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Minutes from Extraordinary General Meeting in KappAhl AB (publ), 556661-2312, on November 8, 2011 at 10.00 hrs, in Mölndal.

§ 1 Opening of the Meeting and election of chairman of the Meeting

The Meeting was opened by the Board member, Jan Samuelsson. It was noted that the Chairman of the Board Finn Johnsson could not attend the Meeting due to journey.

The Meeting resolved to appoint Jan Samuelsson as Chairman of the Meeting. The Chairman noted that lawyer Jonas Frii had been requested by the Board to serve as Secretary at the Meeting and thus keep today's minutes.

§ 2 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 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.

§ 3 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.

§ 4 Election of one or more persons to verify the minutes and check the votes

The Meeting resolved, upon proposal from Håkan Westin (representing his own shares, Amelia Adamo, Mari Svensson and Dutot Ltd), to appoint two persons to verify the minutes, and to appoint Günther Mårder (representing Sv Aktiesparares Riksförbund) and Jesper Rundbäck (representing Länsförsäkringar Jönköping) 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 Günther Mårder (representing Sv Aktiesparares Riksförbund) and Jesper Rundbäck (representing Länsförsäkringar Jönköping), both as such voting supervisors in a potential voting.

§ 5 Consideration whether the Meeting has been duly convened

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

The Meeting resolved that the Meeting had been duly convened.

§ 6 Resolution on amendment of the Articles of Association article 6

The Chairman accounted for the Board of Directors proposal to amend the Articles of Association so that it meet the changed provisions of the Swedish Companies Act meaning that the full notice to attend shareholders' meetings shall be published only in the official announcement organ Post och Inrikestidningar and at the company's website, while an advertisement that notice to attend a shareholders' meeting has been announced is published in the newspapers Göteborgs-Posten and Svenska Dagbladet. At the same time, the provisions regarding deadlines for notice to attend shareholders' meetings set out in the Articles of Association shall be discarded since the regulations are provided in the Swedish Companies Act.

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

The Meeting resolved to adopt the proposal to amend the Articles of Association article 6 meaning that article 6 shall be worded as follows: "Notice to attend a shareholders' meeting shall be published in Post och Inrikestidningar and at the company's website. The fact that notice to attend a shareholders' meeting has been announced shall be published in Göteborgs-Posten and Svenska Dagbladet.", Appendix 3.

§ 7 Resolution on: a) amendment of the Articles of Association article 4; b) amendment of the Articles of Association article 4; and c) 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 10, 2011, to increase the share capital by issuing new shares with preferential rights for current shareholders, and to amend the Articles of Association in accordance with the terms set out in the notice to attend the Meeting, Appendix 4, the Board of Directors' complete proposals, Appendix 5, the Board of Directors' accounts for significant events, Appendix 6, statement from the Auditor, Appendix 7, and press releases, Appendix 8 – 9, conditioned by approval from the Meeting.

It was noted that the Board of Directors had withdrawn the proposal according to item 7 b) at the notice to attend the Meeting when determining the final terms of the rights issue.

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, and that the decision is conditioned that the majority decision received does not include shares held and represented at the Meeting by Dutot Ltd. and Mellby Gård AB.

It was noted that the Meeting's decision according to 7 a) and 7 c) 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 i.a. available at the Meeting.

The shareholders were given the opportunity to ask questions.

1: How many votes are necessary for the rights issue to pass? Also, what are the costs for the rights issue and were there any other ways to reduce the costs? Why are the guarantors getting paid? Are all shareholders being treated equally in the allotment?

The Secretary: Not including the shares held by Dutot Ltd. and Mellby Gård AB the number of shares represented at the Meeting is 7,734,078, and for the resolution to be valid shareholders representing at least two-thirds of these shares has to vote in favor of the proposal.

The Chairman gave the word to Håkan Westin (Chief Financial Officer): The costs for the rights issue will be presented in the prospectus. Preliminary calculations made by the Board of Directors estimate that the costs will be somewhere around MSEK 18, whereof MSEK 11 represent fees for parts of the guarantors' subscription exceeding their own share, and MSEK 7 represents costs for financial advisors and similar.

The Chairman: When the Board of Directors decided on the rights issue the most important thing was to ensure that the issue was guaranteed and to achieve a good solution for KappAhl

and its shareholders. The fees to the guarantors are relatively low in comparison to similar cases, and apart from this shareholders and guarantors are treated equally. The fees to the guarantors are paid to get the rights issue guaranteed and the Board of Directors has deemed this to be in the best interest of the company. All shareholders are treated equally in the allotment.

: Can the rights issue be said to be in line with KappAhl's earlier dividend policy, and is the rights issue demanded by the banks? Why did the company resolve on cash dividend at earlier shareholders' general meetings?

The Chairman: The rights issue is dimensioned by the needs of the company. It is not a result of demands made by the banks.

The Chairman gave the word to Chief Executive Officer: KappAhl has not violated the terms and conditions set out in the loan agreements. Resolutions on dividend in past years have been based upon the situation each respective year.

Aktiespararnas Riksförbund has earlier pointed out the debt ratio of KappAhl as a worrying factor. We request a presentation which highlights the Boards' motives for the rights issue.

The Chairman gave the word to Chief Executive Officer: The main reason is that we wanted to strengthen our balance sheet. The reasons for the rights issue have been presented and made available in advance of this Meeting; in the notice to attend the meeting, in the complete proposal and in press releases. KappAhl has on October 31, 2011 published a press release specifying i.a. how sales are progressing. By doing so, we have made all information regarding the motives that we know public.

: How are you going to market the subscription?

Håkan Westin (Chief financial officer): The issue price set at SEK 4 is modest, and it is the company's belief that this is an attractive investment for the shareholders. The subscription will be marketed in the prospectus and on particular application forms for subscription.

: It is our understanding that there are reasonable explanations for not resolve on the rights issue at the Annual General Meeting, but we would also like to point out that you could have rescheduled the Annual General Meeting to an earlier date. Even if the fees to the guarantors are low in comparison to if you ask the banks to guarantee the issue, it is our opinion that you could have lowered the cost of the guarantors by issuing an unguaranteed share issue with preferential rights, following up with a directed share issue should the original share issue not be fully subscribed. This method has not been tested under these circumstances but should be considered in general for new share issues.

The Chairman: The Board of Directors has considered it to be important that the rights issue was guaranteed and carried out in familiar way to the market. There are no established alternatives for carrying out a new share issue other than what will be done by KappAhl.

: Does KappAhl intend to implement a new business concept?

Chief Executive Officer: KappAhl believe in its business concept, and intends to proceed accordingly, meaning i.a. that our focus shall be middle-aged women since they are consumers with great purchasing power.

The Chairman concluded that all questions had been answered and proposed that the Meeting moved on to resolve on the issue.

The Meeting resolved, with the majority required, that is; with two-thirds of the votes cast and the shares represented at the Meeting, not including any shares held and represented at the Meeting by Dutot Ltd. and Mellby Gård AB, that the decision made by the Board of Directors on October 10, 2011 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 7 a) in the notice to attend the Meeting, should be approved.

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

"The share capital shall amount to no less than SEK ten million (10,000,000) and no more than SEK forty million (40,000,000). The number of shares shall be no less than seventy million (70,000,000) and no more than two hundred eighty million (280,000,000)."

The resolution included authorisation for the Board of Directors to extend both the subscription period and the period of payment for the guarantors Dutot and Mellby Gård as far as regards subscription made in their capacity as guarantors, 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.

§ 8 Closing of the Meeting


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

It was noted that all resolutions were adopted by necessary majority, after which the Chairman declared the Meeting closed.

Verified

Jan Samuelsson

Keeper of minutes


Jonas Frii

Jesper Rundbäck

Günther Mårder