

Notification of Annual General Meeting of Clas Ohlson AB (publ)

The shareholders of Clas Ohlson AB (publ) Reg. No. 556035-8672 are hereby notified of the Annual General Meeting (“AGM” or the “Meeting”) to be held on Saturday, 12 September 2020. Due to the prevailing situation, the AGM is to be held only through advance voting (postal voting) in accordance with the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). This means that shareholders will be unable to physically attend the Meeting venue and that shareholders can only exercise voting rights by post in advance of the Meeting in the manner described below.

Registration and notification

Shareholders who intend to participate in the AGM through advance voting must:

- be listed in Euroclear Sweden AB’s printed shareholder register by Friday, 4 September 2020,
- notify Clas Ohlson AB (publ) of their intention to participate in the AGM by submitting their advance voting ballot according to the instructions in the *Advance voting* section below so that Euroclear Sweden AB receives it not later than Friday, 11 September 2020.

Registration must include the shareholder’s (or shareholder proxy’s) name, civil registration number/corporate registration number, address, telephone number and the number of shares represented. Information submitted in connection with registration will be computerised and used exclusively to conduct and document the AGM. See below for additional information on the processing of personal data.

Shareholders’ right to request information

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the company, the Board of Directors and CEO shall provide information on any circumstances which may affect assessment of a matter on the agenda, or any circumstances which may affect the assessment of the financial situation of the company (or subsidiaries) or the company’s relationship to other Group companies (meaning, the right to request information pursuant to Chapter 7, Section 32 of the Swedish Companies Act). Requests for such information are to be made in writing to Clas

Ohlson AB (publ), Annual General Meeting, SE-793 85 Insjön, Sweden, or via e-mail to agm2020@clasohlson.se, no later than 2 September 2020. The information will be provided by being made available from Clas Ohlson, SE-793 85 Insjön, Sweden, and at <https://about.clasohlson.com>, no later than 7 September 2020. At the same time, the information will be sent to the address provided by the shareholder who requested it.

In addition to the statutory right to request information described above, Clas Ohlson knows that many shareholders want to ask questions about the Group. Since no Meeting will be held with the option of participating in person or via a proxy, there will not be any opportunities to ask questions at the AGM. Clas Ohlson therefore encourages questions to be submitted in advance in writing to Clas Ohlson AB (publ), Annual General Meeting, SE-793 85 Insjön, Sweden, or via e-mail to agm2020@clasohlson.se, no later than 2 September 2020. The Chairman of the Board and the CEO will address questions from the shareholders in a speech that will be available on Clas Ohlson's website, <https://about.clasohlson.com>, on 12 September 2020 at around 11:00 a.m. CEST. Questions will also be addressed in writing on the website if necessary.

Advance voting

Shareholders may only exercise their voting rights at the AGM through advance voting (postal voting) in accordance with Section 22 of the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198).

A specific form is used for advance voting. This form is available on Clas Ohlson's website <https://about.clasohlson.com>. The advance voting form is considered a registration for the AGM.

The completed form must be received by Euroclear Sweden AB not later than Friday, 11 September 2020. The form can be submitted via e-mail to GeneralMeetingServices@euroclear.eu or by post to Clas Ohlson AB (publ), AGM, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. Shareholders who are natural persons can also cast their advance votes electronically using verification with BankID on Clas Ohlson's website. If the shareholder votes in advance by proxy, power of attorney must be attached to the form. If the shareholder is a legal entity, a registration certificate or other authorisation document must be submitted with the form. The shareholder may not include any specific instructions or terms on the advance voting ballot. In this case, the vote (in its entirety) is invalid. Further instructions and terms are given on the advance voting form.

For questions about the AGM or to receive the advance voting form sent via mail, please contact Clas Ohlson by telephone at +46 247 444 00, Monday-Friday from 8:00 a.m. to 5:00 p.m. CEST.

Trustee-registered shares

For the right to participate in the AGM, any shareholder who has their shares registered in trust through a bank or other trustee must, in addition to registering for the Meeting, re-register the shares in their own name so that the person concerned is registered in Euroclear Sweden AB's printed shareholder register by the record date, Friday, 4 September 2020. Such re-registration may be temporary (voting rights registration). Shareholders who wish to register their shares in their own name must, in accordance with each trustee's procedures, request that the trustee carry out such a registration. Voting rights registration that the shareholder has requested in time for the registration to be carried out by relevant trustees no later than Tuesday, 8 September 2020, will be listed in the shareholder register.

Number of shares and voting

The number of Series A shares in the company totals 5,760,000, carrying 10 votes per share, corresponding to 57,600,000 votes, and the number of Series B shares in the company totals 59,840,000, carrying one vote per share, corresponding to 59,840,000 votes. Accordingly, there are a total of 65,600,000 shares and 117,440,000 voting rights in the company. The company holds 2,254,583 Series B treasury shares, which may not be represented at the AGM.

Proposed agenda

1. Election of Chairman of the AGM
2. Election of one or two minutes checkers
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Determination of whether the AGM has been duly convened

6. Presentation of the Annual Report and Auditor's Report and the Consolidated Financial Statements and the Auditors' Report on the Consolidated Financial Statements for 2019/20
7. Resolution concerning the adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet for 2019/20
8. Resolution concerning the disposition of the company's profits in accordance with the balance sheet adopted for 2019/20
9. Resolution concerning the discharge of Board Members and the CEO from liability for the 2019/20 financial year
10. Determination of:
 - a. the number of Board Members to be elected by the AGM (see below)
 - b. the auditors and deputy auditors to be elected by the AGM (see below)
11. Adoption of:
 - a. remuneration of the Board and remuneration for committee work
 - b. fees to the auditor
12. Election of directors
 - a. Kenneth Bengtsson (re-election)
 - b. Mathias Haid (re-election)
 - c. Håkan Lundstedt (re-election)
 - d. Charlotte Strömberg (re-election)
 - e. Göran Sundström (re-election)
 - f. Anne Thorstvedt Sjöberg (re-election)
 - g. Mengmeng Du (election)
 - h. Patrik Hofbauer (election)
13. Election of Chairman of the Board

a. Kenneth Bengtsson (re-election)

14. Election of auditor and any deputy auditors

a. Deloitte AB (re-election)

15. The Board of Directors' motion concerning adoption of guidelines for remuneration and other terms of employment for senior executives

16. Amendment of the Articles of Association

Item 1, Election of Chairman of the AGM

The Nomination Committee proposes that Kenneth Bengtsson be elected Chairman of the AGM.

Item 2, Election of one or two minutes checkers

Fredrik Ahlin, proxy for IF Skadeförsäkring AB, and Erik Durhan, proxy for Nordea Fonder, are proposed to approve the minutes, or in the event of one or both of them are prevented from doing so, the individual(s) the Nomination Committee appoints instead. Their task also includes approving the voting list and that advance voting ballots received are correctly reported in the AGM minutes.

Item 3, Preparation and approval of the voting list

The voting list that is proposed for approval under Item 3 of the agenda is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the shareholder register for the Meeting and advance voting ballots received, and is approved by those elected to approve the minutes.

Item 8, Resolution concerning the disposition of the company's profits in accordance with the balance sheet adopted for 2019/2020

Macroeconomic trends and their impact on the retail sector as a result of COVID-19 remain uncertain. At this stage, the Board intends to safeguard Clas Ohlson's solid financial position and flexibility and therefore proposes that no dividend be paid for the 2019/20 financial year. The Board of Directors proposes that the retained earnings at the disposal of the AGM, in an amount of 341,395,000 SEK, be allocated so that all of the remaining profit of 341,395,000 SEK available for disposal be carried forward.

Items 10-14, Resolutions concerning the number of Board Members, auditors and deputy auditors to be elected by the AGM, the fees to be paid to Board Members and the auditors, and remuneration for committee work and election of Board Members, Chairman of the Board, auditors and any deputy auditors

The company's Nomination Committee, which was formed in accordance with a resolution on the nomination procedure passed at the AGM of 11 September 2010 and which comprises Jonas Bergh, Erik Durhan, Göran Sundström, Ricard Wennerklint and Kenneth Bengtsson, proposes the following resolutions concerning Items 10-14.

The Nomination Committee proposes that the number of Board Members be eight (Item 10.a) and that one auditor and no deputy auditor be appointed (Item 10.b).

The Nomination Committee proposes that director fees, including fees for committee work, remain unchanged and be paid in an amount of 3,670,000 SEK and be distributed as follows: 700,000 SEK per year to the Chairman of the Board (700,000) and 340,000 SEK per year to each of AGM-elected non-executive Board members (340,000). The Nomination Committee also proposes that remuneration of members of the Audit Committee be paid in an amount of 160,000 SEK to the Chairman of the Audit Committee (160,000) and 85,000 SEK to each of the other members of the Committee (currently two (2) members) (85,000), and that remuneration of the People Committee be paid in an amount of 130,000 SEK to the Chairman of the People Committee (130,000) and 65,000 SEK to each of the two (2) other members of the Committee (65,000). The Nomination Committee supports the principle of minor continuous increases in director fees. At the previous AGM, it was resolved that fees would be raised by approximately seven (7) per cent. This year the Nomination Committee recommends moderation, despite the principle of continuous small increases, due to macroeconomic trends and their impact on the retail sector as a result of COVID-19 and therefore proposes that fees remain unchanged (Item 11.a).

Any decisions by the Board to adjust the number of committee members will also affect the total director fees. Fees are paid as salary.

It is proposed that audit fees during the auditors' period in office be paid on a current-account basis in return for company-approved invoices (Item 11.b).

The Nomination Committee proposes the re-election of Board members Kenneth Bengtsson (Item 12.a), Mathias Haid (Item 12.b), Håkan Lundstedt (Item 12.c), Charlotte Strömberg (Item 12.d), Göran Sundström (Item 12.e) and Anne Thorstvedt Sjöstedt (Item

12.f). Margareta Lehmann and Göran Näsholm are not standing for re-election. Mengmeng Du (Item 12.g) and Patrik Hofbauer (Item 12.h) are proposed for election.

The Nomination Committee proposes that Kenneth Bengtsson be re-elected as Chairman of the Board (Item 13.a).

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, that Deloitte be appointed the company's auditor for the period from the close of the 2020 AGM until the close of the 2021 AGM (Item 14.a).

Mengmeng Du, born 1980, has an M.Sc. in Computer Science from KTH Royal Institute of Technology and an M.Sc. in Economics and Business Administration from the Stockholm School of Economics. Mengmeng Du has had a number of senior positions in digital start-up companies since 2008, including COO of Acast AB, various managerial roles within Operations, Marketing and International Growth at Spotify AB, and VP Product Development at Stardoll AB. She is a cofounder of GetGeek Inc., an IT support start-up company, and works as a digital consultant through her own firm Mimion AB. Mengmeng Du is a Board member of Finnair, NetOnNet Group and Saminvest AB.

Patrik Hofbauer, born 1968, has a diploma in Marketing/Economy and a Master's from IHM Business School, and studied at INSEAD and London Business School. Patrik Hofbauer is CEO of Svenska Spel AB and was previously CEO of Telenor Sverige AB, Telenor Broadcast & Canal Digital, Clear Channel and NEC Scandinavia AB. He was also Director of Sales at Scandic Hotels AB. Patrik Hofbauer is a Board member of the Confederation of Swedish Enterprise, NHST Media Group and Telenor Broadcast.

Item 15, The Board of Directors' motion concerning adoption of guidelines for remuneration and other terms of employment for senior executives

The Board of Directors proposes that the AGM approve the principles detailed in this item that will apply to remuneration and other employment terms for the CEO and Clas Ohlson's Group Management ("Senior Executives").

Guidelines for remuneration of senior executives

These guidelines encompass the CEO and Clas Ohlson AB's Group Management ("Senior Executives"). The guidelines will pertain to contracted remuneration and changes made previously contracted remuneration after approval from the 2020 AGM. The guidelines do not encompass remuneration established by a general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The guidelines for remuneration and other employment terms for Senior Executives at Clas Ohlson have been established with the overall objective to support Clas Ohlson's business strategy, the company's financial targets and safeguarding the company's long-term interests, including its sustainability. Clas Ohlson intends to offer remuneration levels that will attract, retain and motivate key individuals whose roles are to achieve the company's overall objectives. These guidelines mean that Senior Executives can be offered a competitive total remuneration.

For information about Clas Ohlson's business strategy, see the most recent annual report available at <https://about.clasohlson.com>.

Total remuneration

Total remuneration is to be based on position and be attractive and competitive in the country of employment.

The company believes that a balanced remuneration structure will provide Senior Executives with the incentive to focus on creating long-term shareholder value, while the company will have the opportunity to offer cash incentives for the achievement of short-term performance objectives that contribute to the company's business strategy and the company's long-term interests. The total remuneration is to be market-based and may consist of:

- fixed annual basic salary
- annual variable performance-based cash remuneration based on annual performance targets
- pension and health benefits
- other benefits that are common in the country of employment

A general meeting may, in addition – and independent of these guidelines – resolve on, for example, share-related or share price-related remuneration.

Clas Ohlson aims to offer a competitive and market-based total level of remuneration, focusing on “payments based on performance.” The objective is that the fixed annual basic salary will be on par with or around that of the competitive market. If Clas Ohlson achieves or exceeds the established performance objectives, measurable over the course of one year, the total remuneration is on par with or around the upper quartile of the competitive

market. This means that the variable remuneration may comprise a significant portion of the total remuneration.

The market is defined mainly by the companies with which Clas Ohlson competes in order to attract and retain Senior Executives.

Total remuneration of the President and CEO is resolved by the Board of Directors following recommendation by the People Committee. For other Senior Executives, remuneration is determined by the People Committee based on proposals from the President and CEO, within the framework of the decisions by the Board of Directors.

Remuneration of Board members

Should a Board member perform work for Clas Ohlson, in addition to the Board work, and if there are special reasons, a consultant's fee and other remuneration could be approved for such work following decisions by the Board of Directors, provided that such work contributes to safeguarding Clas Ohlson's long-term interests, including its sustainability. The fees are paid in the form of salary or by invoice and are market-based. Such consultant's fee for each Board member may never exceed their annual director fees.

Fixed annual basic salary

The fixed annual basic salary is to constitute the basis for total remuneration. The salary is to be related to the relevant competitive market and reflect the extent of the responsibilities included in the position.

Adjustment of the fixed basic salary is to be based on the general wage negotiation in the competing market and the performance level of the senior executive.

Fixed basic salary is reviewed annually to reward individual performances and ensure continued competitiveness.

Variable performance-based remuneration

Variable performance-based remuneration may comprise a significant portion of the total remuneration for Senior Executives and are to be measured against set and predetermined goals. The goals are to be based on financial, non-financial or individually customised objectives and are to support long-term shareholder value. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Short-term incentives, STI

Short-term incentives, STI, can be paid annually for efforts that fulfil or surpass predetermined performance levels during a financial year. Performance objectives are established annually by the Board of Directors. Performance is to be linked to predetermined and measurable criteria that can be financial or non-financial and related to the business plan. They can also consist of individually customised quantifiable or qualitative goals. The criteria are to be designed so they support the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promoting the long-term development of the Senior Executive. Financial criteria are to be measured at the Group level and be connected to shareholder value over the short and long term. Total target fulfilment is at least 25 per cent dependent on EBIT, at least 25 per cent on sales growth, at least 25 per cent on individual targets and no more than 15 per cent on another financial measures relevant to the operations (inventory values/levels, cash flow, capital efficiency or return on equity). Individual goals can be related to the company's sustainability targets, customer satisfaction, quality, leadership or corporate culture. Remuneration paid from the STI plan amounts to no more than 60 per cent of the fixed annual basic salary. Insofar as performance does not match the lowest acceptable performance level, no STI remuneration will be paid.

Payment of remuneration from the STI plan may also be combined with requirements for a minimum holding of shares.

When the measurement period for the variable cash remuneration is over, the extent to which criteria have been fulfilled is assessed. The Board is responsible for the assessment to the extent it concerns variable cash remuneration to the CEO. To the extent it concerns variable cash remuneration to other management, the People Committee (the remuneration committee) is responsible for the assessment. To the extent it concerns financial targets, the assessment is based on the company's most recently published financial information.

According to the law or to agreements and any limits therein, the Board is entitled to reclaim such variable remuneration approved or disbursed on the basis of information that later proves to be obviously incorrect or on performance that proved to be unsustainable over time.

Long-term incentives, LTI

The company has established long-term share-based long-term incentive plans as part of the total remuneration, which aims to reward the successful implementation of the company's strategy and the creation of long-term shareholder value. The objective of the

plans is to unite the long-term interests of shareholders and Senior Executives, while the opportunity for share-based remuneration also creates the potential to attract and retain Senior Executives.

The guidelines here do not apply to these plans, since they were voted on at a general meeting.

For more information about these plans, including the criteria that outcomes are based on, refer to <https://about.clasohlson.com> (the tab regarding the AGM and year for the updated version). Target fulfilment is reported in the annual report for the company and is also available at <https://about.clasohlson.com>.

The Board of Directors nominates participants for the LTI plan. The Board of Directors will annually evaluate whether or not long-term incentive plans will be proposed at future AGMs.

Pensions, health insurance and other benefits

If possible according to mandatory collective bargaining agreements, pension benefits, including health insurance, are premium-based. Variable remuneration is only to be pensionable in cases required by mandatory collective bargaining agreements. Pension premiums for premium-based pensions shall amount to no more than 35 per cent of the fixed annual basic salary.

Other benefits may occur in accordance with the terms applicable in the country in which the Senior Executive is employed, and can include company cars, health insurance, travel and housing. For benefits such as company cars and health insurance, the value may be no more than 5 per cent of the fixed annual basic salary. The Senior Executive can, individually, be given temporary right to housing and travel. Such benefits amount to no more than 25 per cent of the fixed annual basic salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Period of notice and severance pay

The period of notice may not be longer than six months. During the period of notice, the combined value of the fixed cash salary and severance pay may not exceed an amount

corresponding to the fixed annual basic salary for 12 months. When notice is given by a Senior Executive, the period of notice may not be longer than six months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed Executive is not entitled to severance pay. The remuneration shall amount to not more than 60 per cent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the People Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to Senior Executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board has established a remuneration committee (called the "People Committee"). Its tasks include preparing the Board's decisions on proposals for guidelines for remuneration of Senior Executives. The Board prepares proposals for new guidelines every four years or sooner and submits them to the AGM. The guidelines apply until new guidelines are adopted at a general meeting. The People Committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The People Committee members are independent in relation to the company and executive management. The CEO and other members of executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Other

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the People Committee's tasks include preparing the Board's resolutions in remuneration-related matters.

For more information about remuneration, see Note 6 in the annual report.

Previously approved but as yet unpaid remuneration

The main terms and conditions for remuneration of senior executives in the current employment contracts are presented in Note 6 of the Annual Report for 2019/20.

Item 16, amendment of the Articles of Association

The Board proposes that the 2020 AGM resolve on the amendment to the Articles of Association, proposed below, regarding Article 1 (Registered name), Article 9 (Notice) and Article 12 (Record day provision) in the Articles of Association, to the following wording (strikethroughs indicate current text to be deleted and underlines indicate new text). The changes are editorial in nature and reflect changes in legislation.

1. REGISTERED NAME

The ~~registered name~~ registered business name of the Company is Clas Ohlson Aktiebolag. The Company is a public limited liability company (publ).

9. NOTICE

Notice of a General Meeting of Shareholders shall be made in the form of an announcement in *Post och Inrikes Tidningar* and on the Company's website. An advertisement announcing that notice has been made shall be published in *Svenska Dagbladet* and *Falukuriren*.

Shareholders wishing to participate in the business of a General Meeting shall, ~~firstly, be registered in the transcript of the entire shareholder register prevailing five weekdays prior to the Meeting and, secondly,~~ notify the Company of their intention to attend the Meeting not later than on the day stipulated in the notice convening the General Meeting. The latter mentioned day must not be a Sunday, any other public holiday, a Saturday, Midsummer's

Eve, Christmas Eve or New Year's Eve and must not be more than the five weekdays before the Meeting.

Shareholders are entitled to be accompanied by one or two advisors, but only if the shareholder notifies the Company of the number of advisors in the manner stated above.

12. RECORD DAY PROVISION

The Company's shares are to be registered in a record day register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

Majority requirements

To be valid, resolutions by the AGM in accordance with Item 16 above must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the AGM.

Documents and additional information

The Nomination Committee's complete proposals concerning resolutions under Items 1 and 10-14 and the Board of Directors' complete motions concerning resolutions under Items 8, 15 and 16 are presented above.

Information about, for example, the individuals proposed for election to the Clas Ohlson Board of Directors, the proposed auditor and the Nomination Committee's proposals and reasoned statement will be available on the company's website as of 10 August 2020.

The accounting documentation and auditor's report pertaining to the 2019/20 financial year, as well as the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act concerning compliance with the guidelines for remuneration of senior executives will be made available at the company no later than 21 August 2020 and will also be sent by post to shareholders who provide their postal address. The company's shareholder register is kept at the company's head office, Clas Ohlson, SE-793 85 Insjön, Sweden.

All of the documents specified under the above heading will be made available in an electronic format on the company's website, <http://about.clasohlson.com>, as of 6 August 2020.

For those who like to vote in advance via a proxy, a power-of-attorney form is available for downloading at <http://about.clasohlson.com> or alternatively, will be sent to those shareholders who so request and who provide their postal address.

Processing of personal data

For information on how your personal data is processed in connection with the AGM, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Leksand in August 2020

Clas Ohlson AB (publ)

Board of Directors

For further information, please contact:

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niklas.carlsson@clasohlson.se

Clas Ohlson was founded in 1918 as a mail order business based in Insjön, Dalarna, Sweden. Today, we are a retail company with customers in five markets, about 4,500 co-workers, and annual sales of approximately 8.8 billion SEK. Our share is listed on Nasdaq Stockholm. A lot has happened since the start in 1918, but one thing has remained the same over the years; that we want to help and inspire people to improve their everyday lives by offering smart, simple, practical solutions at attractive prices. Visit about.clasohlson.com/en to read about our passion for simplifying life in all kinds of homes.