

30th April 2021

Dear trade creditor of Stockmann plc

The purpose of this letter is to provide you with information regarding a limited partnership to be established to manage the conversion and collection of the restructuring receivables of the trade creditors of Stockmann plc (“**Stockmann**”). The trade creditors are invited to participate as limited partners, and they will get an ownership stake in the partnership corresponding the amount of their receivables. Those who participate in the partnership do not need to have a Finnish book-entry account in place. This would allow those international creditors that do not have the possibility to open an account, to participate both in the share issue and bond conversion.

The following outlines the basic terms and conditions of the limited partnership.

1. Purpose and objective of the limited partnership

The purpose and objective of the limited partnership is to manage and collect the receivables (including, without limitation, conversion of the receivables into shares and bonds) in Stockmann in accordance with the investment policy of the limited partnership.

2. Joining the limited partnership

A trade creditor of Stockmann shall be admitted as a limited partner of the limited partnership upon request and subject to such creditor signing the limited partnership agreement (a draft of which will be made available for interested upon request), an assignment letter (whereby the creditor assigns its restructuring debt, in whole or in part, to the partnership) as well as a letter of notice informing Stockmann of the assignment of its receivables to the limited partnership, and the general partner has accepted such creditor as a limited partner.

3. Fee structure

3.1. Establishment fee

There will be a one-time establishment fee in the amount of EUR 25,000 that will be payable to the general partner by the limited partners pro rata to their receivables assigned to the limited partnership.

3.2. Management fee

The limited partnership will pay to the general partner annually as a management fee the higher of EUR 10,000 or 0.3% of an amount equal to the sum of all receivables assigned to the limited partnership by the limited partners (less any distributions or withdrawals) (the “**Total Commitment**”).

3.3. Distribution of proceeds

In case of a repayment, sale or other disposal of the shares and bonds in Stockmann resulting in cash available for distribution by the partnership, and upon the liquidation of the limited partnership at latest, the proceeds received from such realization will be distributed as follows:

- (a) First, hundred percent to each limited partner until it has received an amount equal to its proportional share of the Total Commitment; and
- (b) Secondly, any proceeds available after distributions made in accordance with subparagraph “a” above shall be distributed 80% to the limited partners and 20% to the general partner.

3.4. Asset manager’s fee

EVLI Pankki Oyj will act as an asset manager for the limited partnership. The remuneration of the asset manager will consist of an annual fee of 0.3% of the value of the Total Commitment as well as an arrangement fee of 0.3% of the value of each transaction made by the limited partnership.

4. Conversion

The limited partnership shall convert all receivables assigned to it by the limited partners into shares and bonds in Stockmann in accordance with the terms and conditions of the restructuring programme.

5. Termination of limited partnership

5.1. Maturity of the limited partnership

The intended lifespan of the partnership is six (6) years from its establishment, the first five (5) of which correspond with the five (5) year maturity of the bond issued by Stockmann.

5.2. Withdrawals

A limited partner may withdraw from the limited partnership subject to providing a written request thereof to the general partner no later than two (2) months prior to a permitted withdrawal date, which are 31st of March and 30th September of each calendar year with 31st March 2022 being the first possible withdrawal date. After receiving the withdrawal request, the general partner will instruct the asset manager to realize the partnership’s assets to the extent necessary for the partnership to affect the distribution of an amount corresponding to the amount of the withdrawing limited partner’s allocable share of the Total Commitment to the withdrawing limited partner.

Proportional share of the fees and costs accrued by the limited partnership up until such withdrawal shall be deducted from the funds to be distributed to the withdrawing partner. In addition, a computational proportional share of the fees and costs to be accrued by the limited partnership up until its liquidation shall be deducted from the funds distributable to the withdrawing partner as follows:

Year of withdrawal	Deduction from distributable funds
2022	12%
2023	8%
2024	6%
2025	4%
2026	2%

5.3. Liquidation

The limited partnership shall enter into liquidation and its affairs will wound up at the latest at the end of its sixth (6) financial year.

In case Stockmann enters into refinancing and pays all of its restructuring debts in an accelerated schedule, the partnership shall terminate.

An earlier liquidation may be resolved upon a decision of a qualified majority of the limited partners.

6. Advisory Committee

An advisory committee shall be established for the purposes of the limited partnership and it will consist of the three (3) limited partners having assigned the largest Stockmann reorganization debts to the partnership. The general partner is obligated to consult the advisory committee on all matters of importance.

If you have any questions regarding the above or if we can be of any further assistance, please do not hesitate to contact Risto Ojantakanen by telephone: +358 40 033 0300 or email: stockmann@itainenojantakanen.fi.

Yours sincerely,

Risto Ojantakanen