



KESKO CORPORATION STOCK EXCHANGE RELEASE 28.4.2020 AT 13.30

Resolutions of Kesko Corporation's Annual General Meeting

The Annual General Meeting of Kesko Corporation today adopted the 2019 financial statements and resolved to distribute a dividend of €2.52 per share. The Annual General Meeting discharged the Board members and the Managing Director from liability. The Annual General Meeting elected the firm of authorised public accountants Deloitte Oy as the Company's new Auditor, confirmed the Company's Remuneration Policy for Governing Bodies, and made resolutions regarding Board members' fees, a share issue without payment (share split) and related amendments to the Company's Articles of Association, the Board's authorisation to decide on the issuance of shares, the establishment of a Shareholders' Nomination Board, and donations for charitable purposes.

Due to the coronavirus epidemic, the Annual General Meeting was held with special arrangements in place. The meeting was attended by the Chairman of the Board, the Managing Director, and the Auditor.

The Annual General Meeting handled the matters specified for the Annual General Meeting in the Company's Articles of Association and the other matters listed below.

Resolutions of the Annual General Meeting

Adoption of the financial statements

The Annual General Meeting adopted Kesko Corporation's financial statements and consolidated financial statements for 2019.

Distribution of profit

The Annual General Meeting resolved to distribute a dividend of €2.52 per share on shares held outside the Company. The dividend will be paid in two instalments. The record date of the first dividend instalment of €1.28 is 30 April 2020 and pay date 8 May 2020. The record date of the second dividend instalment of €0.31 is 1 October 2020 and pay date 8 October 2020.

Discharge from liability

The Annual General Meeting discharged the Board members and the Managing Director from liability for the financial year 2019.

Remuneration Policy for Governing Bodies

The Annual General Meeting confirmed the Company's Remuneration Policy for Governing Bodies.

Board of Directors

The Annual General Meeting resolved the following regarding Board members' fees and the basis for reimbursement of their expenses:

- 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.

The aforementioned annual fees will be made 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 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.

The Auditor

The Annual General Meeting resolved that the Auditor's fee and the reimbursements of the Auditor's expenses will be paid according to an invoice approved by the Company. The Annual General Meeting elected the firm of authorised public accountants Deloitte Oy as the Company's new Auditor. APA Jukka Vattulainen will be the auditor with principal responsibility.

Share issue without payment (share split) and the amendment of section 3 of the Company's Articles of Association

The Annual General Meeting resolved, in accordance with the Board's proposal, that new shares will be issued to the shareholders without payment in proportion to their existing holdings so that three (3) new A shares are issued for each current A share, and three (3) new B shares 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. 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 take place 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. The Annual General Meeting also resolved to amend section 3 of the Company's Articles of Association in accordance with the Board of Directors' proposal.

Share issue authorisation

The Annual General Meeting resolved, in accordance with the Board's 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 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.

Establishing a Shareholders' Nomination Board

The Annual General Meeting resolved, in accordance with the Board's proposal, to establish a Shareholders' Nomination Committee, and confirmed the Committee's rules of procedure.

Donations for charitable purposes

The Annual General Meeting resolved, in accordance with the Board's proposal, 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 decide on the donation recipients, purposes of use and other terms of the donations.

The Notice of Annual General Meeting was published on Kesko's website and in a stock exchange release on 7 April 2020.

Further information is available from Lasse Luukkainen, Group General Counsel, tel. +358 105 322 818.

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