

Ref: The interim decision of Helsinki District Court 14 December 2020 case HS 20/16712

PROCEDURE REGARDING THE DRAFT RESTRUCTURING PROGRAMME OF STOCKMANN PLC

Please find attached the restructuring administrator's draft restructuring programme of Stockmann plc dated 14 December 2020 including its appendices, the interim decision 20/73157 of the Helsinki District Court 14 December 2020 and an approval form.

The creditors are provided the opportunity in accordance with the interim decision to present their written claims regarding the restructuring debts specified in the draft restructuring programme and to present a written statement regarding the draft restructuring programme in accordance with the instructions stated below. The District Court has also advised the restructuring administrator to present the creditors an opportunity to give their written approval of the draft restructuring programme. Please note that it is not mandatory to deliver a written claim, a written statement or a written approval.

Confidentiality of the draft restructuring programme

The draft restructuring programme and part of its appendices delivered to the creditors contain strictly confidential information. The draft restructuring programme and its appendices are exclusively presented to the parties to the matter, i.e. creditors and it may not be assigned or disclosed to any third party. More detailed information on the confidentiality of the draft restructuring programme can be found on page 2 of the draft restructuring programme.

Approval of the draft restructuring programme and appointment of the supervisor

Appendix 2 is a form which the creditors can submit to state whether they approve the draft restructuring programme and the appointment of the restructuring administrator as the supervisor of the restructuring programme. Please return the attached form by **15 January 2021** at the latest to stockmann@borenius.com

Written claims regarding the amount and basis of the restructuring debts

Creditors are entitled to present itemized and justified written claims regarding the restructuring debts of other creditors specified in the draft restructuring programme or the amount or basis of their own restructuring debts. The claims must be submitted in writing to the restructuring administrator by **5 January 2021** at the latest under the threat that the claims will be set aside if presented later. If deemed necessary, also proof supporting the claim must be submitted at the same time.

Written claims must be submitted by e-mail to stockmann@borenius.com or by post to attorney Jyrki Tähtinen, Borenius Attorneys Ltd, Eteläesplanadi 2, 00130 Helsinki Finland.

The restructuring administrator shall notify the debtor of the written claims as well the creditors whose rights are affected by each written claim by no later than **8 January 2021**.

Written statements regarding the draft restructuring programme

In accordance with the interim decision of the Helsinki District Court, creditors are reserved the opportunity to submit a written statement regarding the draft restructuring programme by **15 January 2021** at the latest to the Helsinki District Court.

In their written statements, the parties must disclose all facts and evidence that they intend to invoke during later proceedings when opposing the draft restructuring programme and its approval under threat that they will not be entitled to invoke new facts and evidence at a later date unless a valid reason exists for such late invocation.

The statement must include the grounds on which the relevant creditor opposes the approval of the programme. The statement must also include the grounds on which a creditor deems that the restructuring programme may not be approved without a voting procedure, in the case where the majority of creditors or statutory group majorities would have otherwise approved the programme.

The written statement can be submitted to the Helsinki District Court by letter, facsimile or e-mail.

The contact details of the Helsinki District Court are as follows:

Helsingin käräjäoikeus / Helsinki District Court, 2nd department
Porkkalankatu 13 (P.O.Box 650), 00180 Helsinki, Finland
email: helsinki.ko@oikeus.fi, facsimile: +358 2956 44218

If you have any questions about the draft restructuring programme or the interim decision, please contact stockmann@borenius.com.

In Helsinki, 14 December 2020

RESTRUCTURING ADMINISTRATION

APPENDICES

- 1 Interim decision 20/73157 of the Helsinki District Court (in Finnish and unofficial translation in English)
- 2 Approval form

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Helsinki District Court
2nd department
District Judge Pirjo Peura-Vasama

DECISION

20/73157

14 December 2020

HS 20/16712

Debtor Stockmann Oyj Abp
0114162-2
PO Box 220
00101 HELSINKI, Finland

Matter Application for restructuring proceedings

Filing date 6 April 2020 Reference: STOCK

Confidentiality order

At the request of the administrator, the District Court hereby **orders** the following sections of the draft restructuring programme to be kept confidential until 13 December 2045:

- the estimated realisation value in the event of bankruptcy disclosed on page 31 (section 6.2);
- the estimated combined value of the Company's pledged department store property assets disclosed on page 37 (section 6.4);
- the estimated realisation value of the Company's assets in the event of bankruptcy disclosed on page 40 (section 6.6);
- altogether four (4) figures disclosed on page 41, i.e. the disbursement percentage for secured creditors set out in the bankruptcy comparison calculation, the amount of assets that are available for distribution to unsecured debts, the percentage scale that applies to the disbursement payable to unsecured creditors, and the average disbursement percentage that applies to unsecured creditors (section 6.6);
- the amount of secured debt disclosed on page 56 (section 14.2);
- the estimated security value of the department store properties and the amount of secured restructuring debt secured by the security disclosed on page 57 (section 14.3.2);
- the investment that is in the early planning stages and its estimated costs, which are mentioned five (5) times on pages 79–80 (sections 15.11.1–15.11.5);
- Appendix 6.6 Bankruptcy Comparison Calculation in its entirety;
- Appendix 13 Distribution of votes among creditors and payment schedule in its entirety; and
- Appendix 13.2 Financial projections for 2021–2028 in its entirety.

Grounds

The administrator has stated that the aforementioned sections and appendices of the draft restructuring programme include information that constitute the trade secrets of Stockmann Oyj Abp or its creditors within the meaning of Section 24(1)(20) of the Finnish Act on the Openness of Government Activities. This information has not otherwise been made public and its disclosure to third parties would cause material financial damage to the company that is seeking to continue its business operations and could potentially endanger the implementation of the restructuring programme. In addition, the administrator has noted that the company in questions is subject to legal provisions concerning listed companies. As the company's business operations and any projects concerning such operations could impact the value of the company's shares, provisions and orders regarding inside information as well as the disclosure rules established by the stock exchange must also be taken into consideration during the restructuring proceedings.

The administrator has additionally presented detailed grounds for each request.

The District Court has no reason to derogate from the administrator's assessment of the interests involved in keeping the aforementioned information confidential. The grounds for the issuance of a confidentiality order are met, and the District Court is not aware of any grounds on which the order could not be issued.

PREVIOUS PROCEEDINGS IN THE MATTER

On 8 April 2020, the District Court ordered the commencement of Stockmann Oyj Abp's restructuring proceedings and appointed Attorney-at-Law Jyrki Tähtinen to serve as the administrator.

Attorney-at-Law Tähtinen filed a draft restructuring programme with the District Court on 14 December 2020.

DECISION OF THE DISTRICT COURT

Resolution

The administrator must immediately disclose the contents of the draft restructuring programme and this interim decision to the creditors and guarantors of the debtor of whom the administrator is aware based on their notification or otherwise.

Right to present written claims

The debtor, the creditors and the guarantors are reserved the opportunity to notify **the administrator** in writing of their claims regarding the receivables disclosed in the draft restructuring programme by **5 January 2021** at the latest under threat that their claims will be set aside if presented later.

The administrator must then notify the debtor and those creditors to whose receivables the claims pertain of the claims by **8 January 2021** at the latest. The administrator must also compile a list of the claims.

Statements regarding the draft restructuring programme

The parties to the matter are reserved the opportunity to submit a written **statement** concerning the draft restructuring programme itself to the **District Court** by **15 January 2021**.

The District Court hereby orders, pursuant to Chapter 5 Section 22 of the Finnish Code of Judicial Procedure that the parties must disclose all facts and evidence that they intend to invoke during later proceedings when opposing the draft restructuring programme and its approval under threat that they will not be entitled to invoke new facts and evidence at a later date unless a valid reason exists for such late invocation.

Statements regarding the approval of the programme without subjecting it to a vote

The District Court advises the administrator to reserve the creditors the opportunity to submit their written approval for the draft restructuring programme.

The District Court hereby advises those creditors who do not approve the draft restructuring programme to submit, by **15 January 2021** at the latest, a written statement as to whether the programme can be approved without subjecting it to a vote if the majority of the creditors or the necessary group majorities have approved the programme. The statement must include the grounds on which the relevant creditor opposes the approval of the programme.

In the event that the relevant creditors do not submit the aforementioned statements, the District Court is entitled to resolve the matter with regard to these grounds without hearing the creditors further.

Issuance of the decision

The District Court will hand down its decision with regard to whether the programme is approved with the consent of the creditors or with regard to taking into account disputed or unclear receivables, the division of creditors into groups and their voting rights when voting upon the restructuring programme on **9 February 2021** unless this is prevented for statutory reasons or unless the claims or statements submitted by the creditors give reason to postpone the issuance of the decision from this date.

The time period for lodging appeals regarding decision subject to appeal, i.e. decisions other than those that pertain to the division into groups and voting rights, will begin to run from the aforementioned date.

Grounds

Pursuant to Section 92 of the Restructuring Act, the draft restructuring programme can be approved without subjecting it to a vote if the written approval of all known creditors whose claims total at least 80 per cent of the overall total claims of the creditors and from each creditor whose claim is at least 5 per cent of the overall total claims of the creditors. Furthermore, in case law, programmes have been approved without a vote if the majority of creditors or statutory group majorities have approved the programme and the other creditors do not present grounds on which the programme must not be considered suitable for approval. There is no need to arrange for a vote in such cases.

The District Court therefore reserves the creditors the opportunity to issue statements on whether the programme can be approved without a vote if it receives the clear approval of other creditors.

Applied provisions

Sections 72 and 74 of the Finnish Restructuring of Enterprises Act

Appeals

The decision concerning the confidentiality order may be appealed to the Helsinki Court of Appeal or by lodging an appeal for a precedent with the Supreme Court in the event that the Supreme Court grants leave to appeal in the matter.

Parties must express their intent to appeal by 21 December 2020 at the latest. The confidentiality order must be observed regardless of whether the decision is appealed.

This decision is not subject to appeal in any other respect.

District Judge [signature]
Pirjo Peura-Vasama

Additional details regarding the processing of this matter

The **written claims** referred to above, which must be presented with the administrator by 5 January 2021 under threat of the forfeiture of the right of action, refer to disputes presented by the creditors, the debtor or the administrator with regard to the amounts or grounds of the receivables recorded in the draft restructuring programme. The written claim must disclose the facts based on which the relevant receivable is disputed. Evidence in support of the written claim must be submitted where necessary.

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The party subject to the claim is reserved the opportunity to **respond to the claim** in a statement submitted to the Court on 15 January 2021. The response must disclose the grounds on which the disputation is opposed and the grounds on which the amount or grounds of the relevant debt are considered correct. Evidence in support of the response must be submitted where necessary.

The District Court will resolve the claims referred to above either in connection with the restructuring proceedings or direct the parties to initiate other court proceedings to resolve their dispute. In the latter case, the District Court will issue an interim order dictating how the disputed debt will be taken into account during the restructuring proceedings.

The **statements** referred to above, which must be submitted to the District Court on 15 January 2021, refer to the parties' opinion on whether they approve the draft restructuring programme or not. In their statements to the negative, the parties must disclose the detailed and justified grounds on which they consider the draft restructuring programme to not be suitable for approval as it is.

After it has processed the draft restructuring programme, the Court may, where requested, reserve the administrator the opportunity to **revise the programme** based on the statements. Creditors will be prompted to provide separate statements regarding the need for revision or be reserved the opportunity to issue related statements in connection with the voting procedure.

If the creditors specifically approve the programme, the Court may issue its decision regarding the approval of the programme without subjecting it to a vote. The creditors adopting a positive stance toward the programme will save costs generated by the proceedings and reduce the time required thereby.

If the approval of the creditors cannot be secured, the final restructuring programme will be subjected to **a vote**, in which case the only options available to the creditors will be to either accept or reject the programme. At that stage, creditors will be unable to present any grounds that could affect the approval of the programme if such grounds could have been presented in a statement submitted by the aforementioned date.

Administrator's contact information:

Attorney-at-Law Jyrki Tähtinen
c/o Borenius Attorneys Ltd
Eteläesplanadi 2
00130 Helsinki, Finland
Tel. +358 400 406 509
jyrki.tahtinen@borenius.com

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STOCKMANN PLC'S DRAFT RESTRUCTURING PROGRAMME

APPROVAL OF THE DRAFT RESTRUCTURING PROGRAMME DATED 14 DECEMBER 2020 AND THE SUPERVISOR OF THE RESTRUCTURING PROGRAMME

Creditors are requested to give their approval of the draft restructuring programme and the supervisor of the restructuring programme. If the creditor does not approve the draft restructuring programme or the supervisor, more detailed grounds may be submitted in the form of a written statement to the Helsinki District Court in accordance with the detailed instructions stated in the letter. Kindly fill out and sign this form and return it by **15 January 2021** to stockmann@borenius.com.

1 APPROVAL OF THE DRAFT RESTRUCTURING PROGRAMME

We approve the draft restructuring programme dated 14 December 2020.

We do not approve the draft restructuring programme dated 14 December 2020.

Grounds and the proposed amendment:

2 APPOINTMENT OF THE ADMINISTRATOR AS THE SUPERVISOR OF THE RESTRUCTURING PROGRAMME

We support the appointment of attorney, Mr. Jyrki Tähtinen, the restructuring administrator, as the supervisor of Stockmann plc's restructuring programme.

We do not support the appointment of attorney, Mr. Jyrki Tähtinen, the restructuring administrator, as the supervisor of Stockmann plc's restructuring programme, and we propose the following person as the supervisor:

3 CREDITOR'S CONTACT DETAILS AND SIGNATURE

Official name of the creditor _____

Place and date _____

Signature _____

Name in print _____

Position / Authorisation / Signatory right _____

This form is asked to be filled, signed and returned by **15 January 2021** to stockmann@borenius.com.