

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.

Articles of Association

Clas Ohlson AB (publ)

Corporate Registration Number 556035-8672

1 . REGISTERED NAME

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

2 . REGISTERED OFFICE

The registered office of the Board of Directors is in the Municipality of Leksand.

3 . OPERATIONS

The object of the Company's operations is to conduct retail and mail order trading in the store product range, to own and manage shares in subsidiaries and to conduct associated activities.

4 . SHARE CAPITAL AND NUMBER OF SHARES

The share capital shall amount to not less than seventy million Swedish kronor (70,000,000) and not more than two hundred and eighty million Swedish kronor (280,000,000). The number of shares shall not be fewer than twenty eight million (28,000,000) and not exceed one hundred and twelve million (112,000,000).

5 . CLASS OF SHARES

It shall be possible to issue the shares in two series, designated Series A and Series B. Series A shares may be issued in a maximum number of 112,000,000 (corresponding to the maximum permitted share capital) and Series B shares in a maximum number of 112,000,000 (corresponding to the maximum permitted share capital).

Each Series A share entitles the holder to ten votes and each Series B share to one vote.

Holders of Series A shares are entitled to convert one or more of these shares into the same number of Series B shares, under the framework of the highest number of Series B shares that may be issued by the Company in accordance with the Articles of Association. A request for conversion shall be made in writing to the Company's Board of Directors. The request shall state the number of shares that the holder wishes to convert. Conversions shall be reported for registration by the Board of Directors without delay and conversion shall become effective as soon as registration has been completed. In addition, Series A shares shall be converted into Series B shares in the order and under the circumstances stipulated in Article 13 below.

6 . PREFERENTIAL RIGHTS

In the event of an increase in share capital on the basis of a cash issue or an issue offsetting debt, holders of Series A and Series B shares shall have preferential rights to the subscription for new shares of the same class in relation to the number of shares already held (primary preferential right). Shares not subscribed for on the basis of primary preferential rights shall be offered for subscription to all shareholders (subsidiary preferential right). If the number of shares offered in this manner is insufficient for subscription based on subsidiary preferential rights, the shares shall be distributed in relation to the total number of shares already held and, insofar as this is not possible, by the drawing of lots.

In the event of an increase in share capital on the basis of a cash issue or an issue offsetting debt, whereby new shares of either Series A or Series B alone are to be issued, all shareholders, irrespective of whether they own Series A or Series B shares, shall have preferential rights to the subscription for new shares in relation to the number of shares already held.

In the event that the Company decides to issue warrants or convertible instruments on the basis of a cash issue or an issue offsetting debt, shareholders shall have preferential rights to the subscription for warrants on the same basis as that for the newly issued shares resulting from the option or shall have preferential rights to the subscription of convertible instruments on the same basis as that for the shares that will be exchanged for the convertibles.

The aforementioned stipulation shall not constitute any infringement on the possibility to make a decision regarding a cash issue or an issue offsetting debt in which the preferential rights of shareholders are disappplied.

Should the share capital be increased on the basis of a bonus issue, new shares of each class shall be issued so that the relationship between the number of already existing shares of these classes is maintained. In such cases, old shares of a specific series carry entitlement to new shares of the same class. The aforementioned stipulation shall not constitute any infringement on the possibility, following the requisite amendment in the Articles of Association, to issues shares of a new class through a bonus issue.

7 . BOARD OF DIRECTORS

The Board of Directors shall consist of not fewer than three and not more than nine members.

8 . AUDITORS

The Company shall have one to two auditors with not more than two deputy auditors. The Company can also appoint one or two public accounting firms as auditor(s).

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 shareholders' 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.

10 . GENERAL SHAREHOLDER MEETINGS

General Meetings of Shareholders shall be held in the Municipality of Leksand or in Stockholm.

The following items of business shall be addressed at the Annual General Meeting.

1. Election of Chairman of the Meeting.

2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of one or two minute-checkers, in addition to the Chairman.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the Annual Report and the audit report and, where applicable, the consolidated financial statements and the audit report on the consolidated financial statements.
7. Motions
 - (a) concerning the adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet.
 - (b) concerning the disposition to be made of the Company's profits or losses as shown in the adopted balance sheet.
 - (c) concerning the discharge of the members of the Board of Directors and of the President from liability.
8. Determination of the number of members of the Board of Directors, auditors and deputy auditors.
9. Determination of the fees to be paid to the members of the Board of Directors and where applicable, the auditors.
10. Election of members of the Board of Directors and, where applicable, auditors and deputy auditors.
11. Other business to be addressed by the Meeting in accordance with the Swedish Companies Act or the Articles of Association.

11. FISCAL YEAR

The Company's fiscal year shall be 1 May – 30 April.

12. RECORD DAY PROVISION

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

13. POST-SALE PURCHASE

If a Series A share has been transferred to a person who was not previously a holder of Series A shares in the Company in a manner other than through inheritance, estate distribution, will or as a gift, the said share shall immediately be offered for post-sale purchase to the other Series A shareholders through written notice to the Company's Board of Directors. The manner of acquisition of the share shall then be verified and, if the share was transferred by a purchase, information shall be provided on the conditional purchase price.

When notice has been filed about transfer of the Series A shares, it is incumbent upon the Board of Directors to immediately notify in writing each party with post-sale purchase rights,

whose address is entered in the share register, or is otherwise known to the Company, requesting those who wish to exercise their purchase right to submit a purchase claim to the Company within two months from the date of the notice to the Board of Directors of a transfer of shares.

If several parties with post-sale purchase rights issue purchase notices, the preferential rights among them shall be determined by drawing lots by a notary public. If several shares are offered for sale at the same time, however, shares shall first be distributed evenly as far as possible among those who wish to exercise post-sale purchase rights in relation to their earlier holdings of Series A shares.

When shares have been acquired through purchase, the redemption amount shall be equal to the purchase price, but otherwise an amount which in the case of disagreement is determined by arbitration in accordance with the stipulations of the Swedish Arbitration Act (1999:116). The redemption amount shall be paid within one month from the time when the redemption amount was determined.

If no party with post-sale purchase rights issues a purchase claim, or if redemption is not paid for within the prescribed period of time, the share offered for post-sale purchase shall be automatically converted into a Series B share, after which the party who has offered the share for post-sale purchase shall be entitled to be registered as the owner of the shares.

Adopted at the Annual General Meeting held on 10 September 2011.