

STOCKMANN PLC

PROPOSAL OF THE BOARD OF DIRECTORS TO APPOINT A SHAREHOLDERS' NOMINATION BOARD

The Board of Directors proposes that the Annual General Meeting resolves to appoint a Shareholders' Nomination Board to prepare proposals on the composition and remuneration of the Board of Directors to the next Annual General Meeting.

The Shareholders' Nomination Board would consist of representatives appointed by each of the four largest shareholders. In addition, the Chairman of the Board of Directors would 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. Should a shareholder not wish to exercise his/her nomination right, the right shall be transferred to the next largest shareholder who otherwise would not be entitled to nominate a member.

If a shareholder who has distributed his/her holdings e.g. into several funds and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in his/her share of ownership, or whose holdings are nominee registered, makes a written request to such effect to the Chairman of the Board of Directors no later than on the last working day of August, such shareholder's holdings in several funds or nominee register will be considered together with the potential directly registered holdings of said shareholder when calculating the share of votes which determines the nomination right. The request must be accompanied by sufficient evidence of title to the nominee registered shares or of the obligation to take the holdings into account under the Finnish Securities Markets Act. The Chairman of the Board of Directors invites the four largest shareholders thus determined to appoint one member each to the Shareholders' Nomination Board.

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. When the Shareholders' Nomination Board has been appointed, the company publishes its composition by a stock exchange release.

The duties of the Shareholders' Nomination Board are to

1. prepare proposals on the composition of the Board of Directors to the General Meeting;
2. prepare proposals on the remuneration of the Board of Directors to the General Meeting;

3. seek successor candidates for the members of the Board of Directors; and
4. present the proposals on the composition and remuneration of the Board of Directors to the General Meeting.

The Shareholders' Nomination Board shall present its proposal to the company's Board of Directors at the latest on the last working day of January preceding the Annual General Meeting. The Shareholders' Nomination Board shall treat the proposals as confidential until the company has published them. Provisions of the Finnish Securities Markets Act are applicable to the insider information potentially received by the members of the Shareholders' Nomination Board.

Members of the Shareholders' Nomination Board are not remunerated for their membership in the Nomination Board. Travel expenses of the members are reimbursed in accordance with the company's travel policy. The Nomination Board may, when necessary, use external experts in connection with the performance of its duties in accordance with costs approved by the company.

In Helsinki on 18 February 2016

STOCKMANN PLC

Board of Directors