



## KESKO CORPORATION'S ANNUAL GENERAL MEETING, MINUTES 1/2020

<b>Place</b>	K-Kampus, Työpajankatu 12, 00580 Helsinki
<b>Time</b>	28 April 2020, starting at 10.30 am
<b>Present</b>	The shareholders listed on the list of votes, appended to the General Meeting minutes, were either present or represented at the meeting.

Also present were the Chairman of the Board of Directors Esa Kiiskinen, the President and CEO Mikko Helander, the Chief Financial Officer Jukka Erlund, the Company's auditor with principal responsibility for the financial year 2019 APA Mikko Nieminen from PricewaterhouseCoopers Oy, the Company's auditor with principal responsibility for the financial year 2020 APA Jukka Vattulainen from Deloitte Oy, and technical staff.

### 1. Opening of the meeting

The Chairman of the Board of Directors Esa Kiiskinen welcomed those present and opened the meeting.

The Board Chairman gave a speech, which is appended to the meeting minutes.

**Appendix 1**

### 2. Calling the meeting to order

Professor Seppo Villa was elected as the Chair of the meeting. The Chair called Group General Counsel Lasse Luukkainen to act as the secretary of the meeting.

The Chair explained the meeting arrangements put in place due to the ongoing coronavirus epidemic. The arrangements had been detailed on the Company's website and in the Notice of General Meeting published as a stock exchange release on 7 April 2020, and included the possibility for shareholders to vote in advance or provide a power of attorney, submit questions in advance and follow the meeting via video stream. Arrangements also included the objective of keeping the meeting and presentations as short as possible, and only discuss necessary matters included stated on the Notice of General Meeting.



Nordea Bank Oyj, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch, Svenska Handelsbanken AB (publ) filialverksamheten i Finland, Euroclear Bank SA/NV and Clearstream, all representing holders of nominee-registered shares, had authorised a proxy representative for the meeting, and had provided the Company with notices of voting instructions issued by the shareholders they represent.

The Chair noted that these notices stated that the shareholders in question did not demand a vote on matters where the Chair could reliably ascertain that the majority required in each case supported the draft resolution. An appropriate entry in the meeting minutes for these agenda items would be sufficient.

The Chair noted that this year some direct-registered shareholders had also provided similar voting instructions to the Company in advance by including such instructions in their powers of attorney.

It was recorded that the representative of nominee-registered and direct-registered shareholders who had submitted voting instructions, had stated they approved of the arrangement detailed above and had confirmed compliance with the voting instructions at the General Meeting.

Furthermore, shareholders with a Finnish book-entry account had been able to vote on items on the General Meeting agenda in advance up until 12 noon on 20 April 2020.

A summary of voting instructions and advance votes by nominee-registered and direct-registered shareholders and voting instructions by nominee-registered shareholders were included as appendices to the meeting minutes.

## Appendix 2

The Chair noted that the meeting participants had been divided into multiple rooms, and explained practical arrangements related to the meeting venue and proceedings. Shareholders were able to follow the Annual General Meeting via a live video stream. It was recorded in the minutes that no one objected to the meeting arrangements.

### 3. Election of persons to scrutinise the minutes and to supervise the counting of votes

Veli Siitonen was elected as the person to scrutinise the minutes.



Mikko Ahtola was elected as the person to supervise the counting of the votes.

#### 4. Recording the legality of the meeting

The Chair explained the provisions of the Finnish Limited Liability Companies Act and the Company's Articles of Association concerning the convocation of the General Meeting and the availability of documents relating to the meeting.

The Chair noted that a notice of the meeting provided in accordance with the Company's Articles of Association had been published on the Kesko Corporation website and as a stock exchange release on 7 April 2020.

#### Appendix 3

The Chair noted that Kesko Corporation's financial statements, Report by the Board of Directors and the Auditor's report had been available on the Company's website since 6 March 2020.

#### It was noted

- that the meeting had been lawfully convened and that it had a quorum.

#### 5. Recording attendance at the meeting and adoption of the list of votes

The Chair explained the provisions of the Limited Liability Companies Act and the Company's Articles of Association concerning shareholders' participation rights. The record date of the General Meeting had been 16 April 2020, and registration had ended on 20 April 2020 at 12.00 noon. Holders of nominee-registered shares had had to temporarily register in the register of the Company's shareholders no later than 10.00 am on 23 April 2020 in order to participate in the General Meeting.

The Chair noted that the list of votes indicated the number of shareholders presented and the combined numbers of shares and votes of these shareholders.

#### It was noted

- that the list of votes, detailing the shareholders, proxy representatives and assistants present, would be appended to the meeting minutes.

#### Appendix 4



## 6. Review by the President and CEO

President and CEO Mikko Helander gave a review of Kesko Group's operations. President and CEO Mikko Helander's presentation is appended to the meeting minutes.

**Appendix 5**

## 7. Presentation of the 2019 financial statements, Report by the Board of Directors, and the Auditor's Report

Kesko Corporation's 2019 financial statements, Report by the Board of Directors, and the Auditor's report were presented.

**Appendices 6 and 7**

The Chair noted that the original financial statements documents and the Auditor's report were available from the secretary of the meeting.

President and CEO Mikko Helander and Chief Financial Officer Jukka Erlund answered questions by shareholders.

## 8. Adoption of the financial statements

The Chair noted that the Auditor's report recommended the adoption of the financial statements and the consolidated financial statements.

Shareholder Genopas B.V. (voting ticket number 994) proposed that the adoption of the financial statements and the resolution on the payment of dividend be postponed to a continuation meeting. The Chair noted that according to chapter 5, section 24, subsection 2 of the Limited Liability Companies Act, a matter pertaining to the approval of the financial statements and the use of profits shall be postponed from the Annual General Meeting to a continuation meeting if shareholders holding at least one-tenth of all shares so request. The Chair noted that Kesko Corporation has a total of 100,019,752 shares.

A vote was held on the matter. Based on the vote, 20,000 shares supported postponing the adoption of the financial statements and the resolution on the payment of dividend to a continuation meeting.

**Appendix 8**



Based on the voting result, the Chair noted that the proposal by shareholder Genopas B.V. received less support than the one-tenth of all shares required by the Limited Liability Companies Act, and that consequently the **resolution** was that the adoption of the financial statements and the resolution on the payment of dividend would not be postponed to a continuation meeting.

**It was resolved**

- to adopt Kesko Corporation's 2019 financial statements and consolidated financial statements.

It was recorded that shareholder Genopas B.V (voting ticket number 994) considered the consolidation of Kesko Senukai Group in the Company's financial statements to be erroneous, and consequently Genopas B.V opposed the adoption of the financial statements, without demanding a vote on the matter.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

## 9. Use of the profit shown on the balance sheet and resolution on the payment of dividend

The Chair presented the Board of Directors' proposal for the distribution of profits and the payment of dividend.

**It was resolved**

in accordance with the Board of Directors' proposal

- to distribute a dividend of €2.52 per share on shares held outside the Company. The remaining distributable assets will remain in equity.
- to pay the dividends in two instalments. The first instalment of €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 payment date for the first dividend instalment is 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. As the Annual General Meeting approved the Board proposal concerning a share issue without payment (Agenda item 15), 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. The



payment date of the second dividend instalment is 8 October 2020.

- to authorise the Board 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.

It was recorded that shareholder Genopas B.V (voting ticket number 994) considered the consolidation of Kesko Senukai Group in the Company's financial statements to be erroneous, and consequently Genopas B.V opposed the resolution on the payment of dividend, without demanding a vote on the matter.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

## 10. Resolution on discharging the Board members and the Managing Director from liability

### It was resolved

- to discharge the Board members and the Managing Director from liability for the financial year 2019.

It was recorded that Board members and the Managing Director were disqualified from the handling of this agenda item.

It was recorded that shareholder Genopas B.V (voting ticket number 994) considered the consolidation of Kesko Senukai Group in the Company's financial statements to be erroneous, and consequently Genopas B.V opposed discharging the Board members and Managing Director from liability for the financial year 2019, without demanding a vote on the matter.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

## 11. Reviewing the Remuneration Policy for Governing Bodies

The Chair noted that Kesko Corporation's Remuneration Policy for Governing Bodies was attached to the Notice of General Meeting and had been available on the Company's website since 14 February 2020. The Chair presented the Remuneration Policy approved by the Board of Directors.

It was recorded that approx. 49% of the votes registered for the meeting had



supported this agenda item based on votes submitted in advance and voting instructions issued by nominee-registered and direct-registered shareholders. Jussi Perälä, who represented K-Retailers' Association, among others, at the General Meeting, stated at the meeting that parties represented by him supported this agenda item, and that these parties represented approximately 41% of all votes registered for the meeting. It was noted that approx. 90% of the votes registered for the meeting supported the agenda item.

The Annual General Meeting **resolved** to support the proposed Kesko Corporation's Remuneration Policy for Governing Bodies. The resolution was advisory.

#### Appendix 9

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

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

The Chair noted that the Notice of General Meeting had stated that shareholders representing in total 15% of the votes attached to Kesko Corporation's shares had made a proposal regarding the fees and reimbursement of expenses for Kesko Corporation's Board members, proposing that the fees would remain unchanged. A representative of the proposing shareholders confirmed the proposal stated in the Notice of General Meeting.

### It was resolved

in accordance with the proposal made to the General Meeting

- that Board members and its Committees' members will be paid the following annual and meeting fees:
  - as annual fees
    - Board Chairman €97,000
    - Deputy Chairman of the Board €60,000
    - Board member €45,000
    - Board member who is the Chairman of the Audit Committee €60,000
  - as meeting fees
    - €500/meeting for a Board meeting and its Committee's meeting,
    - €1,000/Board meeting to the Board Chairman,



- €1,000/Committee meeting to a Committee Chairman who is not the Chairman or the Deputy Chairman of the Board.
- to pay meeting fees in cash.
- to pay daily allowances and the reimbursements of travel expenses to the Board members in accordance with the general travel rules of Kesko.
- to pay the aforementioned annual fees in Kesko Corporation's B shares and in cash, with approximately 30% of the fees paid in shares. After the transfer of shares, the remaining fee amount is 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 will be 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 Annual General Meeting 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.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

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

The Chair noted that the Board of Directors had proposed to the General Meeting, at the recommendation of the Board's Audit Committee, that the Auditor's fee be paid and expenses reimbursed according to an invoice approved by the Company.

#### **It was resolved**

in accordance with the Board of Directors' proposal

- that the Auditor's fee will be paid and expenses reimbursed according to an invoice approved by the Company.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-





registered shareholders for this agenda item.

#### 14. Election of the Auditor

The Chair noted that the Board of Directors had proposed to the General Meeting, on the recommendation of the Board's Audit Committee, 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 had announced that APA Jukka Vattulainen would be the auditor with principal responsibility.

##### **It was resolved**

in accordance with the Board of Directors' proposal

- to elect the firm of authorised public accountants Deloitte Oy as the Company's auditor, with APA Jukka Vattulainen announced as the auditor with principal responsibility.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

#### 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 Chair presented the Board of Directors' proposal on a share issue without payment to improve the liquidity of the Company's shares, and on the amendment of section 3 'Shares' of the Company's Articles of Association.

##### **It was resolved**

in accordance with the Board of Directors' proposal

- to issue new shares to the shareholders without payment in proportion to their existing holdings, so that three (3) new A shares are issued for each A share held, and three (3) new B shares for each B share held. In addition, 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 will be issued to shareholders who are registered in the company's register of shareholders maintained 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.

- to amend section 3 'Shares' of the Company's Articles of Association 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 carries ten (10) votes and each B share one (1) vote.

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

It was recorded in the minutes that approx. 57% of the votes and approx. 80% of the shares registered for the meeting had supported this agenda item based on votes submitted in advance and voting instructions issued by nominee-registered and direct-registered shareholders. Jussi Perälä, who represented K-Retailers' Association, among others, at the General Meeting, stated at the meeting that parties represented by him supported this agenda item, and that these parties represented approx. 41% of all votes and approx. 19% of all shares registered for the meeting. It was noted that the agenda item was supported by approx. 98% of the votes and approx. 98% of the shares registered for the meeting, and that therefore support exceeded the 2/3 of votes and shares represented at the meeting required by law.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

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

The Chair presented the Board of Directors' proposal for its authorisation to decide on the issuance of shares.



**It was resolved**

in accordance with the Board of Directors' proposal

- to authorise the Board 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 make 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 equals to approximately 10% of all shares in the Company after the new shares to be issued in the share issue without payment proposed by the Board have been registered.

The B shares can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of the Company's shares, 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 of 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.

New B shares can only be issued against payment. Own B shares held by the Company as treasury shares can be issued either against or without payment. According to the Limited Liability Companies' Act, a directed share issue can only be without payment, if the Company, taking into account the best interests of all of its shareholders, has a particularly weighty financial reason for it.

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 shall also have the right to issue shares for a non-cash consideration. The subscription price and possible amount payable for the shares shall be recorded in the reserve for invested non-restricted equity.



The Board will make decisions regarding any other matters related to the share issues.

The authorisation is valid until 30 June 2021. The authorisation revokes the authorisation granted by the Annual 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 Annual 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.

It was recorded in the minutes that approx. 56% of the votes and approx. 76% of the shares registered for the meeting had supported this agenda item based on votes submitted in advance and voting instructions issued by nominee-registered and direct-registered shares. Jussi Perälä, who represented K-Retailers' Association, among others, at the General Meeting, stated at the meeting that parties represented by him supported this agenda item, and that these parties represented approx. 41% of all votes and approx. 19% of all shares registered for the meeting. It was noted that the agenda item was supported by approx. 97% of the votes and approx. 94% of the shares registered for the meeting, and that therefore support exceeded the 2/3 of votes and shares represented at the meeting required by law.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

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

The Chair presented the Board of Directors' proposal for establishing a Shareholders' Nomination Committee.

### It was resolved

in accordance with the Board of Directors' proposal

- to establish a Shareholders' Nomination Committee. The Shareholders' Nomination Committee is established for the time being, until decided otherwise by the General Meeting.
- to confirm the appended rules of procedure of the Shareholders' Nomination Committee.



It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

## 18. Donations for charitable purposes

The Chair presented the Board of Directors' proposal to authorise the Board to decide on donations for charitable or corresponding purposes.

### **It was resolved**

in accordance with the Board of Directors' proposal

- to authorise Kesko Corporation's Board of Directors to decide on donations in a total maximum of €300,000.00 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 of the donations.

It was recorded that the summary list details the opposing and abstained advance votes submitted and voting instructions issued by direct and nominee-registered shareholders for this agenda item.

## 19. Closing of the meeting

The Chair noted that all the matters specified for the General Meeting had been handled, and that the minutes of the General Meeting would be made available to shareholders on the Company's website on 12 May 2020 at the latest.

The Chair thanked the shareholders and the Company's management and declared the General Meeting closed.

--- SIGNATURES ON THE FOLLOWING PAGE ---



Unofficial translation from the Finnish  
KESKO CORPORATION ANNUAL GENERAL MEETING  
28 APRIL 2020  
Minutes

Seppo Villa  
Chair

In fidem

Lasse Luukkainen  
Secretary

The minutes have been confirmed and approved

Veli Siitonen  
Scrutiniser