

COMMUNICATION IN RESPECT OF WRITTEN PROCEDURE

To the Holders of:

Date: 31 October 2019

STOCKMANN OYJ ABP – EUR 85,000,000 CAPITAL SECURITIES ISIN: FI4000188776 (the “Capital Securities”)

This voting request for Written Procedure has been sent on 31 October 2019 to the holders registered at the end of the day on 24 October 2019 in the register maintained by Euroclear Finland Ltd (“EFi”) pursuant to Act on the Book-Entry System and Clearing Operations as direct registered owner (Fi: omistaja) or nominee with respect to one or several Capital Securities.

If you are an authorised nominee under the Act on the Book-Entry System and Clearing Operations or if you otherwise are holding Capital Securities on behalf of someone else on a securities account, please forward this notice to the holder you represent as soon as possible. For further information, please see Section 5.3 (Voting Rights and Authorisation) below.

Stockmann Oyj Abp (the “**Issuer**”) hereby arranges and instigates a written procedure, whereby holders of the Capital Securities (the “**Holders**”) can vote for or against the Request (as defined below) (the “**Written Procedure**”). All capitalised terms used herein and not otherwise defined in this communication (the “**Communication**”) shall have the meanings assigned to such terms in the terms and conditions of the Capital Securities (the “**Terms and Conditions**”).

The Holders participate in the Written Procedure by completing and sending the voting form, attached hereto as Schedule 1 (*Voting Form*) (the “**Voting Form**”), and, if applicable, the power of attorney, attached hereto as Schedule 2 (*Power of Attorney*) (the “**Power of Attorney**”) in accordance with the instructions set out in Section 5.4 (*Capital Securities Registered with a Nominee*) below to Danske Bank A/S as the tabulation agent (the “**Agent**”).

Please contact the account operator, broker, dealer, commercial bank, custodian or trust company you hold your Capital Securities through, if you do not know how your Capital Securities are registered or if you need authorisation or other assistance to participate in the Written Procedure. The Agent must receive the Voting Form no later than 4:00 p.m. (Finnish time) on 25 November 2019 (the “**Final Response Time**”) either by regular mail, courier or e-mail to the Agent using the contact details set out in Section 5.7 (*How to Vote*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Holder at the end of the day on 4 November 2019 (the “**Record Date**”). This means that the person must be registered on a securities account with EFi as a direct registered owner or nominee with respect to one or several Capital Securities.

1. Background

On 9 August 2019, the Issuer announced that it is investigating strategic alternatives for the ownership of Lindex. In order to provide sufficient time for that process to complete and to enable in connection with or following such completion a more comprehensive refinancing of the indebtedness of the Group, if such refinancing is then desirable, the Issuer is requesting the Holders’ consent to postpone the First Reset Date by 18 months and to agree to insert a new Clause 7.9 (*Redemption due to divestment of*

Lindex) to give the Issuer the option to redeem the Capital Securities upon the occurrence of divestment of *Lindex*.

To implement the proposed amendments to the Terms and Conditions, the Issuer has decided to arrange and instigate the Written Procedure under which the Holders shall vote for the Request (as defined below) and the Agent to provide the Holders with necessary instructions in respect of the procedure.

In addition, on 31 October 2019, the Issuer announced that it will issue further Capital Securities in an aggregate nominal amount of EUR 21 million (“**Further Capital Securities**”) by way of a further issue pursuant to the Terms and Conditions. The Further Capital Securities will be issued on the same terms (save for the issue price and the issue date) as the Capital Securities and the Further Capital Securities will be consolidated and form a single series with the Capital Securities. The settlement date for the issue of the Further Capital Securities will be 7 November 2019. The Further Capital Securities were offered for subscription to certain of the largest shareholders of the Issuer in a private placement procedure and were subscribed by Föreningen Konstsamfundet r.f., Kari Niemistö and Svenska Litteratursällskapet i Finland rf. The issue price for the Further Capital Securities is 100 per cent. of their nominal amount (together with interest accrued thereon from 31 January 2019).

As the Capital Securities are not traded on any public trading venue, they have no officially quoted market price. The issue price of the Further Capital Securities is not intended to reflect an objective market price or the Issuer’s view of a fair market price for the Further Capital Securities or the outstanding Capital Securities. However, it is the understanding of the Issuer that the issue price for the Further Capital Securities is slightly higher than the price for which the Capital Securities have recently been traded in private OTC transactions. The subscription of the Further Capital Securities by certain of the largest shareholders of the Issuer therefore contains a support element for the benefit of the Issuer. The Further Capital Securities will strengthen the Issuer’s capital structure and net proceeds thereof will also be used to pay down debt.

The Record Date for the Written Procedure will be 4 November 2019. In the event a second Written Procedure will be initiated by the Issuer due to lack of quorum, the Issuer will set the same record date of 4 November 2019 also for such second Written Procedure. Accordingly, the Further Capital Securities will not entitle their holders to participate in the Written Procedure or any subsequent second Written Procedure relating to the Request because the settlement and issue date of the Further Capital Securities will take place after such record date.

2. Request

With reference to the above, the Issuer hereby requests the Holders’ consent to the following amendments under the Terms and Conditions:

- (a) The definition of “*First Reset Date*” included in Clause 1.1 “*Definitions*” of the Terms and Conditions to be amended so that the First Reset Date would be postponed by 18 months to read as follows:

“**First Reset Date**” means 30 July 2021.”

- (b) New Clause 7.9 (*Redemption due to divestment of Lindex*) to be included before current Clause 7.9 (*Irrevocable notices and redemption process*) in the current Terms and Conditions to read as follows:

“7.9 Redemption due to divestment of Lindex

Upon the occurrence of divestment of AB *Lindex* by the Issuer (directly or indirectly), the Issuer may, if it gives not less than thirty (30) nor more than sixty (60) days’ notice to the Calculation Agent and the Holders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem the Capital Securities in whole, but not in part, at any time after the completion of the divestment of *Lindex*, at an amount equal to 101 per cent. of their principal amount together with any Accrued Interest to but excluding the date of redemption. For the purposes of this Clause 7.9, the divestment of AB *Lindex* shall mean the (direct or indirect) divestment of all or a substantial majority of the shares in AB *Lindex* and/or the sale of all or substantially all assets of AB *Lindex* or any other comparable method of divestment which

effectively results in the divestment of AB Lindex or its operations by the Issuer (directly or indirectly).”

- (c) First section of current Clause 7.9 (*Irrevocable notices and redemption process*) to be amended so that it also refers to the proposed new Clause 7.9 (*Redemption due to divestment of Lindex*) to read as follows:

“7.10 Irrevocable notices and redemption process

Upon the expiry of any notice as referred to in Clauses 7.2, 7.3, 7.4, 7.5, 7.7, 7.8 and 7.9 above, the Issuer shall be bound to redeem the Capital Securities in accordance with the terms of such Clause.”

- (d) The numbering of current Clause 7.10 (*Additional conditions to redemption*) be changed to Clause 7.11.
- (e) As compensation for all Holders, subject to the Request being approved by required majority of the Holders, the Issuer offers to increase the Initial Fixed Interest Rate from 7.750 per cent. per annum up to 10.750 per cent. per annum by amending the definition of “*Initial Fixed Interest Rate*” included in Clause 1.1 (*Definitions*) of the Terms and Conditions as follows:

“**Initial Fixed Interest Rate**” means, in relation to each Interest Period from and including the Issue Date to, but excluding, the First Reset Date, 7.750 per cent. per annum. However, from and including 31 January 2020 to, but excluding, the First Reset Date, the Initial Fixed Interest Rate means 10.750 per cent. per annum.

The proposed amendments set out in this Section and for which the Holders are requested by the Issuer to vote on, shall hereinafter be referred to as the “**Request**”.

If the amendments are approved, they will become effective from and including 27 November 2019.

3. Consent

The Issuer hereby kindly requests the Holders to vote in favour of the Request.

4. Consent Fee

As additional compensation for Holders voting to approve the Request, the Issuer offers a fee of 0.50 per cent. of each Holder’s holdings of the Nominal Amount of the Capital Securities (the “**Fee**”) to those Holders from whom a valid Voting Form in favour of the Request were received by the Agent before the Final Response Time (and who have not validly revoked such Voting Form). Please note that the Fee will be payable to such Holders within 10 Business Days from the last voting date in the Written Procedure, being no later than 10 December 2019. The payment of the Fee is subject to the Request being approved by a requisite majority of the Holders and the payment date of the Fee will be announced when the result from the Written Procedure is communicated.

5. Written Procedure

The following instructions need to be adhered to under the Written Procedure:

5.1 Final Response Time to Participate in the Written Procedure

The Agent must have received the votes by regular mail, courier or e-mail to the address indicated below no later than 4:00 p.m. (Finnish time) on 25 November 2019 (the “**Final Response Time**”). Votes received thereafter may be disregarded.

5.2 Decision Procedure

The Issuer will determine if received replies are eligible to participate under the Written Procedure as valid votes.

Quorum and majority requirements related to the Request are set out in Section 5.5 (*Quorum*) and Section 5.6 (*Majority*) below.

Information about the resolution taken under the Written Procedure will be published by way of a stock exchange release by the Issuer.

A resolution adopted in the Written Procedure will be binding for all Holders, whether or not a Holder has replied to the Written Procedure and whether or not a Holder has supported the resolution.

5.3 Voting Rights and Authorisation

Anyone who wishes to participate in the Written Procedure must at the end of the day on the Record Date be registered in a register maintained by EFi, as a direct registered owner or nominee with respect to one or several Capital Securities.

By submitting the Voting Form to the Agent, the Holder undertakes not to transfer its Capital Securities from the time of its submission of the Voting Form and until the announcement of the results of the Written Procedure (or the second Written Procedure, if any).

5.4 Capital Securities Registered with a Nominee

If you are not registered as a direct registered owner, but your Capital Securities are held through an account operator, broker, dealer, commercial bank, custodian or trust company or another intermediary, you may ask the nominee or other intermediary that holds the Capital Securities on your behalf to vote in its own name as instructed by you.

If your Capital Securities are held through an account operator, broker, dealer, commercial bank, custodian or trust company or another intermediary, you must provide appropriate instructions to such person in order to cause the Voting Form to be submitted or delivered with respect to such Capital Securities. Such owners of Capital Securities are urged to contact any such person promptly to ensure timely submission or delivery of such Voting Forms. The deadlines set by any intermediary or clearing system for the delivery of Voting Forms may be earlier than the deadline for the delivery of Voting Forms set out in this Communication. The Agent will notify EFi of the Written Procedure and provide its relevant account operators with all necessary information relating to the Request.

5.5 Quorum

Pursuant to the Terms and Conditions, quorum in respect of a Written Procedure in relation to the Request only exists if Holders representing not less than one-half (1/2) of the Adjusted Nominal Amount reply to the Request in respect of a Written Procedure.

If a quorum is not reached in the Written Procedure, the Issuer may, and expects to, initiate a second Written Procedure regarding the Request.

5.6 Majority

At least three-fourths (3/4th) of the votes cast in the Written Procedure must consent to the Request.

5.7 How to Vote

A duly signed Voting Form must be received by the Agent no later than the Final Response Time and must be submitted by scanned e-mail or by post as follows:

(a) by email:

liabilitymanagement@danskebank.dk

(b) via courier or by regular mail:

Danske Bank A/S
c/o Danske Bank A/S, Finland Branch
Kasarmikatu 21 B, PL 1613
FI-00130 Helsinki
Finland

6. Further Information

The Agent may be contacted in relation to procedural questions regarding the voting process and related matters at liabilitymanagement@danskebank.dk or +358 10 513 8794.

For all other queries relating to the subject matter of the Request, please contact Jukka Naulapää, Director, Legal Affairs, of the Issuer at +358 9 121 3850.

Yours faithfully,

Stockmann Oyj Abp

Schedule 1

Voting Form

Voting Form

**For voting in the Written Procedure relating to
STOCKMANN OYJ ABP – EUR 85,000,000 CAPITAL SECURITIES, ISIN: FI4000188776 (the “Capital
Securities”)**

We refer to communication from Stockmann Oyj Abp dated 31 October 2019 concerning the initiation of a Written Procedure relating to the Capital Securities (the “**Communication**”). Capitalised terms used herein, unless the context otherwise requires, shall have the meaning assigned to such terms in the Communication or the Terms and Conditions. By submitting this Voting Form, we hereby confirm that we have carefully reviewed the Consent Solicitation Memorandum relating to the Written Procedure and agree and undertake to be bound by its provisions, including but not limited to the undertaking not to transfer any capital securities and the issuance of the Holder’s representations and warranties.

The undersigned Holder or authorised person / entity (the “**Voting Person**”), votes either **For** or **Against** the Request by ticking the applicable box below.

For the Request

Against the Request

Name of the Voting Person: _____

Capacity of the Voting Person: _____ Holder: _____ Authorised person: _____

Voting Person’s business id / reg.no / id.no
and country of incorporation / domicile: _____

Nominal Amount voted for (in EUR): _____

Telephone

Email

Signature, position and name in block letters

Place and date

Information on the Holder/authorised person

Name of Holder/authorised person:	
Book-entry account number:	
Personal/corporate identity number:	
Address:	

City / postcode:	
Country:	
Name of contact person (if different from Holder/authorised person):	
Telephone:	
Email address:	

The Fee (if any) will (subject to all conditions therefore being met) be paid into the bank account⁽¹⁾ specified below and Danske Bank A/S as the Calculation Agent is hereby authorised to execute such payment.

(1) Please note that the bank account must accept payment denominated in EUR.

Name of recipient:	
Name of recipient's bank:	
IBAN:	
SWIFT/BIC code:	

Schedule 2

Power of Attorney

Power of Attorney

**For the Written Procedure relating to
STOCKMANN OYJ ABP – EUR 85,000,000 CAPITAL SECURITIES, ISIN: FI4000188776 (the “Capital
Securities”)**

We refer to communication from Stockmann Oyj Abp dated 31 October 2019 concerning the initiation of a Written Procedure relating to the Capital Securities (the “**Communication**”). Capitalised terms used herein, unless the context otherwise requires, shall have the meaning assigned to such terms in the Communication or the Terms and Conditions.

We hereby authorise:

Name(s) of the authorised person(s)

to represent and vote on behalf of

Name of the Holder

in the Nominal Amount voted for (in EUR)

in the Written Procedure relating to the Capital Securities set out in the Communication.

Date and place

*Name:
Authorised signatory of the Holder*