

2015

CORPORATE

GOVERNANCE

CORPORATE GOVERNANCE STATEMENT OF THE STOCKMANN GROUP

In its decision-making and corporate governance, Stockmann complies with the Finnish Limited Liability Companies Act, the Finnish Corporate Governance Code issued by the Securities Market Association, the rules of the company's Articles of Association, the NASDAQ Helsinki Guidelines for Insiders, and other applicable legislation and rules. The Corporate Governance Code can be accessed on the website of the Securities Market Association at cgfinland.fi. Stockmann complies with the Corporate Governance Code 2010 in its entirety and in reporting also the recommendations in the new Corporate Governance Code 2015.

Stockmann plc's Corporate Governance Statement for the 2015 financial year has been compiled in accordance with the Finnish Corporate Governance Code. The statement and up-to-date information on the company's corporate governance are also accessible on the company's website, stockmanngroup.com, under 'Governance'. The Corporate Governance Statement covers the governing bodies of the parent company Stockmann plc, which are responsible for the Group's administration and operations. These governing bodies are the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO). The Statement also deals with the election and working processes of the Board of Directors, the Board Committees' duties and responsibilities, the Shareholders' Nomination Board and Stockmann's management structure. In addition, Stockmann publishes a Remuneration Statement in accordance with the Code's requirements.

GENERAL MEETING OF SHAREHOLDERS

The highest decision-making body of Stockmann plc is the General Meeting of Shareholders. Each year, the company's financial statements are presented to the Annual General Meeting for its approval, and the Meeting decides on the disposal of the profit in the confirmed balance sheet, the election and remuneration of members of the Board of Directors and the release of the members of the Board of Directors and the CEO from liability.

The Annual General Meeting is held each year before the end of June. The Annual General Meeting for 2015 was held on 19 March 2015 in Helsinki. Seven out of the eight elected members of the Board of Directors and the company's auditors were present at the Annual General Meeting. There were 665 shareholders present personally or represented by proxy at the Meeting, representing 61.86 per cent of the company's registered share capital and 75.86 per cent of the votes.

Stockmann has two series of shares: A shares and B shares. Each A share entitles its holder to ten votes at a General Meeting, and each B share to one vote. The Notice of General Meeting, the meeting documents, the Board of Directors' proposals to be put to the meeting, the Shareholders' Nomination Board's proposal of Board members and other proposals for the General Meeting are available to shareholders at least three weeks prior to the meeting at the company's headquarters and on the company's website at stockmanngroup.com.

BOARD OF DIRECTORS

Under Stockmann's Articles of Association, the company's Board of Directors must have at least five and no more than nine members. Board members are elected for a term of one year, starting from the Annual General Meeting in which they are elected and ending at the conclusion of the subsequent Annual General Meeting. The Articles of Association do not contain any restrictions on the election of Board members.

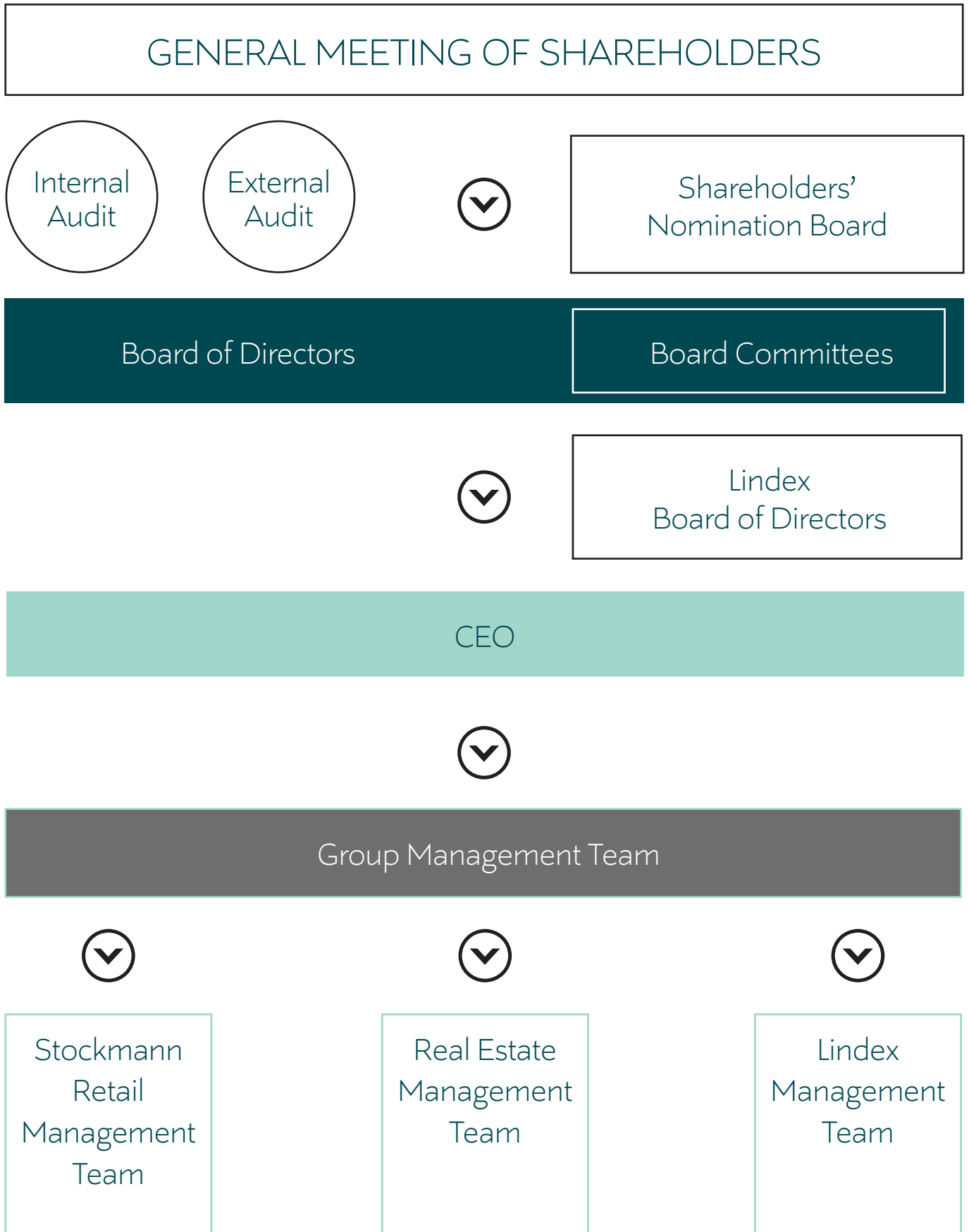
The Board of Directors elects a chairman and vice chairman from amongst its members.

At the end of 2015, the company's Board of Directors was composed of eight members elected by the 2015 Annual General Meeting. The members who were re-elected to the Board were Kaj-Gustaf Bergh, Kari Niemistö, Per Sjärdell, Charlotta Tallqvist-Cederberg, Carola Teir-Lehtinen and Dag Wallgren. MBA, B.Sc.(Econ.) Torborg Chetkovich and M.Sc.(Econ.) Jukka Hienonen were elected as new members. At the Board's organisational meeting Kaj-Gustaf Bergh was elected chairman. The Board members have no employment or service contract with the company.

The company's Board of Directors also has two personnel representatives. They are not Board members but have the right to be present and to speak at Board meetings. At the end of 2015 the personnel representatives on the company's Board of Directors were Ari Kerman and Rita Löwenhild.

The members of the Board must be qualified for their duties and have sufficient time to carry out their Board work. While choosing the members diversity is taken into account, so that the persons represent different fields and professions, international backgrounds, and varying age and gender. The majority of Board members must also be independent of the company, and at least two of these members must also be independent of major shareholders of the company. The Board of Directors is con-

CORPORATE GOVERNANCE MODEL OF STOCKMANN



sidered to have a quorum when more than half of its members are present. Decisions are made by majority vote. In the event of a tie, the chairman has the casting vote.

Duties of the Board

The duties and responsibilities of the Board of Directors and its committees are determined by the Articles of Association, the Limited Liability Companies Act and other applicable legislation. The Board of Directors attends to the company's administration and ensures the appropriate organisation of its operations. The Board must also ensure that supervision of the company's accounting and financial management is appropriately arranged.

The Board of Directors has adopted rules of procedure, which can be viewed on the company's website, stockmanngroup.com. The rules of procedure define the principles governing the Board's composition and method of election, its tasks, decision-making procedure and meeting practices as well as the principles for evaluating the Board's performance.

It is the Board's duty to promote the interests of the company and all of its shareholders. In order to carry out its duties, the Board:

- directs and oversees the company's management
- appoints and discharges the company's CEO
- approves the CEO's service agreement and other benefits
- approves the salaries and other benefits of the members of the Group Management Team
- ensures succession planning for the CEO and the Group Management Team
- approves the company's risk management principles
- assesses and approves the company's long-term strategic and financial objectives
- approves the business and strategic plans and assesses their implementation
- approves the annual budget
- decides on significant individual investments and corporate and property acquisitions
- decides on the company's dividend distribution policy and makes proposals to the General Meeting of Shareholders concerning the dividend to be paid
- convenes General Meetings of Shareholders

In 2015, the main areas of the Board's work were working on the Group's strategy and follow-up of the implementation.

In accordance with its rules of procedure, the Board conducts an annual self-evaluation of its operations and working practices under recommendation 7 of the Finnish Corporate Governance Code. The results of the evaluation are used to develop the Board's working processes.

Board meetings

The Board of Directors convenes in accordance with a pre-confirmed timetable and when necessary. The meeting timetable is based on the timetable for the company's financial reporting. In addition, the Board convenes for such occasions as a strategy meeting.

The following representatives of the company's management regularly attend Board meetings: the CEO, the CFO and the Director of Legal Affairs, who acts as secretary at the meeting. Other members of the Group's Management Team attend as appropriate. Two personnel representatives who are not members of the Board of Directors also attend Board meetings. One of these representatives is elected by the staff representatives of Stockmann's Group Council and the other by the association representing Stockmann's senior salaried employees. The Board of Directors convened 13 times in 2015. The rate of attendance was 100 per cent.

BOARD COMMITTEES

The Board of Directors has established a Compensation Committee and an Audit Committee among its members at its meeting held on 19 March 2015.

The Board elected Kaj-Gustaf Bergh as Chairman of the Compensation Committee, and Kari Niemistö, Charlotta Tallqvist-Cederberg and Dag Wallgren were elected as the other members of the committee.

The Board elected Dag Wallgren as Chairman of the Audit Committee, and Carola Teir-Lehtinen and Jukka Hienonen were elected as the other members of the committee.

The Board committees assist the Board of Directors by preparing matters falling within the competence of the Board. Thus, the committees are not autonomous decision-making bodies, although they have several monitoring and oversight responsibilities. The committees report to the Board on the matters addressed and makes proposals to the Board for decision-making as appropriate. The role and duties of the committees can be viewed on the company's website, stockmanngroup.com.

In 2015, the Compensation Committee convened 2 times, and the attendance rate was 100 per cent. The Audit Committee convened 6 times, and the attendance rate was 100 per cent.

SHAREHOLDERS' NOMINATION BOARD

The Annual General Meeting 2015 resolved, in accordance with the proposal of the Board of Directors, to appoint a Shareholders' Nomination Board to prepare proposals for the next Annual General Meeting on the composition and remuneration of the Board of Directors.

The Shareholders' Nomination Board consists of representatives appointed by each of the four largest shareholders. In addition, the Chairman of the Board of Directors will serve as an expert member. The right to appoint a representative belongs to the four shareholders who hold the largest share of voting rights in the company based on their shareholdings registered in the shareholders' register maintained by Euroclear Finland Ltd on the first working day of September preceding the Annual General Meeting. The Shareholders' Nomination Board will be convened by the Chairman of the Board of Directors and it will elect a chairman from among its members. The members of the Shareholders' Nomination Board will not be remunerated for their membership in the Nomination Board.

The shareholders have nominated the following members to the Nomination Board:

- Magnus Bargum, Treasurer, Society of Swedish Literature in Finland (Chairman of the Nomination Board)
- Kaj-Gustaf Bergh, Managing Director, Föreningen Konstsamfundet r.f.
- Ole Johansson, Chairman of the Board, Hartwall Capital Oy Ab, representing HTT STC Holding Oy Ab
- Kari Niemistö, Managing Director, Selective Investor Oy Ab

In January 2016 the Shareholder's Nomination Board gave its proposals for the Annual General Meeting to be held on 15 March 2016. The Nomination Board proposes that the present members of the Board of Directors, Kaj-Gustaf Bergh, Torborg Chetkovich, Jukka Hienonen, Per Sjödel and Dag Wallgren be re-elected for the term of office continuing until the end of the next Annual General Meeting. Additionally, the Committee proposes that Susanne Najafi, Leena Niemistö and Michael Rosenlew be elected new Board members for the term of office stated above. In addition, the Nomination Board proposes that the annual remuneration of the members of the Board of Directors remain at the present level.

In 2015, the Shareholder's Nomination Board convened 2 times, and the attendance rate was 100 per cent.

CHIEF EXECUTIVE OFFICER

Per Thelin, B.Sc.(Econ.), has been Stockmann's CEO since 10 November 2014.

The Board of Directors appoints the company's CEO and decides on the terms and conditions of the post. These terms and conditions are set forth in a written CEO agreement. Information on the CEO's remuneration and the terms and conditions of his post is available in the Remuneration Statement.

The CEO is in charge of the company's governance and operational management in accordance with the instructions and regulations issued by the Board of Directors. He is also responsible for developing general strategic and business plans for presentation to the Board.

OTHER EXECUTIVES

The Board of Directors appoints the members of the Group Management Team. Headed by the CEO, the Group Management Team is responsible for directing operations and for preparing strategic and financial plans. The Management Team's main duties are drawing up and implementing the Group strategy and the divisions' strategies, and financial forecasts, earnings development and investments. The Group's divisions have their own management teams that assist the Director of the respective division.

The Group Management Team has nine members. On 31 December 2015, the Management Team comprises: Per Thelin, CEO; Lauri Veijalainen, CFO; Jouko Pitkänen, Director, Stockmann Retail; Björn Teir, Director, Real Estate; Ingvar Larsson, CEO of Lindex; Nora Malin, Director, Corporate Communications; Petteri Naulapää, CIO; Tove Westermarck, Director, Development and Jukka Naulapää, Director, Legal Affairs, also secretary of the Management Team. The Management Team members report to the CEO.

INTERNAL CONTROL AND INTERNAL AUDIT

The implementation of internal control is the responsibility of the Board of Directors. The objective of internal control is, among other things, to ensure the efficiency and profitability of operations, the reliability of information and compliance with rules and regulations. Internal control is a part of day-to-day management and the company's administration.

An essential part of internal control is the Internal Audit, which operates as an independent unit under the CEO and reports its observations to the Board of Directors. The Internal Audit unit

supports the Group's management in directing operations by assessing the efficiency of business activities, risk management and internal control, and by providing management with information and recommendations for enhancing efficiency in these areas. Internal Audit also audits the business and financial reporting processes. The Internal Audit Charter has been approved by Stockmann's Board of Directors. Internal Audit's operations are based on risk assessment and an emphasis on the development of business operations.

RISK MANAGEMENT

The goal of risk management is to secure the Group's earnings development and to ensure that the company operates without any disturbances by controlling risks in a cost efficient and systematic manner in all divisions. The Board of Directors has approved the company's risk management principles, which concern all of the Stockmann Group's divisions and areas of business.

Stockmann's Board of Directors and the Group Management Team regularly evaluate the risk factors to which business operations are exposed and the sufficiency of risk management actions as part of the strategy process. Risk management is supported by internal control systems and guidelines. Risk management guidelines have been drawn up separately for the following areas, among others: IT and information security, finance operations, environmental issues, misconduct, security and insurance.

Stockmann's business is exposed to various risks that may have an adverse effect on the company's operations. The divisions' management teams are responsible for making financial and strategic plans in their own units; identifying and analysing business risks and evaluating treatment actions is a part of strategy planning. Business risks are also analysed outside the strategic process, especially in connection with significant projects and investments, and are reported to the Board of Directors as needed.

The Group has a risk management steering group, whose task is to support business operations in recognising and managing such risks that may endanger or prevent Stockmann from achieving its strategic goals. The steering group, which comprises the company's Director of Internal Audit, Director of Legal Affairs and Head of Group Accounting, reports its findings and recommendations to the Group Management Team.

Risk factors

Business risks comprise all the factors that may jeopardise or prevent the achievement of the strategic goals of the Group or an entity belonging to it.

Stockmann's business risks are divided into three risk areas:

- Business environment risks, which refer to risk factors that are external to the company. Should they materialise, they may have a major impact on the company's ability to operate and on profitability. Such risk factors include fundamental and unexpected changes in the market trend, decreasing purchasing power and the country-specific risks.
- Operative and accident risks, which refer to risks related to the company's functions. Should they materialise, they may lead to an interruption of business operations, inefficiency and unprofitability. Such risks include personnel, misconduct, ICT and information security risks, as well as risks related to the information used in decision-making.
- Financial risks, which, should they materialise, would adversely affect the Group's profit, balance sheet and liquidity. Financial risks, including risks arising from exchange rate and interest rate fluctuations, are managed in accordance with the risk policy confirmed by the Board of Directors.

In the current situation, uncertainties related to the general economic conditions and, in particular, consumers' purchasing behaviour are estimated to be the primary risks that have an impact on Stockmann's operations. Risk factors and sources of uncertainty are explained in further detail in the Report by the Board of Directors which is included in the Financial Statements.

Main features of the risk management systems and internal control pertaining to the financial reporting process

The Board of Director and its Audit Committee are responsible for the implementation of internal control in regard to financial reporting. The Group's Chief Financial Officer and the Finance and Control Department are responsible for the Group's financial reporting. Group-level directions are complied with in Stockmann's financial reporting. The reporting is based on information from commercial and administrative processes and data produced by the financial management systems. The Group's Finance and Control Department determines the control measures applied to the financial reporting process. These control measures include various guidelines, process descriptions, reconciliations, and analyses used for ensuring the validity of the information used in the reporting and the validity of the reporting itself.

The financial reporting results are monitored and any anomalies in relation to forecasts or in comparison with the previous year's figures are analysed on a regular basis. Such analyses are used to detect any reporting errors and to produce materially accurate information on the company's finances.

The divisions and the Group's Finance and Control Department are responsible for the effectiveness of internal control within their own sphere of responsibility. The Group's Finance and Control Department is responsible for assessments of the reporting processes. The risk management process includes assessment of the risks pertaining to financial reporting, and the related management measures are determined as a part of the risk management process.

INSIDERS

Stockmann complies with the insider guidelines from December 2015 prepared by the Helsinki exchange, the Central Chamber of Commerce and the Confederation of Finnish Industries EK. Counted as Stockmann plc's insiders with the duty to declare under the Securities Market Act (297/2005), Chapter 5, Section 3, are the members of the Board of Directors, the chief executive officer, the auditors and the persons who receive insider information on a regular basis and are entitled to make decisions on the company's future development and organization of its business.

In addition to the public insider register on persons with a mandatory declaration duty, Stockmann maintains a company-specific insider register on persons working for the company who receive inside information on a regular basis due to their position or tasks.

Stockmann's Board of Directors has decided that the restriction on trading in the company's shares by insiders is 30 days before the publication of an interim report or the financial statements as of the first quarter of 2016. Stockmann also observes a 30-day silent period before the publication of the interim report and the financial statement bulletin.

AUDITORS

The auditors appointed by the General Meeting audit the company's accounting, financial statements and administration. The company has a minimum of one and a maximum of three auditors, who have a minimum of one and a maximum of three deputies. The term of the auditors begins from the Annual General Meeting in which they were appointed, and ends at the close of the next Annual General Meeting.

The Annual General Meeting of 2015 elected as the company's auditors Henrik Holmbom, Authorised Public Accountant, and Marcus Tötterman, Authorised Public Accountant. Both auditors represent KPMG, Authorised Public Accountants. KPMG, Authorised Public Accountants was appointed as the deputy auditor.

The Board of Directors proposes to the Annual General Meeting 2016 that Henrik Holmbom, Authorized Public Accountant and Marcus Tötterman, Authorized Public Accountant, be re-elected as auditors. It is proposed that KPMG Oy Ab, a firm of Authorized Public Accountants, be re-elected as deputy auditor.

Currently, KPMG, Authorised Public Accountants acts as the Stockmann Group's auditor in all countries of operation and in all subsidiaries except in the UK. In 2015, the fees relating to the auditing process amounted to EUR 0.5 million and the fees for tax counselling and other services to EUR 0.8 million.

This Corporate Governance Statement will be issued as a separate report in conjunction with the Report by the Board of Directors and the Financial Statements for 2015.

Approved by the Board of Directors of Stockmann plc on 17 February 2016.

BOARD OF DIRECTORS



KAJ-GUSTAF BERGH
b. 1955
Finnish citizen
LL.M., B.Sc.(Econ.)

Chairman of the Board 2014–,
Member 2007–2013

Chairman of the
Compensation Committee;
Member of the Shareholders'
Nomination Board

Independent of the company

Relevant work experience

Föreningen Konstsamfundet,
Managing Director 2006–;
Skandinaviska Enskilda
Banken, Member of the
Management Team
2000–2001; SEB Asset
Management, Director
1998–2000

Principal positions of trust

Ramirent Plc, Member of the
Board 2004–; Sponda Plc,
Chairman of the Board 2013–;
Wärtsilä Corporation, Member
of the Board 2008–; Veritas
Pension Insurance, Member of
the Board 2007–; Åbo
Akademi University, Chairman
of the Board 2015–

Shares

Series A shares: 1 077
Series B shares: 17 293



KARI NIEMISTÖ
b. 1962
Finnish citizen
M.Sc.(Econ.)

Vice Chairman of the Board
2012–, Member 1998–

Member of the Compensation
Committee; Member of the
Shareholders' Nomination
Board

Independent of the company
and major shareholders

Relevant work experience

Oy Selective Investor Ab,
Managing Director, Member of
the Board 1993–;
Suomen Suunto Yhtymä Oy,
Administrative Director,
Member of the Board
1992–1993

Principal positions of trust

Ars Fennica Art Foundation,
Chairman of the Board 2004–;
Raisio plc, Member of the
supervisory Board 2008–

Shares

Series A shares: 3 168 650
Series B shares: 1 035 029



**TORBORG
CHETKOVICH**
b. 1967
Swedish citizen
MBA, B.Sc.(Econ.)

Member of the Board 2015–

Independent of the company
and major shareholders

Relevant work experience

Swedavia AB, CEO 2010–2015;
MTR Nordic Region, CEO
2008–2010; Veolia Transport
Sweden AB, Deputy CEO
2006–2008, Director Division
Stockholm 2003–2006

Principal positions of trust

Airports Council International
Europe, Member of the Board
2010–2015; Almega (Employer
and trade organization for the
Swedish service sector),
Member of the Board 2010–

Shares

Series B shares: 3 710



JUKKA HIENONEN
b. 1961
Finnish citizen
M.Sc.(Econ.)

Member of the Board 2015–

Member of the Audit
Committee

Independent of the company
and major shareholders

Relevant work experience

SRV Group Plc, CEO
2010–2014; Finnair Plc, CEO
2006–2010; Stockmann plc,
Executive Vice President
2003–2005

Principal positions of trust

Central Chamber of
Commerce, Member of the
Board 2013–; Paroc Group Oy,
Chairman of the Board 2015–;
Sato plc, Vice Chairman of the
Board 2015–

Shares

Series B shares: 6 881



PER SJÖDELL
b. 1972
Swedish citizen
M.Sc.(Econ.)

Member of the Board 2012–

Independent of the company
and major shareholders

Relevant work experience

Red City PR, Founding Partner
2015–; Fiskars Sweden AB,
Managing Director 2012–2015;
Pocket Shop AB, CEO
2010–2012; H&M AB, Global
Marketing Director 2008–2010

Principal positions of trust

Identity Works AB, Chairman of
the Board 2014–; Lindex AB,
Chairman of the Board 2014–;
Lyko Group AB, Chairman of
the Board 2016–

Shares

Series B shares: 7 831

BOARD OF DIRECTORS



CHARLOTTA TALLQVIST- CEDERBERG

b. 1962
Finnish citizen
M.Sc.(Econ.)

Member of the Board 2010–

Member of the Compensation
Committee

Independent of the company

Relevant work experience

CTC Consulting & Invest Oy
Ab, Managing Director and
Partner 2008–; Nordic
Investment Bank, Senior
Project Manager 2007–2008,
Senior Manager 2006–2007,
Regional Manager 2002–2006

Principal positions of trust

Handelsbanken Rahastoyhtiö
Oy, Member of the Board
2012–; Hartwall Capital Ltd.,
Member of the Board 2014–

Shares

Series B shares: 13 371



CAROLA TEIR-LEHTINEN

b. 1952
Finnish citizen
M.Sc.

Member of the Board 2004–

Member of the Audit
Committee

Independent of the company
and major shareholders

Relevant work experience

Fortum Corporation, Corporate
VP, Environment, Health &
Safety 1998–2000, Senior Vice
President, Corporate
Communications 2000–2007,
Corporate Vice President,
Sustainability 2007–2010;
Neste Corporation, Director,
Environment and Product
Safety 1992–1998

Principal positions of trust

The Finnish Children and Youth
Foundation, Member of the
Committee 2004–; Sweco AB
(publ), Member of the Board
2011–; Arcada Foundation, Vice
chairman of the Board 2011–;
WWF Finland, Member of the
supervisory Board 2011–;
University Pharmacies,
Member of the Board 2013–

Shares

Series B shares: 16 084



DAG WALLGREN

b. 1961
Finnish citizen
M.Sc.(Econ.)

Member of the Board 2011–

Chairman of the Audit
Committee, Member of the
Compensation Committee

Independent of the company

Relevant work experience

Svenska litteratursällskapet i
Finland r.f., Finance Director
1997–2008, Managing Director
2008–; Ab Kelonia Oy,
Managing Director 2000–
2008

Principal positions of trust

Ab Kelonia Oy, Member of the
Board 2009–; Schildts &
Söderströms Ab, Member of
the Board 2009–; Veritas
Pension Insurance, Member of
the supervisory Board 2012–;
Aktia Bank Plc, Chairman of
the Board 2010–

Shares

Series B shares: 7 506



Personnel representatives

At meetings of the Board of Directors, personnel representatives have the right to attend and to speak. They are not members of the Board of Directors.

RITA LÖWENHILD

b. 1952
Finnish citizen

Chief shop steward,
Stockmann

Personnel representative,
elected by Stockmann's
Group Council



ARI KERMAN

b. 1969
Finnish citizen

Application specialist,
Group's shared functions

Personnel representative
elected by Stockmann's senior
salaried employees

Details of the Board of Directors at 31 December 2015.
Up-to-date information on the Board of Directors is available
on Stockmann's website stockmanngroup.com.

MANAGEMENT TEAM



PER THELIN

b. 1958
Swedish citizen
B.Sc.(Econ.)
CEO 2014–

Joined Stockmann in 2014

Relevant work experience

Actus, senior advisor 2000–; Inflight Service Europe AB, President and CEO 2010–2011; Venue Retail Group AB, President and CEO 2006–2009; MT Owner AB, CEO, Board member 2005–2006; Biltema Sweden AB, President and CEO 2003–2004; Gratot/FM AB (Ecta Resurs AB), President and CEO 2000–2003; Wilkenson Handskmakar'n AB, President and CEO 1998–2000; KD AB/B.A. PRIX, Business Area Manager 1994–1998



INGVAR LARSSON

b. 1972
Swedish citizen
M.Sc.(Econ.)
CEO, Lindex 2014–

Joined Stockmann in 2010

Relevant work experience

Lindex, Design and Purchasing Director 2013–2014, Country Manager (Sweden) 2010–2013; H&M, Country Manager (Greece) 2007–2010, Regional Manager (Czech Republic, Slovakia, Hungary) 2006–2007

Principal positions of trust

Svensk Handel Stil, Member of the Board 2012–

Share options

2010B: 6 600
2010C: 6 600



NORA MALIN

b. 1975
Finnish citizen
M.Sc.(Pol.)
Director, Corporate Communications 2013–

Joined Stockmann in 2010

Relevant work experience

Stockmann plc, Manager, Corporate Communications 2010–2013; Fiskars Corporation, Communications Manager, 2008–2010; Iittala Group Oy Ab, Financial Communications Manager 2006–2008; Basware Corporation, Communications Manager 2003–2006; Smartner Information Systems Oy, PR Manager 2000–2003

Principal positions of trust

Finnish Commerce Federation, Chairman of the Communication Committee 2013–2015

Share options

2010B: 4 000
2010C: 4 000



JUKKA NAULAPÄÄ

b. 1966
Finnish citizen
LL.M.
Director, Legal Affairs 2006–

Joined Stockmann in 1998

Relevant work experience

Stockmann plc, Secretary to the Management Committee 2001–, Lawyer 1998–2006; Law Firm Hepo-Oja & Lunnas Oy, Attorney 1991–1998

Share options

2010B: 8 000
2010C: 12 000



PETTERI NAULAPÄÄ

b. 1968
Finnish citizen
M.Sc.(Tech.)
CIO 2015–

Joined Stockmann in 2015

Relevant work experience

Vaisala plc, CIO 2010–2015; Digia plc, Director, Dynamics AX solutions 2006–2010; Oracle Finland Oy, Sales manager 2000–2006, Sales consultant 1998–2000

MANAGEMENT TEAM



JOUKO PITKÄNEN

b. 1971

Finnish citizen

eMBA

Director, Stockmann Retail 2014–

Joined Stockmann in 1998

Relevant work experience

Stockmann plc, Director for department stores in Russia and Baltics 2013–2014, Sales Development Director, Department Store Division 2011–2013, Director, Turku department store 2008–2011, Director, Russian department stores 2008, Commercial Director (St. Petersburg) 2006–2007, Sales Director (department stores in Moscow) 2006, Director, Mega department store, Moscow 2004–2005, Sales Manager (Helsinki city centre department store) 2001–2003

Shares

Series B shares: 80

Share options

2010C: 4 000



BJÖRN TEIR

b. 1969

Finnish citizen

M.Sc.(Pol.)

Director, Real Estate 2014–

Joined Stockmann in 2014

Relevant work experience

Ab Mercator Oy, Managing Director 2008–2014; Ab Forum Capita Oy, Managing Director 2007–2014; Bostads Ab Majstrandsgården i Helsingfors, Managing Director 2004–2007; Fastighets Ab Arcada Nova, Managing Director 2002–2007; Fastighets Ab Majstranden, Managing Director 2003–2007; Samfundet Folkhälsan i svenska Finland rf, Planning Manager 2001–2006

Principal positions of trust at present

Helsinki region Chamber of Commerce, Member of the Board and Chairman of the committee for commerce and services 2013–

Shares

Series B shares: 28



LAURI VEIJALAINEN

b. 1968

Finnish citizen

B.Sc.(Geog.), MBA

CFO 2015–

Joined Stockmann in 2010

Relevant work experience

Stockmann plc, Deputy Director, Real Estate 2014–2015, Development Director for the Group's international operations 2010–2015; IKEA Russia and CIS, CFO 2003–2010; Skanska Moscow, CFO and Administrative Director 1998–2003

Principal positions of trust

Veikkaus Oy, Deputy Chairman of the Board 2013–; Fortrent Oy (JV Cramo-Ramirent), Member of the Board 2013–

Shares

Series B shares: 1 225

Share options

2010B: 12 000
2010C: 12 000



TOVE WESTERMARCK

b. 1968

Finnish citizen

M.Sc.(Econ.)

Director, Development 2014–

Joined Stockmann in 1991

Relevant work experience

Stockmann plc, Director, Department Store Division's distance retail business 2013–2014, Director, department stores in Russia 2008–2013, Sales Director, department stores in Russia 2007–2008, Marketing Director, international operations 2005–2007, Director, Tallinn department store 2004–2005, Marketing Manager (Helsinki city centre department store) 2001–2004, Sales Manager (Helsinki city centre department store) 1999–2000

Shares

Series B shares: 1 000

Share options

2010B: 6 600
2010C: 6 600

Details of the Management Team at 31 December 2015. Up-to-date information of the Management Team is available on Stockmann's website stockmanngroup.com.

RENUMERATION STATEMENT 2015

DECISION-MAKING ORDER AND KEY PRINCIPLES IN REMUNERATION AT STOCKMANN

Stockmann plc's highest decision-making body is the General Meeting of shareholders. The Annual General Meeting decides on the remuneration and other benefits to be paid to the members of the Board of Directors for their board and committee work annually. The proposal for the remuneration is prepared by the Shareholders' Nomination Board. The Board members are not participating in the company's incentive or share option schemes for key personnel.

The power to appoint and dismiss the company's CEO rests with the Board of Directors, which also decides on the terms and benefits of the CEO's service, and these are set out in writing in the CEO agreement. The Board also appoints other members of the Group's Management Team and decides on their salaries and other benefits on the basis of proposals by the Compensation Committee.

The Board of Directors also approves each year the criteria for determining the incentive pay for the Group's CEO and Management Team members, on the basis of proposals by the Compensation Committee. The incentive pay is determined on the basis of the Group's financial and other objectives related to the implementation of the strategy.

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

The remuneration to the Board members is paid in cash or company shares. There is no restriction on the ownership period pertaining to the shares received as remuneration.

During the 2015 financial year, EUR 76 000 was paid in fixed fees to the chairman of the Board, EUR 49 000 to the vice chairman, and EUR 38 000 each to the other Board members, in accordance with the decisions of the General Meeting of 19 March 2015. About 50 per cent of the annual remuneration was paid in company shares and the rest in cash. The Chairman of the Board was paid EUR 1 000 and members of the Board of Directors were paid a meeting attendance fee of EUR 500 for each Board meeting.

The Chairman and the members of the Board Committees were also paid an attendance fee for the Committee meetings. The Chairman of the Audit Committee was paid EUR 1 000 and each member was paid EUR 700 as a meeting remuneration for each meeting of the Audit Committee, and the Chairman and each member of the Compensation Committee was paid EUR 500 as a meeting remuneration for each meeting of the Committee.

During the 2015 financial year the Board members were paid a total of EUR 210 028 (2014: EUR 228 869) in cash and 30 411 (2014: 16 708) of the company's Series B shares as payment in shares. The value of shares was EUR 211 872 on the date of share purchases. The total value of the remuneration was EUR 421 900 (2014: EUR 415 500).

Persons who have become Board members before 2004 fall within the sphere of voluntary TyEL insurance under the Employees Pensions Act.

The shareholders' Nomination Board proposes to the Annual General Meeting on 15 March 2016 that the remuneration of the members of the Board of Directors remain at the present level.

REMUNERATION OF THE BOARD OF DIRECTORS IN 2015, EUR

	Fixed annual fees	Attendance fees	Committee attendance fees	Remuneration in total	Paid in cash	Value of shares paid
Kaj-Gustaf Bergh, Chairman	76 000	10 500	1 000	87 500	43 800	43 700
Torborg Chetkovich *	38 000	4 500		42 500	17 800	24 700
Jukka Hienonen *	38 000	4 500	4 200	46 700	28 650	18 050
Eva Liljebloom **		1 000		1 000	1 000	
Kari Niemistö, Vice Chairman	49 000	6 000	1 000	56 000	24 248	31 752
Per Sjödel * **	38 000	6 000		44 000	19 300	24 700
Kjell Sundström **						
Charlotta Tallqvist-Cederberg	38 000	6 000	1 000	45 000	17 640	27 360
Carola Teir-Lehtinen	38 000	6 000	4 200	48 200	21 790	26 410
Dag Wallgren	38 000	6 000	7 000	51 000	35 800	15 200
Board members, total	353 000	50 500	18 400	421 900	210 028	211 872

* Elected as a new member on 19 March 2015.

** Member until 19 March 2015. Kjell Sundström was additionally paid EUR 216 000 in salary in 2015 for his work as the Chief Strategy Officer of Stockmann until spring 2015.

*** Per Sjödel was additionally paid EUR 41 352 in 2015 for acting as the Chairman of the Lindex Board of Directors.

REMUNERATION OF THE BOARD OF DIRECTORS IN 2015, SHARES

	Shares	Value, EUR
Kaj-Gustaf Berg, Chairman	6199	43 700
Torborg Chetkovich	3710	24 700
Jukka Hienonen	2711	18 050
Kari Niemistö, Vice Chairman	4504	31 752
Per Sjödel	3504	24 700
Charlotta Tallqvist-Cederberg	3881	27 360
Carola Teir-Lehtinen	3746	26 410
Dag Wallgren	2156	15 200
Board members, total	30 411	211 872

FINANCIAL BENEFITS PERTAINING TO THE POST OF CEO

Per Thelin has been Stockmann plc's CEO since 10 November 2014.

In 2015, CEO Per Thelin was paid a fixed salary of EUR 430 516 (2014: EUR 61 848). The fixed salary consist of EUR 420 533 (2014: EUR 60 518) in cash and EUR 9 983 (2014: EUR 1 330) in fringe benefits. The CEO has also from 1 January 2015 a performance pay tied to the Group's financial and other objectives related to the implementation of the strategy. The performance pay may amount to no more than 72 per cent of the fixed basic salary. The CEO has not been given shares or share options as part of remuneration.

Thelin's retirement age is determined in accordance with Finnish employment pension legislation. The CEO's pension will accrue on the basis of the Employees' Pensions Act and a separate, voluntary defined contribution pension insurance taken out by the company. In 2015, the voluntary insurance contribution was EUR 27 988 (2014: EUR 4 856).

If the company terminates the CEO agreement, the notice period will be 6 months, in addition to which the CEO will be entitled to a severance payment equivalent to 6 months' pay. If the CEO terminates his agreement, the notice period will be 3 months.

FINANCIAL BENEFITS PERTAINING TO OTHER MANAGEMENT TEAM MEMBERS

For members of the Group's Management Team other than the CEO, a total of EUR 2 306 281 was paid in fixed salaries in 2015 (2014: EUR 2 367 918). The fixed salary consists of EUR 2 229 312 in cash (2014: EUR 2 301 162) and EUR 76 969 in fringe benefits (2014: EUR 66 756). The Group Management Team members have a performance pay tied to the Group's financial and other objectives related to the implementation of the strategy. The performance pay may amount to no more than 25 per cent of the fixed basic salary. Due to the earnings performance in 2014, no incentive pay was paid in 2015 (2014: EUR 0).

On 16 March 2010, the General Meeting decided on share option schemes for key personnel as part of the incentive and commit-

ment scheme for management. Some of the Group's Management Team members are covered by the 2010 Key personnel share option scheme as part of Stockmann plc's long-term incentive schemes. The terms of the share option scheme and information on the options and shares in the ownership of the members of the Management Team are available on the company's website stockmanngroup.com.

The retirement age of the Management Team members is 63 or 65, depending on the particular executive agreement in question. In addition to the CEO, two of the management team members have voluntary earnings-related pension insurances taken by the company as of the end of 2015. The costs of the insurances in 2015, for others than the CEO, amounted to EUR 83 670 (2014: EUR 160 554).

The notice period for the Management Team members are mostly 6 months from both sides. One Management Team member has a notice period of 3 months from the company's side and two members have a notice period of 3 months from the director's side. If the company terminates the agreement, the management team members are in addition entitled to a severance payment equivalent to 3 or 6 months' pay depending on their agreement in question.

REMUNERATION OF THE CEO AND OTHER GROUP MANAGEMENT TEAM MEMBERS, EUR

	2015	2014
CEO Per Thelin		
Fixed Salary	420 533	60 518
Performance pay	–	–
Fringe benefits	9 983	1 330
Total	430 516	61 848
Voluntary pension contributions	27 988	4 856
Other Management Team members*		
Fixed salary	2 229 312	2 301 162
Performance pay	–	–
Fringe benefits	76 969	66 756
Total	2 306 281	2 367 918
Voluntary pension contributions	83 670	160 554

* Includes Management Team members as of 31 December 2015 and those members who left the company during 2015.