



## NOTICE OF KESKO'S ANNUAL GENERAL MEETING

Kesko Corporation's shareholders are invited to the Annual General Meeting to be held at Kesko Corporation's main office building K-Kampus at Työpajankatu 12, 00580 Helsinki, on 28 April 2020, starting at 10.30 am EET. Reception for those registered for the meeting will open and voting tickets will be provided starting at 9.30 am EET. There will be no refreshments served or gifts given at the meeting.

Kesko takes the COVID-19 coronavirus epidemic very seriously. Kesko urges its shareholders to seriously consider not attending the Annual General Meeting in person, as the meeting can only be held if the number of participants at the meeting venue complies with restrictions for gatherings set by Finnish authorities. Kesko shall employ various precautionary measures to be able to hold the meeting and to ensure the safety of the people who must be present at the meeting venue.

Instead of attending the meeting in person, shareholders can vote in advance or authorise Veli Siitonen, Attorney-at-Law or his designate to represent them at the General Meeting (free of charge). Shareholders can follow the meeting via a live video stream. Shareholders can submit questions to the Company regarding matters to be reviewed at the General Meeting in advance in writing until 20 April 2020 by 12 noon EET. The Company shall strive to answer the questions in the presentations held at the General Meeting. The template for a power of attorney and instructions on how to authorise a proxy representative, how to vote in advance, how to follow the meeting via video stream, and how to submit questions are available on Kesko's website at [www.kesko.fi/agm](http://www.kesko.fi/agm).

Kesko will strive to keep the meeting and the presentations as short as possible, and only necessary matters included on the agenda of this Notice of General Meeting shall be discussed.

### *A. Items on the agenda of the General Meeting*

1. Opening of the meeting
2. Calling the meeting to order
3. Election of persons to scrutinise the minutes and to supervise the counting of votes
4. Recording the legality of the meeting
5. Recording the attendance at the meeting and adoption of the list of votes
6. Review by the President and CEO



- 7. Presentation of the 2019 financial statements, report by the Board of Directors, and Auditor's Report**
- 8. Adoption of the financial statements**
- 9. Use of the profit shown on the balance sheet and resolution on the payment of dividend**

The Board of Directors proposes to the Annual General Meeting that based on the adopted balance sheet, a dividend of €2.52 per share be paid for the year 2019 on shares held outside the Company at the date of dividend distribution. The remaining distributable assets will remain in equity. The Board proposes that the dividend be paid in two instalments.

The first instalment, €1.28 per share, is to be paid to shareholders registered in the Company's register of shareholders kept by Euroclear Finland Ltd on the first dividend instalment payment record date 30 April 2020. The Board proposes that the first dividend instalment pay date be 8 May 2020.

The second instalment is to be paid to shareholders registered in the Company's register of shareholders kept by Euroclear Finland Ltd on the second dividend instalment payment record date, 1 October 2020. If the Board proposal concerning a share issue without payment is approved, the second instalment will be divided between one current and three new shares, so that a dividend of €0.31 per share is paid on each share. If the Annual General Meeting does not approve the Board proposal concerning a share issue without payment, the second dividend instalment will be €1.24 per share. The Board proposes 8 October 2020 as the second dividend instalment pay date. The Board proposes that it be authorised to decide, if necessary, on a new dividend payment record date and pay date for the second instalment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

- 10. Resolution on discharging the Board members and the Managing Director from liability**
- 11. Reviewing the Remuneration Policy for Governing Bodies**

Presenting and reviewing the Company's Remuneration Policy for Governing Bodies approved by the Board of Directors. The remuneration policy is appended to this Notice of General Meeting and available at the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm).

- 12. Resolution on the Board members' remuneration and the basis for reimbursement of their expenses**

Shareholders jointly holding 15% of the votes attached to Kesko Corporation's shares have proposed that the fees for Kesko Corporation's Board members remain at their current level. The proposal for remuneration and the reimbursement of expenses is as follows:

- Board Chairman, an annual fee of €97,000



- Board Deputy Chairman, an annual fee of €60,000
- Board member, an annual fee of €45,000
- Board member who is the Chairman of the Audit Committee, an annual fee of €60,000
- A meeting fee of €500/meeting for a Board meeting and its Committee's meeting. The meeting fee for the Board Chairman is €1,000/Board meeting. However, a meeting fee of €1,000/Committee meeting is paid to a Committee Chairman who is not the Chairman or Deputy Chairman of the Board. The meeting fees are paid in cash.
- Daily allowances and the reimbursements of travel expenses are paid to the Board members in accordance with the general travel rules of Kesko.

It is proposed that the payment of the aforementioned annual fees be made in Kesko Corporation's B series shares and in cash, with approximately 30% of the fees paid in shares. After the transfer of shares, the remaining amount is to be paid in cash. The Company will acquire the shares or transfer shares held by the Company as treasury shares in the name and on behalf of the Board members. The Company is responsible for the costs arising from the acquisition of the shares. The shares will be acquired or transferred to the Board members on the first working day to follow the publication of the interim report for the first quarter of 2020, however with the exception that should Kesko Corporation's Board of Directors propose and Kesko Corporation's Annual General Meeting 2020 decide on a share issue without payment to carry out a share split, the shares will be acquired or transferred as soon as possible after the shares issued in the share issue without payment have been registered in the trade register and included in the book-entry securities system. A Board member cannot transfer shares obtained in this manner until either three years have passed from the day the member has received the shares or their membership on the Board has ended, whichever comes first.

### **13. Resolution on the Auditor's fee and the basis for reimbursement of expenses**

At the recommendation of the Board's Audit Committee, the Board of Directors proposes to the Annual General Meeting that the auditor's fee and reimbursement of the auditor's expenses be paid according to an invoice approved by the Company.

### **14. Election of the Auditor**

At the recommendation of the Board's Audit Committee, the Board of Directors proposes to the Annual General Meeting that based on a tendering of auditors, the firm of authorised public accountants Deloitte Oy be elected as the Company's auditor for the financial year 2020. If Deloitte Oy is elected as Kesko's auditor, the firm has announced that APA Jukka Vattulainen will be the auditor with principal responsibility.

The Audit Committee's recommendation for the election of auditor is available on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm).



## 15. Board of Directors' proposal on a share issue without payment (share split) and on the amendment of section 3 of the Company's Articles of Association

The Board of Directors proposes to the Annual General Meeting a resolution on a share issue without payment in order to enhance the liquidity of the Company's share. The Board also proposes a related amendment to section 3 ("Shares") of the Company's Articles of Association.

The Board proposes that new shares be issued to the shareholders without payment in proportion to their holdings so that three (3) new A shares are issued for each current A share, and three (3) new B shares are issued for each current B share. In addition, in the share issue without payment, new B shares will similarly be issued without payment to the Company on the basis of B shares held by the Company. Based on the number of shares on the date of the Board's proposal, a total of 95,211,021 new A shares and a total of 204,848,235 new B shares will be issued. The shares shall be issued to shareholders who are registered in the Company's register of shareholders kept by Euroclear Finland Ltd on the record date of the share issue, 30 April 2020. The share issue without payment shall be executed in the book-entry system and will not require any action on the part of the shareholders. The new shares will generate shareholder rights as of 30 April 2020 when they have been registered in the trade register. The registration of the new shares in the shareholders' book-entry accounts is planned to occur on 4 May 2020. The new shares will not entitle their holders to the first instalment of dividend in accordance with the Board's proposal for the distribution of profit of €1.28 per share, but they will entitle the holder to the second proposed dividend instalment of €0.31 per share.

A resolution on the share issue requires that section 3 of the Company's Articles of Association be amended so that the maximum number of B shares as well as the maximum aggregate number of A and B shares be increased. The Board proposes that the maximum numbers be increased to rounded figures so that the maximum number of B shares would be increased from 250,000,000 shares to 360,000,000 shares, and the maximum aggregate number of A and B shares would be increased from 400,000,000 shares to 610,000,000 shares. Each A share would continue to entitle the holder to ten (10) votes and each B share to one (1) vote.

The proposed new wording of section 3 of the Articles of Association is as follows:

### "3 § Shares

The company has A shares and B shares. Concerning A shares the minimum number is one (1) and the maximum number two hundred and fifty million (250,000,000), while concerning B shares the minimum number is one (1) and the maximum number three hundred and sixty million (360,000,000), provided that the total number of shares is at minimum two (2) and at maximum six hundred and ten million (610,000,000).

Each A share entitles the holder to ten (10) votes and each B share to one (1) vote.



The company's shares are included in the book-entry securities system.”

## **16. Board of Directors' proposal for its authorisation to decide on the issuance of shares**

The Board of Directors proposes to the Annual General Meeting that the Board be authorised to decide on the issuance of new B series shares as well as of own B shares held by the Company as treasury shares on the following terms and conditions:

Under the authorisation, the Board shall be authorised to take one or more decisions on the issuance of B shares, provided that the number of B shares thereby issued totals a maximum of 40,000,000 B shares. This number of shares is equivalent to approximately 10% of all shares in the Company after the new shares to be issued in a share issue without payment pursuant to the proposal of the Board of Directors have been registered.

B shares can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of shares in the Company, regardless of whether they own A or B shares. B shares can also be issued in a directed issue, departing from the shareholder's pre-emptive right, for a weighty financial reason for the Company, such as using the shares to develop the Company's capital structure, to finance possible acquisitions, capital expenditure or other arrangements within the scope of the Company's business operations, or to implement the Company's commitment and incentive scheme. For the latter purpose, however, the maximum number of B shares that can be issued is 800,000 shares. This number of shares is equivalent to approximately 0.2% of all shares in the Company.

The new B shares may be issued only against payment. Own B shares held by the Company as treasury shares can be conveyed either against or without payment. According to the Finnish Limited Liability Companies Act, a directed share issue can only be without payment if an especially weighty financial reason exists thereto, both from the viewpoint of the Company's interests and taking into account the best interests of all its shareholders.

The Board of Directors shall decide on the subscription price of the shares upon the issuance of new shares, and the possible amount that is payable upon the conveyance of B shares held by the Company. The Board of Directors is also entitled to issue shares against non-monetary consideration. The subscription price and possible amount payable for the shares shall be recorded in the reserve for invested non-restricted equity.

The Board of Directors shall make decisions concerning any other matters related to the share issues.

The authorisation is valid until 30 June 2021. The authorisation revokes the authorisation granted by the General Meeting of 4 April 2016 to the Board of Directors to convey a total maximum of 1,000,000 B shares held by the Company, which would have expired



on 30 June 2020. The authorisation also revokes the authorisation granted by the General Meeting of 11 April 2018 to issue a total maximum of 10,000,000 new B shares, which the Board of Directors has not used. That authorisation would have expired on 30 June 2021.

If the Annual General Meeting does not approve the Board's proposal on a share issue without payment, the Board of Directors of Kesko Corporation proposes to the Annual General Meeting to be held on 28 April 2020 that the Board be authorised to decide on the conveyance of own B shares held by the Company on the following terms and conditions:

Under the authorisation, the Board shall be authorised to take one or more decisions on the conveyance of the B shares, provided that the number of B shares thereby conveyed totals a maximum of 200,000 B shares. This number of shares is equivalent to approximately 0.2% of all shares in the Company.

B shares can be conveyed to shareholders in a directed issue in proportion to their existing holdings of shares in the Company, regardless of whether they own A or B shares. B shares can also be conveyed in a directed issue, departing from the shareholder's pre-emptive right, for a weighty financial reason for the Company, such as using the shares to develop the Company's capital structure, to finance possible acquisitions, capital expenditure or other arrangements within the scope of the Company's business operations, or to implement the Company's commitment and incentive scheme.

Own B shares held by the Company as treasury shares can be conveyed either against or without payment. According to the Finnish Limited Liability Companies Act, a directed share issue can only be without payment if an especially weighty financial reason exists thereto, both from the viewpoint of the Company's interests and taking into account the best interests of all its shareholders.

The Board of Directors shall decide on the possible amount that is payable upon the conveyance of the B shares held by the Company. The Board of Directors is also entitled to convey shares against non-monetary consideration. The possible amount payable for the shares shall be recorded in the reserve for invested non-restricted equity.

The Board of Directors shall make decisions concerning any other matters related to the share issues.

The authorisation is valid until 30 June 2021. The authorisation revokes the authorisation granted by the General Meeting of 4 April 2016 to the Board of Directors to convey a total maximum of 1,000,000 B shares held by the Company, which would have expired on 30 June 2020. The authorisation does not revoke the authorisation granted by the General Meeting of 11 April 2018 to issue a total maximum of 10,000,000 new B shares, which the Board of Directors has not used. That authorisation is valid until 30 June 2021.



## **17. Board Of Directors' proposal for establishing a Shareholders' Nomination Committee**

The Board of Directors proposes that the Annual General Meeting resolve to establish a Shareholders' Nomination Committee, the duty of which would be to prepare proposals related to the number, election and remuneration of board members to the Annual General Meeting and, when necessary, to an Extraordinary General Meeting. According to the Board's proposal, the Shareholders' Nomination Committee would be established for the time being, until decided otherwise by the General Meeting. The Board proposes the confirmation of the rules of procedure of the Shareholders' Nomination Committee appended.

## **18. Donations for charitable purposes**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board to decide on donations in a total maximum of €300,000 for charitable or corresponding purposes until the Annual General Meeting to be held in 2021, and to authorise the Board to decide on the donation recipients, purposes of use, and other terms and conditions of the donations.

## **19. Closing of the meeting**

### ***B. General Meeting documents***

The above resolution proposals on the agenda of the General Meeting, the Remuneration Policy for Governing Bodies, the rules of procedure of the Shareholders' Nomination Committee, as well as this notice of the meeting are available on Kesko Corporation's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). Kesko Corporation's financial statements, the report by the Board of Directors, and the Auditor's report are also available on said website. The resolution proposals and other documents specified above will also be available at the General Meeting, and copies of them and this notice will be sent to shareholders on request. The minutes of the General Meeting will be made available to shareholders on the website on 12 May 2020 at the latest.

### ***C. Instructions for meeting participants***

#### **1. Right to participate and registration**

Shareholders have the right to participate in the General Meeting if they are registered in the Company's register of shareholders kept by Euroclear Finland Ltd on 16 April 2020. Shareholders whose shares are registered on their personal Finnish book-entry account are registered in Kesko's register of shareholders.

A shareholder in the register of shareholders wishing to participate in the General Meeting must register for the General Meeting by 20 April 2020 at 12.00 noon EET at the latest, by which time the registration will have to have been received by the Company. Shareholders are



asked to provide their phone number or email address when they register, so that Kesko can contact them in matters related to the meeting arrangements, if necessary.

Shareholders must register for the meeting in order to be able to authorise a proxy representative or to vote in advance even if the shareholders will not be attending the meeting in person.

The registration can be made either

- a) online at [www.kesko.fi/agm](http://www.kesko.fi/agm) following the instructions provided there
- b) by email to [keskoagm@kesko.fi](mailto:keskoagm@kesko.fi)
- c) by telephone +358 105 323 211 (from Monday to Friday between 9 and 16), or
- d) by letter to Kesko Corporation/Group Legal Affairs, PO Box 1, FI-00016 Kesko.

Shareholders are asked to primarily register online, by email or by phone, as under the current circumstances it will be difficult for the Company to follow incoming mail regularly due to e.g. remote-work recommendations.

The registration information must include the shareholder's name, personal ID/business ID, address, telephone number and a possible assistant's name or a proxy representative's name and personal ID. The personal data will only be used in connection with the General Meeting and when processing related necessary registrations.

Registrations submitted to the cancelled Annual General Meeting, convened to be held on 30 March 2020, shall not be valid for this reconvened Annual General Meeting. Therefore, shareholders who had registered for the previous meeting must re-register.

## **2. Holder of a nominee-registered share**

Holders of nominee-registered shares have the right to participate in the General Meeting by virtue of the shares which would entitle them to be registered in the Company's register of shareholders kept by Euroclear Finland Ltd on the Annual General Meeting record date 16 April 2020. Attendance also requires that the shareholder is temporarily registered in the Company's shareholder register kept by Euroclear Finland Ltd by virtue of this shareholding by 23 April 2020 at 10.00 am EET at the latest. With respect to nominee-registered shares, this constitutes as registration for the General Meeting.

Holders of nominee-registered shares are advised to request instructions for registering in the register of shareholders, submitting their proxy documents and participating in the General Meeting from their custodian banks well in advance. The account operator of the custodian bank shall request a holder of a nominee-registered share wishing to participate in the Annual General Meeting to be temporarily registered in the Company's register of shareholders by the aforementioned deadline at the latest.





### 3. Proxy representative and proxy documents

The use of a proxy representative requires that the shareholder registers for the General Meeting in the manner described above even though the shareholder will not be attending the meeting at the meeting venue in person.

#### **Authorising Veli Siitonen, Attorney-at-Law**

Instead of coming to the meeting venue in person, shareholders can authorise Veli Siitonen, Attorney-at-Law or his designate to act as a proxy representative at the General Meeting, with no cost to the shareholder. The template for a power of attorney and instructions on how to authorise a proxy representative and how to provide voting instructions are available on Kesko's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). The power of attorney is to be sent either as an e-mail attachment (PDF or photo) to [veli.siitonen@merilampi.com](mailto:veli.siitonen@merilampi.com), or by regular mail to Merilampi Attorneys Ltd, Veli Siitonen, Keskuskatu 7, FI-00100 HELSINKI, Finland, before the last date and time for registration.

#### **Authorising other proxy representative**

Shareholders may participate in the General Meeting and exercise their rights at the meeting also by way of other proxy representation. The proxy representative of a shareholder will have to produce a dated proxy document, or otherwise in a reliable manner demonstrate their right to represent the shareholder. If a shareholder participates in the General Meeting by means of several proxy representatives who represent the shareholder with shares on different securities accounts, the shares with which each proxy representative represents the shareholder are to be identified in connection with the registration. Proxy documents and powers of attorney for authorising a third-party proxy representative should primarily be delivered as an e-mail attachment (PDF or photo) to [keskoagm@kesko.fi](mailto:keskoagm@kesko.fi), or as a secondary option, by mail to Kesko Corporation/Group Legal Affairs, PO Box 1, FI-00016 Kesko, before the last date and time for registration. The original proxy document should be presented at the Annual General Meeting at the latest, if required.

### 4. Advance voting

Shareholders with a Finnish book-entry account may vote in advance on certain items on the General Meeting agenda via Kesko's website between 7 April 2020 and 20 April 2020 by 12 noon EET. Unless a shareholder who is voting in advance is present in person or by proxy representative at the meeting, the shareholder cannot exercise their right under the Finnish Limited Liability Companies Act to request information or a vote in the meeting, and should a resolution proposal regarding an agenda item change after the beginning of the advance voting period, the shareholder's possibility to vote on such an item may be restricted.

The terms and conditions and instructions for electronic advance voting are available on Kesko's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). The shareholder's book-entry account number is required for advance voting.



## 5. Other information

Pursuant to Chapter 5, Section 25 of the Limited Liability Companies Act, a shareholder who is present at the General Meeting has the right to request information with respect to the matters to be dealt with at the Meeting.

Changes in the ownership of the shares that take place after the General Meeting record date do not affect the right to attend the General Meeting or the shareholder's number of votes.

As at the publication date of the notice of the meeting, Kesko Corporation has a total of 31,737,007 A shares, which carry 317,370,070 votes, and a total of 68,282,745 B shares, which carry a total of 68,282,745 votes. There are 100,019,752 shares in aggregate, and the aggregate number of votes attached to the shares is 385,652,815. Each A series share carries ten votes and each B series share carries one vote at the General Meeting.

Helsinki, 7 April 2020

KESKO CORPORATION  
BOARD OF DIRECTORS

Appendix 1 Kesko Corporation's Remuneration Policy for Governing Bodies

Appendix 2 Rules of procedure of Kesko Corporation's Shareholders' Nomination Committee