



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders of Kesko Corporation that the Annual General Meeting will be held at Messukeskus Helsinki's Conference Centre, Messuaukio 1 (Conference Centre entrance), Helsinki, on Wednesday 11 April 2018 at 13.00 EET. The reception desks for those registered for the meeting will open and voting tickets will be provided starting from 12.00 EET.

### *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 2017 financial statements, the report by the Board of Directors and the Auditor's Report
8. Adoption of the financial statements
9. Distribution of the profits shown on the balance sheet and resolution on the payment of dividend  

The Board of Directors proposes that a dividend of €2.20 per share be paid for the year 2017 on the basis of the adopted balance sheet. The dividend will be paid to shareholders registered in the Company's register of shareholders kept by Euroclear Finland Ltd on the record date for the payment of dividend, 13 April 2018. No dividend is paid on own shares held as treasury shares by the Company at the record date for the payment of dividend. The Board proposes that the dividend pay date be 20 April 2018.
10. Resolution on discharging the Board members and the Managing Director from liability
11. Resolution on the Board members' remuneration and the basis for reimbursement of their expenses

Shareholders jointly representing over 10% of the votes attached to Kesko Corporation's shares propose that the remuneration structure for Kesko Corporation's Board members be



changed so that a portion of the remuneration be paid as shares in the Company. The purpose of the change is to commit the Board members to the long-term development of the Company.

The proposal for the remuneration of Kesko Corporation's Board members and the reimbursement of their expenses is as follows:

- Board Chairman, an annual remuneration of €97,000,
- Board Deputy Chairman, an annual remuneration of €60,000,
- Board member, an annual remuneration of €45,000,
- Board member who is the Chairman of the Audit Committee, an annual remuneration 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 the 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 aforementioned annual remuneration payments be made in Kesko Corporation's B shares and in cash, with approximately 30% of the remuneration paid in shares. After the transfer of shares, the remaining remuneration amount is paid in cash. The Company will acquire the shares or transfer shares held by the Company as treasury shares in the name of and on behalf of the Board members. The Company is responsible for the costs arising from the acquisition of the shares. The acquisition or transfer of shares is carried out as soon as possible after the General Meeting. 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.

## **12. Resolution on the number of Board members**

Shareholders jointly representing over 10% of the votes attached to Kesko Corporation's shares have informed the Company that they will propose at the Annual General Meeting that a resolution be passed to leave the number of members of the Board unchanged at the present seven (7).

## **13. Election of the Board members**

Shareholders jointly representing over 10% of the votes attached to Kesko Corporation's shares have informed the Company that they will propose to the Annual General Meeting that Master of Science (Economics) Jannica Fagerholm, retailer Esa Kiiskinen, Master of Science (Economics) Matti Kyytsönen, retailer Matti Naumanen, eMBA and retailer Toni Pokela as well as Master of Laws Peter Fagnäs (new member) and Doctor of Science (Economics and Business Administration) Piia Karhu (new member) be elected as Board members.



More detailed information on all the proposed Board members is available at [www.kesko.fi/en/investor/General-Meeting](http://www.kesko.fi/en/investor/General-Meeting).

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

The Board's Audit Committee proposes to the General Meeting that the Auditor's fee and expenses be reimbursed according to an invoice approved by the Company.

#### **15. Election of the Auditor**

The Board's Audit Committee proposes to the General Meeting that the firm of auditors PricewaterhouseCoopers Oy, Authorised Public Accountants, be elected as the Company's Auditor. If the firm is elected as Kesko's auditor, PricewaterhouseCoopers Oy has announced that APA Mikko Nieminen shall be the auditor with principal responsibility.

#### **16. Proposal by the Board of Directors for authorisation to decide on the acquisition of the Company's own shares**

The Board of Directors proposes that the General Meeting resolve to authorise the Board of Directors to decide on the acquisition of a maximum of 1,000,000 own B shares of the Company.

B shares are acquired otherwise than in proportion to the shareholdings of shareholders with the Company's distributable unrestricted equity at the B share market price quoted in public trading organised by Nasdaq Helsinki Ltd ("the exchange") at the date of acquisition. The shares are acquired and paid for in accordance with the rules of the exchange. The acquisition of own shares reduces the amount of the Company's distributable unrestricted equity.

B shares are acquired for use in the development of the Company's capital structure, to finance possible acquisitions, capital expenditure and/or other arrangements within the scope of the Company's business operations, and to implement the Company's commitment and incentive scheme for management and other personnel members.

The Board will make decisions concerning any other issues related to the acquisition of own B shares.

The authorisation will be valid until 30 September 2019.

#### **17. Proposal by the Board of Directors for authorisation to decide on the issue of shares**

The Board proposes that it be authorised to decide on the issuance of a total maximum of 10,000,000 new B shares in a share issue. The shares could be issued against payment to be subscribed for by shareholders in a directed issue in proportion to their existing holdings of the Company's shares regardless of whether they hold A or B shares, or, departing from the shareholders' pre-emptive right, in a directed issue, if there is a weighty financial reason for



the Company, such as using the shares to develop the Company's capital structure and financing possible acquisitions, capital expenditure or other arrangements within the scope of the Company's business operations. The amount paid for the shares would be recognised in the reserve of invested non-restricted equity.

The authorisation would also include the Board's authority to decide on the share subscription price, the right to issue shares for non-cash consideration, and the right to decide on other matters concerning the share issues. The authorisation will be valid until 30 June 2021, and it will cancel the authorisation given to the Board by the General Meeting of 13 April 2015 to issue a total maximum of 20,000,000 new B shares, which the Board has not used. The authorisation given to the Board by the Annual General Meeting of 13 April 2015 to issue a total maximum of 20,000,000 new B shares would have ended on 30 June 2018.

The authorisation applied for will not cancel the authorisation given to the Board by the Annual General Meeting of 4 April 2016 to transfer a total maximum of 1,000,000 B shares held by the Company, which is valid until 30 June 2020.

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

The Board of Directors proposes that the General Meeting resolve to authorise the Board of Directors to decide on the donations in a total maximum of €300,000 for charitable or corresponding purposes until the Annual General Meeting to be held in 2019 and to authorise the Board of Directors to decide on the donation recipients, purposes of use and other terms of the donations.

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

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

The above resolution proposals on the agenda of the General Meeting, as well as this notice of the meeting are available on Kesko Corporation's website at [www.kesko.fi/en/investor/General-Meeting](http://www.kesko.fi/en/investor/General-Meeting). Kesko Corporation's financial statements, the report by the Board of Directors and the Auditor's report will be made available on the Company's website on 9 March 2018. The resolution proposals and the other documents mentioned above will also be available at the General Meeting, and copies of the documents and of this notice of meeting will be sent to shareholders on request. The minutes of the General Meeting will be made available to shareholders on the Company's website on 25 April 2018 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 28 March 2018.



Shareholders whose shares are registered on their personal Finnish book-entry accounts are registered in the Company's register of shareholders.

A shareholder wishing to participate in the General Meeting must register for it by 6 April 2018 at 16.00 EET at the latest, by which time the registration will have to be received by the Company. The registration can be made either

- a) through the website at [www.kesko.fi/en/investor/General-Meeting](http://www.kesko.fi/en/investor/General-Meeting) following the instructions provided there
- b) by email to [keskoyhtiokokous@kesko.fi](mailto:keskoyhtiokokous@kesko.fi)
- c) by telephone +358 105 323 211 (from Monday to Friday between 9 and 16)
- d) by fax +358 105 323 421, or
- e) by letter to Kesko Corporation/Group Legal Affairs, Box 1, FI-00016 Kesko.

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

## **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 shareholder register kept by Euroclear Finland Ltd on 28 March 2018. 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 6 April 2018 at 10.00 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 shareholder register, 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 registered in the Company's temporary shareholder register no later than the above deadline.

## **3. Proxy representative and proxy documents**

A shareholder may participate in the General Meeting and exercise his/her rights at the meeting by way of proxy representation. The proxy representative of a shareholder will have to produce a dated proxy document, or otherwise in a reliable manner demonstrate his/her 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.



Possible proxy documents are to be delivered in originals to the above address before the end of the registration period.

#### **4. 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.

As at the publication date of the notice of the meeting, Kesko Corporation has a total of 31,737,007 A shares and 68,282,745 B shares, or 100,019,752 shares in aggregate. The A shares carry a total of 317,370,070 votes, and the B shares carry a total of 68,282,745 votes, or the aggregate number of votes attached to the shares is 385,652,815.

Helsinki, 31 January 2018

KESKO CORPORATION  
BOARD OF DIRECTORS