

## Questions and Answers

### **What is the dividend amount proposed by the Kesko Board?**

The Kesko Board proposes that a dividend of €2.50 per share be paid for the year 2015 on the basis of the adopted balance sheet.

The proposed dividend is in line with the dividend policy Kesko has announced. The proposed dividend is higher than the so-called minority dividend according to the Limited Liability Companies Act (€0.80 per share).

On the last eight years, Kesko has paid the following dividends per share:

- 2015: €1.50
- 2014: €1.40
- 2013: €1.20
- 2012: €1.20
- 2011: €1.30
- 2010: €0.90
- 2009: €1.00
- 2008: €1.60

A dividend is always paid on the basis of the balance sheet adopted for the year preceding the year of dividend distribution.

The amount of dividend per share is the same irrespective of whether the shareholder holds Kesko A or Kesko B shares.

### **Who is entitled to the proposed dividend?**

The dividend will be paid to shareholders registered in the company's register of shareholders on the record date for dividend distribution, 6 April 2016.

Registration practice in share trade settlement takes two banking days, so the dividends are paid to those who hold Kesko shares at the end of the General Meeting date, 4 April 2016. In other words, dividends on the shares traded on the General Meeting date are paid to the buyers of the shares.

If shares are purchased on the day following the General Meeting, 5 April 2016 (the ex-dividend date), or thereafter, the buyer will not receive the proposed dividend.

Kesko holds its own B shares in treasury. However, a dividend is only paid on shares held outside the company at the date of dividend distribution.

### **When will the dividend be paid?**

The Kesko Board has proposed that the dividend pay date be 13 April 2016. The proposed dividend pay date is the earliest one allowed by the rules of Euroclear Finland Ltd maintaining the company's register of shareholders.

If the General Meeting accepts the pay date proposed by the Board, Kesko will pay the dividend to bank accounts in Finland on 13 April 2016. If a shareholder's bank account is outside Finland, the shareholder shall receive the dividend through his or her bank, custodian or broker soon after 13 April 2016 depending on their ability to transfer the payment.

### **What does discharging the Board members and the managing director from liability mean?**

This is one of the matters to be resolved at the Annual General Meeting according to Finnish law and Kesko's Articles of Association. The resolution concerns the Board members' and the managing director's liability towards Kesko for the financial year 2015. The discharge from liability is only applicable to matters that Kesko and shareholders have been aware of at the time of decision-making.

### **How does the proposal for the Board members' remuneration and the basis for reimbursement of their expenses compare to the Board members' remuneration and reimbursement of their expenses in previous years?**

The proposals of shareholders jointly holding over 10% of the votes attached to Kesko Corporation shares for the annual and meeting fees and the basis for reimbursement of the expenses of the Board members are the same as in years 2009–2015:

- the Board Chair, an annual remuneration of €80,000
- the Board Deputy Chair, an annual remuneration of €50,000
- a Board member, an annual remuneration of €37,000
- a meeting fee of €500/meeting for a Board meeting and its Committee's meeting, and a meeting fee of €1,000/meeting to a Committee Chair who is not the Chair or the Deputy Chair of the Board
- daily allowances and reimbursement of travelling expenses are paid to the Board members in accordance with the general travel rules of Kesko.

### **What is proposed for the number of Board members and the Board's composition?**

Shareholders jointly representing over 10% of the votes attached to Kesko shares propose that the number of Board members be kept unchanged at seven (7) members.

The General Meeting held on 13 April 2015 resolved that the number of Board members is seven (7) and elected seven (7) Board members for terms expiring at the close of the 2018 Annual General Meeting in accordance with the Articles of Association. The Board members elected then are

- retailer Esa Kiiskinen (Ch.)
- eMBA Mikael Aro (Dep. Ch.)
- Master of Science in Economics Anu Nissinen
- Retailer, Master of Science in Economics Tomi Korpisaari (Korpisaari has announced that he will resign from Kesko Corporation's Board of Directors as of 1 March 2016. His resignation announcement has been published in a stock exchange release on 5 February 2016.)
- Master of Science in Economics Matti Kyytsönen
- retailer Toni Pokela
- Master of Laws Kaarina Ståhlberg (Ståhlberg has announced that she will resign from Kesko Corporation's Board of Directors as of 1 March 2016. Her resignation announcement has been published in a stock exchange release on 15 February 2016.)

Korpisaari and Ståhlberg have announced their resignations from the company's Board of Directors as of 1 March 2016. The resignation announcements of Korpisaari and Ståhlberg were published in stock exchange releases on 5 February 2016 and 15 February 2016. Shareholders jointly representing over 10% of the votes attached to Kesko shares propose that Korpisaari and Ståhlberg be replaced by retailer, trade technician Matti

Naumanen and Master of Science in Economics, Managing Director Jannica Fagerholm until the close of the Annual General Meeting to be held in 2018. Both candidates have consented to the appointment.

The biographical details of Matti Naumanen and Jannica Fagerholm with more detailed information on their earlier duties are available on the company's website at [www.kesko.fi/yhtiokokous](http://www.kesko.fi/yhtiokokous).

The key biographical details of the current Board members are available on Kesko's website at <http://www.kesko.fi/fi/Kesko-yrityksena/Hallinto-ja-johto/Hallitus/>.

The Board Chair is retailer Esa Kiiskinen and the Deputy Chair is eMBA Mikael Aro. The Board elects the Chairs, Deputy Chairs and members of its Committees in an organizational meeting after the General Meeting.

**What is the procedure for making the proposals for the Board members' remuneration, the basis of reimbursement of their expenses and the number of Board members?**

The proposals have traditionally been made by shareholders jointly holding over 10% of the votes carried by Kesko Corporation shares, following their own decision-making procedures.

Kesko does not have a shareholders' nomination board or the Board's nomination committee to make these proposals. Instead, they have traditionally been made by shareholders.

**What is the procedure followed by Kesko for preparing the proposal for the composition of the Board of Directors?**

Kesko follows a procedure in which significant shareholders prepare proposals concerning the Board of Directors, including a proposal for the number of Board members, their remuneration and, as necessary, for the Board members to the General Meeting. Kesko's Board of Directors has not established a nomination committee and the General Meeting has not appointed a shareholders' nomination board. The proposal by significant shareholders referred to above is published in a stock exchange release and included in the notice of the General Meeting, provided that the proposal has been submitted to the Company early enough for inclusion in the notice.

**How has the Audit Committee's proposal for the auditor and the auditor's remuneration been prepared to the General Meeting?**

According to Kesko's Articles of Association, the election of auditors, the basis of their remuneration and reimbursement of their expenses have to be decided by the Annual General Meeting. The Board's Audit Committee has prepared a proposal for the above matters to the General Meeting.

**Whom does the Board's Audit Committee propose for 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 company is elected as the auditor, PricewaterhouseCoopers Oy have announced that APA Mikko Nieminen shall be the auditor with principal responsibility. The Board's Audit Committee proposes that the auditor's fee and expenses be reimbursed according to invoice approved by the company.

**Who has the right to attend the 2016 General Meeting and what is the last day to purchase shares if one wants to participate in the decision-making at the General Meeting?**

Shareholders have the right to attend the General Meeting if they are registered as shareholders in the company's register of shareholders kept by Euroclear Finland Ltd on 21 March 2016 (General Meeting record date). 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 attend the General Meeting shall register for it no later than 30 March 2016 at 16.00 EET, by which time the registration must be received by the company.

A holder of a nominee registered share has the right to participate in the General Meeting by virtue of the shares which would entitle him/her to be registered in the shareholder register kept by Euroclear Finland Ltd on 21 March 2016. In addition, the participation requires that the shareholder is temporarily registered in the company's shareholder register kept by Euroclear Finland Ltd by virtue of this shareholding no later than 30 March 2016 at 10.00 EET. With respect to nominee registered shares, this constitutes the registration for the General Meeting.

If a shareholder wants to participate in the 2016 Annual General Meeting, he or she must have purchased his or her shares no later than three (3) settlement days before the record date of the General Meeting because of the registration practice in the settlement of share trades. Otherwise his or her shareholding cannot be registered in the company's register of shareholders by the record date. Given that this year, the record date for the General Meeting is 21 March 2016, the last day to purchase shares is 17 March 2016.

The above record date for the General Meeting and the related deadline for share purchasing only applies to the right to attend the Annual General Meeting. The record date of the General Meeting is not relevant to the right to receive the dividend possibly resolved by the Annual General Meeting, which is determined on the basis of share ownership as at the record date for dividend distribution (6 April 2016) (see question "Who is entitled to the proposed dividend?" and the answer).

**Where and how are the proposals made to the General Meeting and the resolutions passed made available to shareholders?**

The proposals by the Board, the Board's Audit Committee and shareholders are available in full in [www.kesko.fi/yhtiokokous](http://www.kesko.fi/yhtiokokous). The proposals will also be available at the meeting venue on the General Meeting date. Copies will be posted to shareholders upon request.

Kesko will publish the resolutions of the General Meeting in a stock exchange release and on Kesko's website at [www.kesko.fi/yhtiokokous](http://www.kesko.fi/yhtiokokous). The minutes of the General Meeting will be made available on the said website on 18 April 2016 at the latest.