A new Finnish Corporate Governance Code was approved by the Board of the Securities Market Association in June 2010, replacing the Code issued in 2008. The new Finnish Corporate Governance Code was issued on 15 June 2010 and came into force on 1 October 2010. Stockmann adheres to this Code in full. A Remuneration Statement has been prepared in accordance with Recommendation 47 (Remuneration) of the Finnish Corporate Governance Code. The Code can be freely accessed on the website of the Securities Market Association, at www.cgfinland.fi.

Remuneration Statement 2009

Remuneration of members of the Board of Directors

Stockmann plc's highest decision-making body is the General Meeting. The Annual General Meeting decides annually on the remuneration and other benefits to be paid to the members of the Board of Directors for their board and committee work. The remuneration is paid in cash or company shares.

During the 2009 financial year, EUR 76 000 was paid in fixed salary to the Board chairman, 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 17 March 2009. About 50 per cent of the annual remuneration was paid in company shares and the rest in cash. All members of the Board of Directors were paid a meeting attendance fee of EUR 500 for each Board meeting. During the 2009 financial year the Board members were paid a total of EUR 218 725.33 in cash and 13 227 of the company's Series B shares as payment in shares. The total value of the remuneration paid was EUR 367 000. There is no restriction on the ownership period pertaining to the shares received as remuneration.

Remuneration of members of the Board of Directors in 2009, EUR

	Fixed annual salaries	Fees paid for attendance	Cash, total
Christoffer Taxell, chairman	76 000	8 000	84 000
Erkki Etola, vice chairman	49 000	7 500	56 500
Kaj-Gustav Bergh	38 000	7 000	45 000
Eva Liljeblom	38 000	8 000	46 000
Kari Niemistö	38 000	7 000	45 000
Charlotta Tallqvist-Cederberg*	-	-	-
Carola Teir-Lehtinen	38 000	7 000	45 000
Henry Wiklund	38 000	7 500	45 500
Board members, total	315 000	52 000	367 000

* Elected as Board members by the General Meeting of 16 March 2010.

STOCKMANN

Remuneration of members of the Board of Directors in 2009, shares

	Number of shares	Value, EUR
Christoffer Taxell, chairman	2 955	33 125.55
Erkki Etola, vice chairman	1 512	16 949.52
Kaj-Gustav Bergh	1 813	20 323.73
Eva Liljeblom	1 379	15 458.59
Kari Niemistö	2 413	27 049.73
Charlotta Tallqvist-Cederberg*	-	-
Carola Teir-Lehtinen	1 983	22 229.43
Henry Wiklund	1 172	13 138.12
Board members, total	13 227	148 274.67

The Board of Directors convened 14 times in 2009. The average rate of attendance was 97 per cent.

The ownership of Stockmann plc shares by members of the Board of Directors (Christoffer Taxell, Erkki Etola, Kaj-Gustaf Bergh, Eva Liljeblom, Kari Niemistö, Charlotta Tallqvist-Cederberg, Carola Teir-Lehtinen and Henry Wiklund) is shown on the company's website at http://www.stockmanngroup.fi/group/en/management_and_administration/board_of_directors/public_insider_register/.

The Board members have not received any other financial benefits and are not included in Stockmann's incentive schemes. Persons who became Board members before 2004 fall within the sphere of voluntary TyEL insurance under the Employees Pensions Act (TyEL).

Remuneration system for CEO and other management

The salary and benefits of the Chief Executive Officer and other members of the Management Committee are decided by the Board of Directors on the basis of proposals by the Appointments and Compensation Committee. The Group's Management Committee comprises the CEO, the Executive Vice Presidents, the other Division directors, the Development Director for the Group's International Operations, and the Director of Legal Affairs.

In addition to monthly salary, the Board of Directors also approves each year the criteria for determining the incentive pay for the Group's CEO and Management Committee members, on the basis of proposals by the Appointments and Compensation Committee.

The incentive pay is determined largely on the basis of the Group's earnings and profitability, the key factors being: the Group's profit before taxes, excluding other operating income; the Group's return on capital employed; and the key indicators for each Division derived from these. The maximum incentive pay for senior management in the short term is generally 25 per cent of annual earnings, but the limit can be exceeded on a flexible basis in relation to the Group's targets.

For members of the Group’s Management Committee other than the CEO, a total of EUR 1 878 872.75 was paid in fixed salaries and EUR 143 577.80 in performance and incentive pay, or a total of EUR 2 022 450.55, for 2009.

On 21 March 2006 and 16 March 2010, the General Meeting decided on share option schemes for key personnel as part of the incentive and commitment scheme for management. The Group’s Management Committee members are covered by the 2006 and 2010 key personnel share options as part of Stockmann plc’s long-term incentive schemes. The terms of the share option schemes are given on the company’s website at http://www.stockmanngroup.fi/group/en/investors/shares/option_programmes/.

The retirement age of the Management Committee members is 60-63, depending on the particular executive agreement in question. If retirement is at the age of 63, the pension is determined in accordance with the Finnish employment pension legislation. In the case of earlier retirement, the pension is determined either in the same way as for the CEO or is accrued on a defined contribution basis. Each month, the company then pays an agreed percentage of earnings into a defined contribution pension plan. The costs of both forms of insurance in 2009 amounted to EUR 230 000.

Financial benefits pertaining to the post of CEO

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. Hannu Penttilä has been Stockmann plc’s CEO since 1 March 2001.

In 2009, the CEO was paid a fixed salary of EUR 564 780. No performance or incentive pay was given. The fixed salary included EUR 17 820 in fringe benefits.

The Group’s CEO is covered by the 2006 and 2010 key personnel share options within Stockmann plc’s long-term incentive schemes. The terms of the share option schemes are given on the company’s website at http://www.stockmanngroup.fi/group/en/investors/shares/option_programmes/.

The CEO agreement specifies the CEO’s retirement age as 60. The CEO’s pension is determined on the basis of TyEL insurance under the Employees Pensions Act (TyEL), and separate insurance taken by the company. The pension is 60 per cent of the pensionable salary, which is determined on the basis of the earnings during the last four years of work and as an average of the two middle years of these. The annual cost has been approximately EUR 300 000. The supplementary pension cover contains no vested and preserved pension rights.

The CEO’s post is subject to a period of notice of 6 months applicable to both parties. Should the company give notice of termination, the CEO has the right to compensation equivalent to 12 months’ fixed salary after the notice period has expired. The CEO is also entitled to additional compensation equivalent to 12 months’ fixed salary after one year has elapsed from the expiry of the notice period if the CEO has not transferred to a company-paid employment, voluntary or health-based pension. If the company terminates the CEO’s post on the grounds of personal factors, neither compensation sum shall be paid.

Financial benefits pertaining to an employment position or post of the chairman or a member of the Board of Directors

The members of the Board of Directors are not in an employment or service relationship with the company and are not covered by the incentive pay systems.