

# 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	<b>87 500</b>	43 800	43 700
Torborg Chetkovich *	38 000	4 500		<b>42 500</b>	17 800	24 700
Jukka Hienonen *	38 000	4 500	4 200	<b>46 700</b>	28 650	18 050
Eva Liljebloom **		1 000		<b>1 000</b>	1 000	
Kari Niemistö, Vice Chairman	49 000	6 000	1 000	<b>56 000</b>	24 248	31 752
Per Sjödel * **	38 000	6 000		<b>44 000</b>	19 300	24 700
Kjell Sundström **						
Charlotta Tallqvist-Cederberg	38 000	6 000	1 000	<b>45 000</b>	17 640	27 360
Carola Teir-Lehtinen	38 000	6 000	4 200	<b>48 200</b>	21 790	26 410
Dag Wallgren	38 000	6 000	7 000	<b>51 000</b>	35 800	15 200
<b>Board members, total</b>	<b>353 000</b>	<b>50 500</b>	<b>18 400</b>	<b>421 900</b>	<b>210 028</b>	<b>211 872</b>

\* 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
<b>Board members, total</b>	<b>30 411</b>	<b>211 872</b>

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

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