
PRESS RELEASE

Möln dal / 4 November 2014



KAPPAHL INVITES TO ANNUAL GENERAL MEETING

KappAhl AB's (publ) Annual General Meeting will be held at 10.00 am on Wednesday 3 December 2014 at KappAhl's head office, Idrottsvägen 14, Möln dal, Sweden. Notification to participate should be made, preferably by 12 o'clock noon, on Thursday 27 November 2014.

At the Annual General Meeting the following matters, inter alia, are proposed to be dealt with:

- The Board of Directors' proposal about the resolution regarding the adoption of the income statement and balance sheet, distribution of the Company's result (proposed dividend of 0.75 SEK per share) and an unchanged remuneration policy for the company management,
- The Nominations Committee's proposal that Anders Bülow is appointed chairman of the Annual General Meeting, that five board members are appointed, that remuneration to the Board of Directors and the committees are unchanged, that Amelia Adamo, Anders Bülow, Christian W Jansson and Pia Rudengren are re-elected as ordinary members of the Board of Directors, that Susanne Holmgren is elected as new ordinary member of the Board of Directors and that Anders Bülow through re-election is elected as chairman and that Ernst & Young AB through re- election is elected as accounting firm.

The full version of the notice follows below.

Notification

Shareholders wishing to participate in the Meeting must be registered in the share register kept by Euroclear Sweden AB no later than Thursday November 27, 2014, and have given notice of their attendance and potential advisers on the same date, preferably by 12 o'clock noon, via email to stamma@kappahl.com. Notification of attendance can also be given by telephone on +46 31 771 55 00, fax +46 31 771 58 15, or by post to KappAhl AB, Årsstämma, P.O. Box 303, 431 24 Möln dal, Sweden.

The notification must state the name, address, telephone number, corporate or personal identity number and registered shareholding. Any powers of attorney must be in writing and be submitted no later than, but preferably before, the Annual General Meeting. A physical person representing a legal person shall also submit a certified copy of the certificate of registration. The term of a power of attorney may not exceed five years from the issue. KappAhl provides power of attorney forms upon request, and these are also available at the KappAhl's website www.kappahl.com/ir.

Shareholders whose shares are registered in the name of a nominee through a bank's trust department or a private securities dealer must temporarily register the shares in their own name to be entitled to participate in the

PRESS RELEASE

Meeting. Such temporary registration of ownership must be effected no later than Thursday November 27, 2014. This means that the shareholder must notify the nominee of this well in advance of that date.

Accounts and complete proposals

The accounts and audit report will be available at the latest on Wednesday November 12, 2014, and will thereafter be sent to shareholders upon request, and are also available at www.kappahl.com/ir and at KappAhl's head office in Mölndal, Idrottsvägen 14. Complete proposals are included in this notice or will be available at the latest by Wednesday November 12, 2014 at www.kappahl.com/ir and at KappAhl's head office. Copies will be sent to shareholders upon request.

Agenda

1. Opening of the Meeting.
2. Election of chairman of the Meeting.
3. Drawing up and approval of the voting list.
4. Approval of the agenda.
5. Election of one or more people to verify the minutes and check the votes.
6. Consideration whether the Meeting has been duly convened.
7. Presentation of the work of the Board of Directors and its committees.
8. Presentation of the annual accounts and the Auditor's report for 2013/2014 and the consolidated accounts and auditor's report for the Group for 2013/2014. Business report by the Chief Executive Officer.
9. Resolution regarding the adoption of the income statement and balance sheet and the Group income statement and Group balance sheet.
10. Resolution regarding the distribution of the Company's result according to the adopted balance sheet.
11. Resolution regarding discharge from liability of the members of the Board of Directors and the Chief Executive Officer.
12. Determination of the number of Board members and deputy board members and number of auditors, deputy auditors or accounting firm.
13. Determination of fees to the Board of Directors and the Auditor.
14. Election of the Board of Directors.
15. Election of auditor or accounting firm.
16. Instructions and charter for the Nomination Committee.
17. Remuneration policy for the company management.
18. Any other matters.
19. Closing of the Meeting.

Proposed resolutions

Item 2: The Nominations Committee proposes that the Chairman of the Board of Directors Anders Bülow is appointed as chairman of the Meeting.

Item 10: The Board of Directors proposes that a cash dividend of SEK 0.75 per share is distributed for 2013/2014, corresponding to a total of SEK 56,280,000, and that the remaining profit is carried forward. The proposed record day for the dividend is Friday 5 December 2014. If the Meeting resolves in accordance with the proposal, the expected date of payment via Euroclear is Wednesday 10 December 2014.

Item 12: Five ordinary members and one accounting firm are proposed by the Nominations Committee.

Item 13: The Nominations Committee proposes that the fees to the Board of Directors and its committees shall be SEK 1,559,000 (previously 1,360,000). The proposal means that the Chairman of the Board is awarded SEK 380,000 (previously 360,000) and each other elected member of the Board is awarded SEK 190,000 (previously 180,000) that the chairman of the Audit Committee is awarded SEK 160,000 (previously 145,000) and that a member of the Committee is awarded SEK 100,000 (previously 95,000), that the chairman of the Remuneration Committee is awarded SEK 35,000 (previously 30,000) and that a member of the Committee is awarded SEK

PRESS RELEASE

12,000 (previously 10,000). The fees to the accounting firm shall be unchanged in accordance with customary standards and approved invoice.

Item 14: The Nominations Committee proposes re-election of Amelia Adamo, Anders Bülow, Christian W. Jansson and Pia Rudengren. The Nominations Committee proposes new election of Susanne Holmberg as ordinary member of the Board of Directors. Further. The Nominations Committee proposes that Anders Bülow is elected as Chairman of the Board of Directors.

Susanne Holmberg, born 1961, has been Head of Dry & Frozen Food at Coop Sverige AB since June, 2013. Susanne Holmberg has previously worked at Axstores AB (former Åhlénsgruppen AB) as, among other things, Purchasing Director within the areas Fashion, Beauty, Home, Media, Pharmacy and Foreign Purchasing Offices. Susanne Holmberg also has experience as Board member in Åhléns AB, Kicks Kosmetikkedjan AB and Lagerhaus AB. Neither Susanne Holmgren nor any of her relatives hold shares or other securities in KappAhl.

Item 15: The Nominations Committee proposes re-election of Ernst & Young AB as accounting firm. The engagement will run until the next Annual General Meeting.

Item 16: It is proposed that the Nominations Committee will be comprised of four ordinary members, who shall be appointed by the four largest shareholders as of April 30. The term largest shareholders refers here to shareholders registered with Euroclear and grouped by ownership as of April 30. The Chairman of the Board shall be co-opted to the Nominations Committee. 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 complete, the Chairman shall encourage the next owner in size until the tenth largest shareholder (i.e. the fifth largest owner) to within a week from the encouragement appoint an owner representative. If, despite such encouragement, only three shareholder 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 occurs earlier than seven 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 med 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.

Item 17: A substantially unchanged Remuneration policy for the management is proposed with the following main contents:

1. *Fixed salary.* Management persons will be offered a market level fixed salary and based on the employee's responsibility and performance. Salary shall be established for calendar year periods.
2. *Bonus.* Management persons may, from time to time, be offered a bonus of a maximum of fifty percent of the fixed salary. Management persons may, on their own initiative, before the bonus is disposable, convert the bonus into extra pension payments through a so called salary reduction plan. The bonus is to be primarily based on the operating profit (EBIT) for the KappAhl group and shall be established for the financial year.
3. *Pension.* In addition to the terms of collective agreements or other contracts, management persons can arrange individual pension solutions. Salary or bonus waivers can be used to increase allocation to a pension plan provided that the cost to KappAhl is unchanged over the period.
4. *Notice of termination etc.* Management persons and KappAhl must mutually observe a period of six months' notice of termination. At termination of employment for the Chief Executive Officer from the employer, an unchanged salary for six months and severance payment equal to eighteen months is paid, less wages in other employment.

PRESS RELEASE

Duty of disclosure of the Annual General Meeting

The Board of Directors and the Chief Executive Officer shall, if any shareholder so requests and the Board of Directors believes that it can be done without material injury to the Company, disclose conditions that may affect the assessment of an item on the agenda. Anyone wishing to submit questions in advance can do so to KappAhl AB, Annual General Meeting, PO Box 303, SE 431 24 Mölndal, Sweden.

Number of shares and votes in KappAhl AB (publ)

The total number of registered shares and votes in the Company amounts this day to 75,040,000. The Company holds no own shares.

Mölndal, November 2014
KappAhl AB (publ)
The Board of Directors

For further information, please contact:

Johan Åberg, President and CEO. Tel. +46 (0)706-09 99 73, johan.berg@kappahl.com

Charlotte Högberg, Head Public Relations. Tel. +46 (0)704-71 56 31, charlotte.hogberg@kappahl.com

KappAhl AB (publ) discloses the information provided here pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 4 November, 2014 at 4.00 p.m.

***KappAhl** was founded in 1953 and is a leading fashion chain in the Nordic region with nearly 400 stores in Sweden, Norway, Finland and Poland together with Shop Online. KappAhl offers good-value fashion of its own design to a wide range of consumers – women, men and children – with a particular focus on women in the mid-life age range. 19% of the range is sustainability labelled. In 2013/2014, the turnover was SEK 4.7 billion and the number of employees approx. 4,500. KappAhl is quoted on NASDAQ Stockholm. For more information, please visit www.kappahl.com.*