

PROPOSAL TO THE ANNUAL GENERAL MEETING

**PROPOSAL OF THE BOARD OF DIRECTORS TO REMOVE ARTICLE 14  
FROM THE ARTICLES OF ASSOCIATION**

(Agenda item 17)

The Board of Directors proposes that the Annual General Meeting would resolve to amend the Company's Articles of Association by removing Article 14 concerning the pre-emptive purchase obligation from the Articles of Association. The numbering of the Articles of Association would be amended correspondingly so that the current Article 15 would be Article 14 going forward.

Pursuant to Article 14 of the Articles of Association, a shareholder whose proportion of all the Company's shares or the number of votes conferred by the shares reaches or exceeds 33 1/3 per cent of 50 per cent, is liable, at the demand of the other shareholders, to purchase their shares and the securities which according to the Finnish Companies Act give title to them, in the manner specified in Article 14 of the Articles of Association. Article 14 of the Articles of Association has been in force since 2000, and its purpose has been to extend a shareholder's obligation to make a redemption offer to other shareholders of the Company as compared with the obligation to make a redemption offer under the legislation in force at the time. The Finnish Securities Market Act, as in force prior to 2006, required that a redemption offer be made only when a shareholder's votes in a company exceeded 2/3 of the votes attaching to the shares. In 2006, the Finnish Securities Market Act was amended pursuant to the applicable EU Directive, so that the Finnish Securities Market Act requires a mandatory public tender offer to be made to other shareholders, when the proportion of a shareholder's voting rights exceeds 30 percent or 50 percent of the total voting rights in the company. Article 14 of the Articles of Association concerning the pre-emptive purchase obligation currently partially overlaps with the regulation in the Finnish Securities Market Act concerning mandatory public tender offers, which may result in two separate and overlapping procedures concerning the obligation to make a tender offer.

In Helsinki on 24 February 2023

Stockmann plc

BOARD OF DIRECTORS

Appendix: Article 14 of the Articles of Association – Pre-emptive purchase obligation

**Article 14 of Stockmann plc's Articles of Association.**

**Article 14 Pre-emptive purchase obligation**

A shareholder whose proportion of all the Company's shares or the number of votes conferred by the shares either alone or together with other shareholders as defined hereinafter reaches or exceeds 33 1/3 per cent of 50 per cent (the Obligated Shareholder - i.e. the shareholder obliged to make a pre-emptive purchase), is liable, at the demand of the other shareholders (the Entitled Shareholders - i.e. the shareholders entitled to sell their shares by way of pre-emption) to purchase their shares and the securities which according to the Finnish Companies Act give title to them, in the manner specified in this article.

In calculating a shareholder's proportion of the Company's shares and the votes they confer, also those shares shall be counted which belong

- to a corporate body which under the Finnish Companies Act belongs to the same group as the shareholder,
- to a company which, in preparing consolidated financial statements according to the Finnish Accounting Act, is counted as belonging to the same group as the shareholder,
- to a pension foundation or pension fund of the corporate bodies or companies as specified above, and
- to a corporate body or company other than a Finnish one, which – if it were Finnish – would under the Finnish Accounting Act belong to the same group as the shareholder as defined above.

In so far as the purchase obligation arises on the basis of aggregate ownership stakes or numbers of votes, the Obligated Shareholders shall be liable jointly and severally to make a pre-emptive purchase in respect of the Entitled Shareholders. In such a situation the pre-emptive purchase demand is deemed to be directed, even without a separate demand, at all the Obligated Shareholders.

In so far as two shareholders reach or exceed the ownership or voting rights threshold entailing an obligation to make a pre-emptive purchase such that both bear the purchase obligation simultaneously, an Entitled Shareholder can demand a pre-emptive purchase from both separately.

The pre-emptive purchase obligation does not apply to shares or warrants which a shareholder demanding a pre-emptive purchase has acquired after the pre-emptive purchase obligation has arisen.

*Pre-emptive purchase price*

The price of a pre-emptive purchase of shares is the higher of the following:

- a) the weighted average of the trading prices of the shares during the last ten (10) trading days on Helsinki Exchanges before the day when the Company received

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from the Obligated Shareholder notice of reaching or exceeding the above-specified ownership or voting rights threshold or, should said notice be lacking or fail to arrive by the deadline, the day when the Company's Board of Directors otherwise received word of it;

b) the average price, weighted by the number of shares, which the Obligated Shareholder has paid for the shares which he has purchased or otherwise received during the last twelve (12) months preceding the date referred to above.

If an acquisition of title affecting the average price is denominated in foreign currency, its countervalue will be calculated in euros according to the exchange rate confirmed for said currency by the European Central Bank seven (7) days before the day on which the Board of Directors notifies the shareholders of the possibility of a pre-emptive purchase of shares. The above provisions concerning the determination of the pre-emptive purchase price for shares shall also be applied to other securities subject to a pre-emptive purchase.

### *Pre-emptive purchase procedure*

Within seven (7) days of the date when the obligation to exercise a pre-emptive purchase has arisen, the Obligated Shareholder shall notify the Company's Board of Directors thereof in writing at the Company's address. The notification shall contain particulars of the number of shares held by the Obligated Shareholder, specified by share series, as well as the numbers and prices of the shares, by share series, which the Obligated Shareholder has purchased or otherwise received during the past twelve (12) months. The notification shall state the address at which the Obligated Shareholder can be reached.

The Board of Directors shall inform shareholders that a pre-emptive purchase obligation has arisen within 45 days of the date when it has received notification as stated above or, in the absence of said notification or if it fails to arrive by the deadline, when the Board has otherwise received word that a pre-emptive purchase obligation has arisen. The notification shall contain particulars of the date when the purchase obligation arose and the grounds for determining the pre-emptive purchase price to the extent that the Board has knowledge of them as well as the final date when a demand to exercise pre-emption must be made. Notification to shareholders shall be made in accordance with the provisions of Article 11 of the Articles of Association concerning the delivery of a notice of meeting.

An Entitled Shareholder shall demand the exercise of pre-emption in writing within 30 days of announcement of the Board's notice concerning the obligation to make a pre-emptive purchase. The pre-emptive purchase demand which is delivered to the Company must set forth the number of those shares and other securities which the demand concerns. The shareholder demanding a pre-emptive purchase shall at the same time deliver to the Company any share certificates or other documents entitling him to receive shares so that these can be handed over to the Obligated Shareholder against the pre-emptive purchase price.

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In so far as a demand has not been presented by the deadline in the manner specified above, a shareholder's right to demand a pre-emptive purchase shall lapse in respect of said pre-emption situation. An Entitled Shareholder shall have the right to cancel his demand as long as the pre-emptive purchase has not taken place.

Upon expiry of the fixed period reserved for Entitled Shareholders, the Board of Directors shall inform the Obligated Shareholder of the pre-emptive purchase demands that have been presented. The Obligated Shareholder shall, within 14 days of having received notification of pre-emptive purchase demands, remit the pre-emptive purchase price in the manner specified by the Board of Directors against transfer of the shares and their warrants or, in so far as the shares to be purchased through pre-emption are registered in book-entry accounts of the respective shareholders, against a receipt issued by the Company. In this case the Company must see to it that the pre-emptive purchaser is registered immediately in the relevant book-entry account as the owner of the shares purchased through pre-emption. A pre-emptive purchase price which has not been remitted by the deadline will be subject to penalty interest of 16 per cent per annum counting from the day when the pre-emptive purchase should have been carried out at the latest. Should an Obligated Shareholder furthermore fail to observe the above provisions concerning the duty to inform, the penalty interest will be counted from the day when the duty to inform should have been complied with at the latest.

Should the Obligated Shareholder neglect to comply with the provisions of this article, the shares owned by the Obligated Shareholder and the shares which are taken into account in calculating the proportion based on the pre-emptive purchase obligation in the manner described above in this article shall confer the right to vote at general meetings of the Company's shareholders, unless otherwise provided for in mandatory legislation, only to the extent that the number of votes conferred by the shares is less than one third (1/3) or, correspondingly, less than 50 per cent of the aggregate number of votes conferred by all the Company's shares.

### *Other provisions*

The obligation to make pre-emptive purchase pursuant to this article does not apply to a shareholder who can demonstrate that the ownership or voting rights threshold entailing the purchase obligation has been reached or exceeded before this provision of the Articles of Association has been entered in the Trade Register.

Disputes arising out of the above-described pre-emptive purchase obligation, the associated right to demand a pre-emptive purchase or the amount of the pre-emptive purchase price shall be settled through arbitration in the locality where the Company is domiciled in accordance with the regulations of the Finnish Arbitration Act (967/92). The arbitration procedure shall be governed by Finnish law.