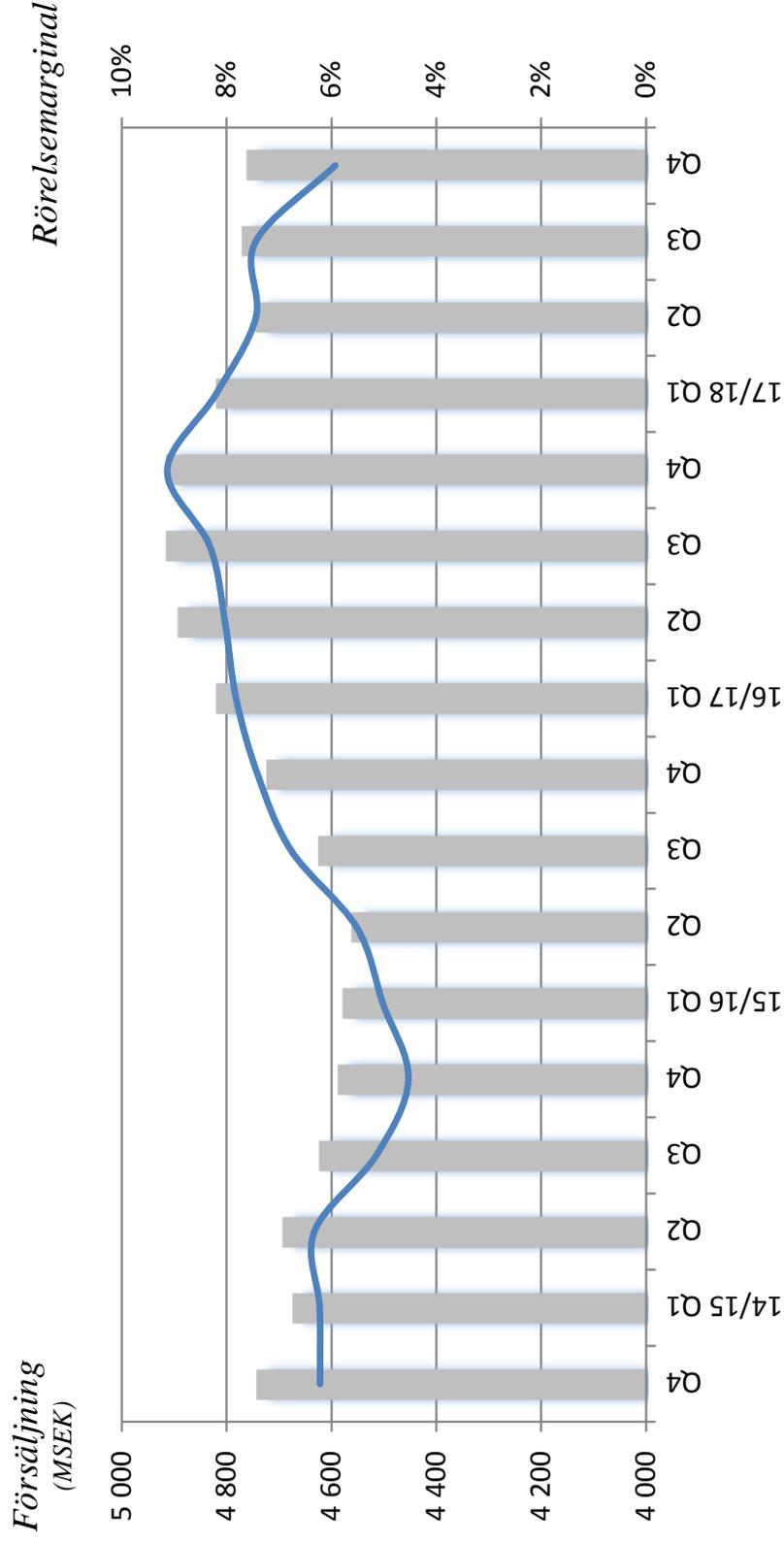


RESULTAT

	17/18	16/17
Omsättning (MSEK)	4 760	4 916
Bruttomarginal (%)	61,8	62,2
Rörelseresultat (MSEK)	282	448
Rörelsemarginal (%)	5,9	9,1
Kassaflöde (MSEK)	294	572
Soliditet (%)	57,6	67,4

KappAhl

UTVECKLING, RI2



Hållbarhet

RESPONSIBLE FASHION



- Andel hållbarhetsmärkt sortiment 57 (53)%.
- Implementerat styrkort för hållbar design.
- Blivit medlemmar i Sustainable Apparel Coalition.
- One Bag Habit minskade användningen av påsar med 70%.

KappAhl





Framåt

KUNDENS NR. 1

Fokus på aktiviteter som skapar god kvalitet i försäljningen

- Attraktiva varumärken och sortiment
 - Expansion i Polen
 - Fortsatt expansion för Newbie Store
- Välkoordinerade kampanjer
- Välskött varuflöde
- Kostnadskontroll

KappAhl



HÄNT I HÖST

- Förändringar i koncernledningen
- Första snabba kollektionen i butik just nu.
- 4 nya KappAhl och 9 ombyggda.
- 8 nya Newbie Store, 1 stängd.





Välkommen till

KAPPAHL.SE

Appendix 4

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

INSTRUCTIONS AND RULES OF PROCEDURE FOR THE NOMINATION COMMITTEE IN KAPPAHL AB (PUBL)

It is proposed that the Annual General Meeting adopts the following instructions and rules of procedure for the Nomination Committee.

1. Overall responsibilities and objectives

The Nomination Committee (Sw. Valberedningen), (the “**Committee**”) is appointed in accordance with the routines resolved upon by the Annual General Meeting in KappAhl AB (publ) (the “**Company**”). The Committee shall, in its work, follow the Swedish Corporate Governance Code (Sw. Svensk kod för bolagsstyrning). The Company and its at any time existing subsidiaries are hereinafter referred to as the “**Group**”. The main objective and responsibility of the Committee is to present proposals for the nomination of Chairman and members of the Board of Directors and auditor(-s). The Committee shall also render recommendations for remuneration to such individuals.

2. Appointment of the Committee

It is proposed that the Committee shall consist of four regular members, representing the four largest owners in the Company as of April 30. The Chairman of the Board of Directors shall, when such ownership information is available, contact the four largest owners, and shall also be co-opted to the Committee. The members of the Committee shall be announced no later than six months before the Annual General Meeting. The term largest owners refers to shareholders registered with Euroclear Sweden AB and ownership grouped as of April 30. If any of the four largest owners refrain from appointing an owner representative, or if an owner representative resigns or relinquishes the position before the assignment is completed, the Chairman shall encourage the next owner in size (i.e. first the fifth largest owner) until the tenth largest owner to within a week from the encouragement appoint an owner representative. If, despite such encouragement, only three owner representatives have been appointed as of July 1, the Committee shall be able to constitute itself with three ordinary members and the Committee shall then be able to decide whether the procedure to designate a fourth member should continue or not.

In the event of a significant change of ownership among the largest owners after April 30 but which occurs earlier than eight weeks before the Annual General Meeting, and if a shareholder, who after this change has become one of the four largest shareholders (or the three largest if the Committee has made such a decision as above mentioned), the Committee shall contact and offer the shareholder to be a member of the Committee either by deciding that the shareholder shall replace the smallest shareholder after the change, or by expanding the Committee with one more member. When deciding in accordance with the preceding sentence, the new member shall participate and the member appointed by the smallest owner shall not participate.

3. Duties

The Committee shall:

Represent all of the owners of the Company in matters falling within the scope of the tasks of the Committee.

Evaluate to what extent the Board of Directors satisfies requirements based on the Group's business, future development and independence criteria, e.g. by reviewing the results from the Board of Directors' evaluation.

Establish requirement profiles for members of the Board of Directors.

Evaluate the appropriate number of members for the Board of Directors.

If necessary, perform a systematic procedure to find new candidates.

Communicate with the Audit Committee when, if applicable, considering proposals for auditor(s) and their remuneration.

Publish proposals in the notice for the Annual General Meeting and on the Company's website.

Attend, present and motivate its proposals to the Annual General Meeting.

Describe its working procedure on the Company's website.

Further, in performing its duties, the Committee shall maintain an effective working relationship with the Board of Directors. To perform his or her role effectively, each member of the Committee shall develop and maintain his or her knowledge and understanding of the Committee's responsibilities and of the Group's business and operations.

The Committee has the right to, if necessary, in connection with future election of new member of the Board of Directors, obtain material from an external consultant regarding knowledge, experience and profile for suitable candidates, with a right for the Committee to charge the Company with reasonable cost for such material, provided such cost is accounted for at the next Annual General Meeting.

4. Organization

4.1 Membership etc.

(i) The Annual General Meeting shall decide upon such routines by which the members of the Committee are nominated.

(ii) The Committee appoints its Chairman. The Chairman of the Board of Directors shall not be the Chairman of the Committee. In case of equal votes in the Committee, the Chairman shall have the casting vote.

(iii) The Committee shall consist of such number of members as decided upon according to the above-mentioned and that the Swedish Corporate Governance Code provides.

(iv) The majority of the members of the Committee shall not be members of the Board of Directors. The Chief Executive Officer and other members of senior management of the Company may not be members of the Committee.

(v) The Secretary of the Board of Directors shall also be the Secretary of the Committee.

KappAhl

4.2 Meetings

(i) The Committee shall meet as often as necessary in order to fulfill its duties and responsibilities, but not less than twice a year. The meetings shall be held at appropriate time, taking into consideration when the Annual General Meeting is to be held.

(ii) Meetings are to be convened by the Chairman of the Committee, but can also be convened by any other members of the Committee.

(iii) The person convening a meeting shall circulate an agenda which shall be drafted together with the Chairman of the Committee one week before the Committee meeting. Supporting documentation shall be circulated at the same time if possible.

(iv) Minutes of the meetings shall be kept by the Secretary of the Committee and be securely filed.

(v) The Secretary of the Committee shall circulate the minutes of the meeting to members of the Committee within two weeks from a Committee meeting.

5. Reporting responsibilities etc.

5.1 Reporting responsibilities

The Committee may regularly update and report to the owner(s) who appointed the members. The Committee's members may not, without permission, disclose what has occurred in its work.

5.2 Review of the Committee's rules of procedure

The Committee shall annually review its rules of procedure and instructions.

November 2018

Appendix 5

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

REMUNERATION POLICY

This remuneration policy covers salary and other terms for the management of KappAhl AB (publ) (“**KappAhl**”), including salary and terms for the Chief Executive Officer, (below jointly referred to as “**Management Persons**”).

This remuneration policy shall apply to any agreement entered into and any amendment to existing agreements with Management Persons after the policy has been established by the Annual General Meeting.

1. Fundamental principle

Salary and other employment terms and conditions shall enable KappAhl to attract and retain competent Management Persons.

2. Fixed salary

Management Persons shall be offered a market level fixed salary based on the employee’s responsibilities and behaviour. Salary shall be established for calendar year periods.

3. Bonuses etc.

Management Persons may from time to time be offered bonuses. The Chief Executive Officer and the Chief Financial Officer may be offered a bonus of a maximum of 50 percent of the fixed salary and other management persons may be offered a bonus of a maximum of 33 percent of the fixed salary. Bonuses may on the initiative of a Management Person, before the bonus is disposable, be converted into extra pension provision payment, through so called salary reduction plan.

Bonuses shall primarily be based on the operating profit (EBIT), or in exceptional cases in other measurable criteria, of the KappAhl Group and shall be established per each financial year. If all goals are fulfilled the total variable remuneration for the financial year 2018/2019 is expected to amount to not more than approximately MSEK 7 including social security payments.

The Board of Directors and the Remuneration Committee shall annually assess if some form of share-related incentive program shall be presented to the Annual General Meeting.

4. Non-monetary benefits

Management Persons are entitled to extra health insurance as well as all benefits enjoyed by other employees of the Group.

5. Pension

In addition to what is agreed in collective agreements or other agreement, Management Persons are entitled to arrange individual pension schemes. Relinquished salaries and bonuses can be used for increased pension provisions, provided that the total cost for KappAhl is unchanged over time.

6. Notice of termination etc.

Management Persons and KappAhl must normally observe a mutual period of six months' notice of termination. Severance payment in excess of unchanged salary during period of notice may occur for the Chief Executive Officer and may amount to a maximum of twelve months salary, less wages paid in other employment.

7. Preparations and decision-making of the Board of Directors

The Remuneration Committee shall give recommendations to the Board of Directors.

The Remuneration Committee proposes and the Board of Directors makes decisions relating to the Chief Executive Officer's salary as well as his other employment terms and conditions. The Remuneration Committee makes decisions relating to salaries and other employment terms and conditions for the other Management Persons.

The Board of Directors shall be entitled to deviate from these guidelines in individual cases if there are special reasons for doing so.

November 2018