

# Share Pledge Agreement

between

**Stockmann Oyj Abp**

as Pledgor

and

**Nordic Trustee Oy**

as Security Agent

regarding shares in

**Stockmann Sverige AB**

\_\_\_ July 2021

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## List of Schedules

<b>Schedule 1</b>	Form of Notice of Pledge
<b>Schedule 2</b>	Form of Power of Attorney

This Share Pledge Agreement (this "**Agreement**") is dated \_\_\_\_ July 2021 and made between:

- (a) **Stockmann Oyj Abp**, a Finnish public limited liability company with business identity code 0114162-2, incorporated under the laws of Finland (the "**Pledgor**"); and
- (b) **Nordic Trustee Oy**, a Finnish limited liability company with business identity code 2488240-7, for itself and as security agent for the Secured Parties (as defined below) (the "**Security Agent**").

## Background

- A. The Pledgor has recently been subject to restructuring procedures (in Finnish: *yrittysaneeraus*) in relation which a restructuring programme (in Finnish: *saneerausohjelma*) for the Pledgor originally dated 1 February 2021 has been approved by the District Court of Helsinki on 9 February 2021 and 17 May 2021 (as may be further amended and approved by the District Court of Helsinki from time to time, the "**Restructuring Programme**").
- B. Pursuant to the Restructuring Programme, the Pledgor, the Security Agent and certain other parties have entered into an intercreditor agreement dated on or about the date of this Agreement to establish the relative rights of the creditors under the Pledgor's various financing arrangements (the "**Intercreditor Agreement**").
- C. Pursuant to the Intercreditor Agreement, the Security Agent has been appointed and authorised by the Secured Parties (as defined below) to act as their security agent under and in connection with the Secured Debt Documents (as defined below), hold security for the Secured Parties and to execute and enforce this Agreement for and on behalf of any of them.
- D. The Pledgor and the Security Agent (acting on its own behalf and on behalf of the Secured Parties) are entering into this Agreement for the purpose of securing the Secured Obligations (as defined below).
- E. This Agreement is entered into subject to the Intercreditor Agreement.

## 1. Definitions and Construction

### 1.1 Definitions

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Stockholm and Helsinki.

"**Company**" means Stockmann Sverige AB, a Swedish limited liability company with Reg. No. 556740-9940.

"**Enforcement Event**" means when the Transaction Security is to be enforceable pursuant to the Intercreditor Agreement.

"**Pledge**" means the Security created pursuant to this Agreement.

**"Related Rights"** means, in relation to the Shares, all property deriving from the Shares and all other rights or benefits of all kind accruing or otherwise deriving from the Shares, including, but not limited to, dividends (whether in cash or in kind), distributions or other income paid or payable on any Share, the right to participate in new issues of shares or bonus issues of shares and the right to participate in issues of convertible debt instruments, options to subscribe for new shares or other securities.

**"Secured Debt Documents"** shall have the meaning ascribed thereto in the Intercreditor Agreement.

**"Secured Obligations"** shall have the meaning ascribed thereto in the Intercreditor Agreement.

**"Secured Parties"** shall have the meaning ascribed thereto in the Intercreditor Agreement.

**"Security"** shall have the meaning ascribed thereto in the Intercreditor Agreement.

**"Security Assets"** means the Shares and the Related Rights.

**"Security Period"** means the period beginning on the date of this Agreement and ending on the date when all Secured Obligations have been unconditionally and irrevocably paid and discharged in full and each commitment of the Secured Parties under the Secured Debt Documents has been cancelled or terminated.

**"Shares"** means (i) all the shares, being 100,000 shares in the Company on the date of this Agreement, representing one hundred (100) per cent of the issued share capital and votes in the Company and (ii) any other shares or provisional certificates (Sw. *interimsbevis*) for shares in the Company held by the Pledgor and resulting from, *inter alia*, a new issue of shares, a change in the quotient value (Sw. *kvotvärde*) or an issue of convertible debt instruments, warrants, or options to subscribe for new shares.

**"Transaction Security"** shall have the meaning ascribed thereto in the Intercreditor Agreement.

## 1.2 Construction

- (a) Unless otherwise defined in this Agreement, terms defined in the Intercreditor Agreement shall have the same meanings when used in this Agreement and the rules of construction set out in the Intercreditor Agreement shall apply also to this Agreement.
- (b) A reference in this Agreement to the Security Agent is always a reference to the Security Agent acting for itself and on behalf of the Secured Parties (unless expressly stated otherwise).
- (c) No failure to exercise, nor any delay in exercising, on the part of the Security Agent and the Secured Parties, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy.

## 2. Grant of Pledge

As continuing security for the due and punctual fulfilment of the Secured Obligations, the Pledgor hereby irrevocably and unconditionally pledges with first priority to the Secured Parties, represented by the Security Agent, all its title, right and interest in, to and under the Security Assets.

## 3. Perfection of Pledge

- (a) On the date hereof, the Pledgor shall:
  - (i) deliver to the Security Agent each share certificate representing the Shares duly endorsed in blank by the Pledgor together with any coupons and other instruments pertaining thereto;
  - (ii) notify the Company of the Pledge created over the Security Assets and procure that the Company acknowledges receipt of such notice in the form set out in Schedule 1 (*Form of Notice of Pledge*); and
  - (iii) procure that the Pledge is duly registered in the share register of the Company and deliver to the Security Agent a certified copy of such share register.
- (b) The Pledgor shall upon the issue of any Related Rights procure that the Security Agent immediately is provided with any share certificates, provisional certificates (*Sw. interimsbevis*) or other certificates or documents of title evidencing such Related Rights duly endorsed in blank by the Pledgor together with such other documents as the Security Agent considers appropriate.

## 4. Continuing Security

- (a) The Pledge shall be a continuing Security, and shall extend to the ultimate balance of the Secured Obligations and shall continue in force notwithstanding any intermediate payment or discharge in whole or in part of the Secured Obligations.
- (b) This Agreement is in addition to and is not in any way prejudiced by any present or future guarantee, collateral, lien or other Security held by the Secured Parties.
- (c) The Secured Parties' rights hereunder are in addition to and not exclusive of those provided by law.

## 5. Dividends

- (a) For as long as no Enforcement Event is continuing, all dividends declared on or in respect of the Shares and other payments with respect to the Shares shall be paid to the Pledgor.
- (b) Following the occurrence of an Enforcement Event and for as long as it is continuing, all dividends and other payments with respect to the Shares shall be

paid to the Security Agent on behalf of the Secured Parties. All dividends and other payments with respect to the Shares paid to the Security Agent shall become part of the Pledge and shall be applied towards prepayment of the Secured Obligations in accordance with Clause 11 (*Application of Proceeds*).

## **6. Powers of the Security Agent and Delegation**

For the purpose of (i) establishing, maintaining, preserving, protecting and perfecting the Pledge, (ii) exercising the rights hereunder, and (iii) enforcing the Pledge pursuant to Clause 10 (*Enforcement of Pledge*), the Pledgor irrevocably authorises and empowers the Security Agent and any nominee or agent designated by the Security Agent to act in its own name or in the name of the Pledgor and, on behalf of the Pledgor, to do all acts and take any steps it deems necessary or appropriate in respect of the Security Assets or otherwise. In exercising these powers, the Security Agent shall not be obliged to notify or obtain the further consent of the Pledgor. The power of attorney set out in this Clause 6 is irrevocable and shall be valid until the expiry of the Security Period.

## **7. Exercise of Shareholder Rights**

- (a) The Pledgor shall not exercise the voting rights attached to the Shares in favour of any other resolution or change of the Company's articles of association which is inconsistent with the terms of this Agreement.
- (b) The Pledgor shall not vote for any resolution authorising an issue of new shares, convertible debt instruments or other securities in respect of the Company except as permitted by the Intercreditor Agreement.
- (c) Upon the occurrence of an Enforcement Event and for as long as it is continuing, the Security Agent may, at its own discretion and to the exclusion of the Pledgor, exercise all voting powers under the power of attorney issued pursuant to Clause 9(a).

## **8. Representations**

- (a) The Pledgor makes the following representations, in respect of it, the Company and the Security Assets, to each of the Secured Parties:
  - (i) The Pledgor is a limited liability company, duly incorporated and validly existing under the laws of Finland and has the power to own its assets and carry on its business as it is being conducted.
  - (ii) The Pledgor has taken all necessary action (which have not been revoked) to authorise the execution, delivery and performance of this Agreement and it has the power to enter into, perform and deliver this Agreement.
  - (iii) This Agreement does not and will not conflict with the constitutional documents of the Pledgor or any law or regulation or judicial or official order or any material terms of any agreement, document, contract or instrument which is binding upon the Pledgor.

- (iv) Subject to qualifications and reservations set out in legal opinions issued in connection with this Agreement, this Agreement constitutes legally binding and valid obligations of the Pledgor, enforceable in accordance with its terms.
  - (v) The Company is a limited liability company, duly incorporated and validly existing under the laws of Sweden and has the power to own its assets and carry on its business as it is being conducted.
  - (vi) The Pledgor is the sole owner of the Security Assets and, other than as created under or pursuant to this Agreement, no Security is in existence over the Security Assets or any part thereof or interest therein. The Shares have been duly authorised, validly issued and fully paid up and constitute one hundred (100) per cent of the Company's issued share capital and other than the share certificates delivered to the Security Agent pursuant to Clause 3 (*Perfection of Pledge*) no coupons or other documents pertaining to the Shares exist.
  - (vii) Neither the Pledgor nor the Company has issued, granted or entered into any outstanding options, warrants, rights of pre-emption, rights of first refusal or other rights of any kind, the content of which includes a right to acquire, or an obligation to issue, shares or other equity interests in the Company.
  - (viii) No dispute or claim by a third person of any nature whatsoever exists with respect to the Shares.
  - (ix) There are no rights of pre-emption, consent clauses, rights of first refusal, post-sale purchase rights or any other provisions in the articles of association of the Company.
  - (x) No resolution has been passed or other action undertaken or legal proceedings been started or threatened against the Company for its winding-up or re-organisation or for the commencement of insolvency proceedings, appointment of a receiver, liquidator, trustee, administrator or similar officer in regard of it or any part of its assets or revenues.
- (b) Except as otherwise indicated, the representations set out in Clause 8(a) are deemed to be made by the Pledgor from the date of this Agreement until the expiry of the Security Period by reference to the facts and circumstances existing from time to time.

## 9. Covenants of the Pledgor

- (a) Upon the occurrence of an Enforcement Event, the Pledgor shall issue to the Security Agent a separate power of attorney relating to the Shares in the form set out in Schedule 2 (*Form of Power of Attorney*).



- (b) The Pledgor shall not, without the consent of the Security Agent, sell, transfer or dispose or agree or attempt to sell, transfer or dispose of the Security Assets, or any part thereof, or permit the same to occur.
- (c) The Pledgor shall not create or agree or attempt to create any Security or third party right in the Security Assets or any interest therein, or permit the same to exist, other than the Pledge.
- (d) The Pledgor shall not do or cause or permit to be done anything that will, or could be reasonably likely to, adversely affect the rights of the Secured Parties under this Agreement or which in any way is inconsistent with or depreciates, jeopardises or otherwise prejudices the Pledge.

## 10. Enforcement of Pledge

- (a) Upon the occurrence of an Enforcement Event and for as long as it is continuing, the Security Agent shall be entitled to enforce the Pledge or any part thereof by private or public sale or auction or in such manner and on such terms as the Security Agent in its sole discretion deems appropriate, in each case in accordance with the Intercreditor Agreement.
- (b) Any subsequent remedy of an Enforcement Event shall not in any way prejudice the enforcement of the Pledge which had been initiated whilst such Enforcement Event was continuing.
- (c) Chapter 10 Section 2 of the Swedish Commercial Code (*Sw. Handelsbalken*) shall not apply to this Agreement or any enforcement hereunder.
- (d) The Pledgor irrevocably waives any claim against the Company or any of its subsidiaries arising by way of subrogation or otherwise as a result of the enforcement of the Pledge. In connection with an enforcement of the Pledge, the Security Agent shall be authorised to release the Company and its subsidiaries from all liabilities (both actual and contingent) to the Pledgor, including any liabilities arising by way of subrogation or otherwise as a result of the enforcement of the Pledge, subject to the terms of the Intercreditor Agreement. The release of the liabilities may, at the election of the Security Agent, be effected by way of shareholders' contribution (*Sw. aktieägartillskott*), forgiveness of liabilities, or in any other way deemed appropriate by the Security Agent.

## 11. Application of Proceeds

All moneys (or other consideration) obtained by the Security Agent or its designee by virtue of operation of law or through the exercise of the rights, powers and remedies under this Agreement, shall be applied by the Security Agent towards the discharge of the Secured Obligations in the manner, order and priority set out in the Intercreditor Agreement. When all the Secured Obligations have been fully and irrevocably discharged, the surplus (if any) shall be paid to the Pledgor.

## 12. Further Assurance

The Pledgor shall, from time to time and at its own expense, upon the request of the Security Agent, provide such information about the Pledgor and / or the Security Assets as deemed necessary or appropriate by the Security Agent and promptly take all actions and duly execute and deliver any and all such transfers, powers of attorney, notifications, confirmations and other documents necessary for the purpose of perfecting, preserving, protecting and enforcing the Pledge and for the Secured Parties to obtain the full benefit of this Agreement and the rights and powers granted under it.

## 13. Waiver of Defences

The Pledge shall not be affected in any way by any variation, extension, waiver, compromise or partial release of the Secured Obligations, the Intercreditor Agreement or of any Security from time to time granted in respect thereof, or by any change in the laws, rules or regulations of any jurisdiction or by any present or future action of any governmental authority or court amending, varying, reducing or otherwise affecting, or purporting to amend, vary, reduce or otherwise affect, any of the Secured Obligations or the Intercreditor Agreement.

## 14. Non-Competition and Waiver of Subrogation

- (a) The Pledgor irrevocably waives any claim against the Company arising by way of subrogation or otherwise as a result of the enforcement of the Pledge and agrees that it will not by virtue of any Security enforced or moneys received by the Secured Parties, for or on account of the Secured Obligations:
  - (i) be subrogated to or have the benefit of any rights of, Security or moneys held, received or receivable by, the Secured Parties or be entitled to any right of contribution or indemnity; or
  - (ii) claim, rank, prove or vote as a creditor in the bankruptcy, liquidation, re-organisation or dissolution of any party, or exercise any right of set-off or recourse against any party, in competition with any Secured Party.
- (b) To the extent the Pledgor receives any payment, distribution or benefit of security in violation of the terms of this Agreement, the amount or benefit so received shall be treated as "escrow funds" (Sw. *redovisningsmedel*) and shall be held separately for the account of the Secured Parties. Any such amount or benefit shall be transferred immediately to the Security Agent.

## 15. Release of Security

- (a) Upon the expiry of the Security Period, the Security Agent shall, at the request and cost of the Pledgor, release to the Pledgor all rights and interest of the Secured Parties in or to the Security Assets, or part thereof, as the case may be, and give such instructions and directions, and deliver such documents, as the Pledgor reasonably may require in order to effect such release, in each case in accordance with the Intercreditor Agreement.

- (b) Where an amount has been received by the Security Agent under the Intercreditor Agreement or this Agreement, but the Security Agent determines that there is a reasonable risk that such payment will be avoided or otherwise set aside in the course of bankruptcy proceedings or other similar proceedings, such amount shall not be considered to have been irrevocably paid for the purposes of this Agreement.

## 16. Assignment

- (a) The Security Agent and each Secured Party may at any time assign its rights and/or obligations under this Agreement, provided such assignment is permitted under the Intercreditor Agreement and provided the Secured Party's participation in the Intercreditor Agreement are assigned simultaneously to the same assignee. With regards to any such assignment, the Pledgor shall at the request of the Security Agent take all action necessary to preserve the Pledge.
- (b) The Pledgor may not assign any of its rights and/or obligations under this Agreement.

## 17. Notices

Clause 20 (*Notices*) in the Intercreditor Agreement shall apply also to this Agreement *mutatis mutandis*.

## 18. Governing Law and Jurisdiction

- (a) This Agreement is governed by Swedish law.
  - (b) Subject to Clause 18(c), the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute regarding the existence, validity or termination of this Agreement). The City Court of Stockholm (*Stockholms tingsrätt*) shall be court of first instance.
  - (c) Clause 18(b) is for the benefit of the Secured Parties only. As a result, no Secured Party shall be prevented from taking proceedings in any other courts with jurisdiction over the Pledgor or any of its assets. To the extent allowed by law, the Secured Parties may take concurrent proceedings in any number of jurisdictions.
-

This Agreement has been executed in 2 copies, one for each Party.

**Stockmann Oyj Abp**

as Pledgor

\_\_\_\_\_

Name:

\_\_\_\_\_

Name:

**Nordic Trustee Oy**

as Security Agent, acting for itself and on behalf of the Secured Parties

\_\_\_\_\_

Name:

\_\_\_\_\_

Name:

**Form of Notice of Pledge**

To: [Company]

Date: [Date]

This is to notify you that:

1. Pursuant to a pledge agreement dated [•] between [pledgor] as pledgor (the "**Pledgor**") and [•] as security agent (the "**Security Agent**") (the "**Pledge Agreement**"), a copy of which is enclosed to this notice, the Pledgor has pledged to the Secured Parties, represented by the Security Agent, all of the Pledgor's title, right and interest in, to and under the Security Assets, including *inter alia* [number of pledged shares] shares in [company] (the "**Company**") and any related rights.
2. Terms not defined herein shall have the meanings given to them in the Pledge Agreement.
3. You may continue to pay any dividends and other payments with respect to the Shares to the Pledgor until you have been otherwise instructed by the Security Agent. Following a written notice from the Security Agent stating that an Enforcement Event has occurred, you must pay any dividends and other payments with respect to the Shares directly to the Security Agent and you must transfer any other distribution and any documents entitling to such payments into the possession of the Security Agent in accordance with the instructions given by the Security Agent.
4. The Pledgor may issue a power of attorney authorising the Security Agent (or any person duly appointed by the Security Agent) to attend all meetings of the shareholders in the Company as the Pledgor's representative and to vote at such meetings for all shares owned by the Pledgor, provided an Enforcement Event has occurred and is continuing. The power of attorney is irrevocable and will, when the Security Agent confirms in writing that an Enforcement Event has occurred and for as long as it is continuing, exclude the Pledgor from exercising the voting rights attached to the Shares at the meetings of shareholders in the Company.
5. We hereby further instruct you to provide, whenever requested by the Security Agent, and in form and substance reasonably satisfactory to the Security Agent, such information about the Security Assets as deemed necessary or appropriate by the Security Agent.

Please note that the Pledge referred to above constitutes a first priority security interest in favour of the Secured Parties. Therefore, we hereby instruct you to forthwith register the Pledge in the share register of the Company.

These instructions may not be varied or revoked except with the prior written consent of the Security Agent.

We kindly request you to confirm your receipt and acknowledgement of the above by returning signed copies of the confirmation below to each of the Pledgor and the Security Agent.

**[Pledgor]**

\_\_\_\_\_

\_\_\_\_\_

Name:

Name:

We hereby acknowledge receipt of the above notice of pledge and a copy of the Pledge Agreement and confirm that we agree to the terms thereof. We further confirm that we, prior to the date hereof, have not been notified of any pledge or other security interest over any of the Security Assets.

Please find attached hereto a true and correct copy of our share register evidencing the registration of the Pledge.

Date: **[Date]**

**[Company]**

\_\_\_\_\_

\_\_\_\_\_

Name:

Name:

## SCHEDULE 2

### **Form of Power of Attorney**

This power of attorney is granted pursuant to a pledge agreement dated [date] (the "**Pledge Agreement**") between [Pledgor] as pledgor (the "**Pledgor**") and [●] as security agent (the "**Security Agent**") acting on its own behalf and as agent for the Secured Parties (as defined in the Pledge Agreement).

The Pledgor hereby empowers any person duly appointed by the Security Agent, upon confirmation by the Security Agent that an Enforcement Event (as defined in the Pledge Agreement) has occurred and is continuing, to (i) attend all meetings of the shareholders of [Pledged Company], Reg. No. [●] (the "**Company**") as the Pledgor's representative and to vote at such meetings for the pledged Shares (as defined in the Pledge Agreement) and to (ii) exercise on behalf of the Pledgor any other rights pertaining to the shares in the Company owned by the Pledgor.

This power of attorney is irrevocable and will, when the Security Agent confirms that an Enforcement Event has occurred and is continuing, exclude the Pledgor from exercising the voting rights attached to the shares at the meetings of shareholders in the Company.

This power of attorney shall be governed by and construed in accordance with the laws of Sweden.

This power of attorney becomes effective on the date it is signed by the Pledgor and it shall remain in force for one (1) year from such date.

Date: [Date]

[Pledgor]

\_\_\_\_\_

Name:

\_\_\_\_\_

Name: