

## **Notice of Kesko's Annual General Meeting**

Kesko Corporation's Annual General Meeting will be held on Monday, 12 April 2021, starting at 1.00 pm (EET). The General Meeting will be held with exceptional meeting procedures in place and without the presence of shareholders or their proxy representatives at Kesko Corporation's K-Kampus headquarters at Työpajankatu 12, 00580 Helsinki.

Kesko's Board of Directors has decided on exceptional procedures for the General Meeting based on the temporary legislative act (677/2020) approved by the Finnish Parliament (the "Temporary Act"). Kesko has decided to take actions enabled by the Temporary Act in order to hold the General Meeting in a predictable manner, taking into account the health and safety of the Company's shareholders, personnel and other stakeholders, while preventing the spread of the Covid-19 pandemic.

The Company's shareholders may participate in the General Meeting and exercise their rights as shareholders only by voting in advance and submitting counterproposals and questions in advance, they cannot attend the General Meeting in person.

Shareholders can follow the General Meeting via live webcast at [kesko.fi/agm](https://kesko.fi/agm). Shareholders watching the webcast are not deemed to be participating in the General Meeting, and therefore cannot exercise their right to speak or vote during the General Meeting. Instructions for shareholders can be found in section C of this notice.

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

#### **1. Opening of the meeting**

#### **2. Calling the meeting to order**

Professor Seppo Villa will act as the Chair of the General Meeting. If Seppo Villa is not able to act as Chair due to a weighty reason, the Board will nominate another person it deems best suited to act as Chair. The Chair may appoint a secretary for the General Meeting.

#### **3. Election of person to confirm the minutes and to supervise the counting of votes**

Aino Jankari will act as the person to confirm the minutes and supervise the counting of votes. If Aino Jankari is unable to act as the person to confirm the minutes and supervise the counting of the votes due to a weighty reason, the Board will nominate another person it deems best suited to act as the person to confirm the minutes and supervise the counting of votes.

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

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

Shareholders who have voted in advance during the advance voting period and who are entitled to take part in the General Meeting according to Chapter 5, Sections 6 and 6 a of the Finnish Limited Liability Companies Act, are deemed to participate in the General Meeting. The list of votes will be adopted based on the information provided by Euroclear Finland Ltd.

## **6. Review by the President and CEO**

## **7. Presentation of the 2020 financial statements, the report by the Board of Directors, and the Auditor's Report**

As shareholders can only participate in the General Meeting by means of advance voting, the Company's Annual Report, which is published in week 11, comprises the Company's financial statements, report by the Board of Directors, and the Auditor's Report, and is available on the Kesko's website, is deemed to have been presented to the General Meeting.

## **8. Adoption of the financial statements**

The Board proposes that the General Meeting adopt the financial statements. The Company's Auditor has recommended adopting the financial statements.

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

The Board proposes that a dividend of €0.75 per share be paid for the year 2020 based on the adopted balance sheet 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, €0.38 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 14 April 2021. The Board proposes that the first dividend instalment pay date be 21 April 2021. The second instalment, €0.37 per share, 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 2021. The Board proposes that the second dividend instalment pay date be 8 October 2021. 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.

As at the date of the proposal for the distribution of profit, 2 February 2021, a total of 396,739,146 shares were held outside the Company, and the corresponding total amount of dividends is €297,554,359.50.

The distributable assets of Kesko Corporation total €1,436,295,866.09, of which profit for the financial year is €234,293,405.12.

## **10. Resolution on discharging the Board members and the Managing Director from liability for the financial year 1 Jan. - 31 Dec. 2020**

## **11. Reviewing the Remuneration Report for Governing Bodies**

The Board proposes that the General Meeting approve the 2020 Remuneration Report for Governing Bodies. The resolution concerning the Remuneration Report is advisory. The Remuneration Report is available on the Company's website.

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

The Shareholders' Nomination Committee submits the following proposals regarding the remuneration of Board members and the reimbursement of their expenses in 2021-2022:

- Board Chair, an annual fee of €102,000
- Board Deputy Chair, an annual fee of €63,000
- Board member, an annual fee of €47,500
- Board member who is the Chair of the Audit Committee, an annual fee of €63,000
- A meeting fee of €600/meeting for a Board meeting and its Committee's meeting. A meeting fee of €1,200/Board meeting for the Board Chair. However, a meeting fee of €1,200/Committee meeting to a Committee Chair who is not the Chair or Deputy Chair of the Board. The meeting fees are to be paid in cash.
- Daily allowances and the reimbursements of travel expenses are to be 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 fee 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 are to 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 2021. 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 number of Board members**

The Shareholders' Nomination Committee proposes that seven members be elected to the Company's Board of Directors for the three-year term of office that will end, as determined in the Company's Articles of Association, at the close of the 2024 Annual General meeting.

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

The Shareholders' Nomination Committee proposes that the following members be elected to the Company's Board of Directors for the three-year term of office that will end, as determined in the Company's Articles of Association, at the close of the 2024 Annual General meeting. The Committee proposes the re-election of Esa Kiiskinen, retailer, business college graduate; Peter Fagernäs, Master of Laws; Jannica Fagerholm, M.Sc. Economics; Piia Karhu, Doctor of Science, Economics and Business Administration; and Toni Pokela, retailer, EMBA. The Committee proposes that Timo Ritakallio, Doctor of Science (Technology), LL.M., MBA, and Jussi Perälä, retailer, business college graduate, be elected as new Board members.

All proposed Board members are presented on the Company's website at [kesko.fi/agm](https://kesko.fi/agm).

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

The Board proposes to the General Meeting, at the recommendation of the Board's Audit Committee, that the auditor's remuneration and the reimbursements of the auditor's expenses be paid according to an invoice approved by the Company.

#### **16. Election of the Auditor**

The Board proposes to the General Meeting, at the recommendation of the Board's Audit Committee, that the firm of authorised public accountants Deloitte Oy be elected as the Company's Auditor for the financial year 2021. If Deloitte Oy is elected as Kesko's auditor, the firm has announced that APA Jukka Vattulainen will be the auditor with principal responsibility.

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

The Board proposes to the 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 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.

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.

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 shall make decisions regarding any other matters related to the share issues.

The authorisation is valid until 30 June 2022. The authorisation cancels out the authorisation granted by the General Meeting of 28 April 2020 to the Board of Directors to issue of a total maximum of 40,000,000 new B shares or B shares held by the Company as treasury shares. That authorisation would have expired on 30 June 2021.

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

The Board proposes that the General Meeting resolve 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 2022, and 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, as well as this notice of the meeting are available on Kesko's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). Kesko Corporation's financial statements, the report by the Board of Directors, Auditor's report, and Remuneration Report are made available on the website in week 11. Copies of the resolution proposals and this notice will be sent to shareholders at request. The minutes of the General Meeting will be made available on the website on 26 April 2021 at the latest.

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

In order to limit the spread of the Covid-19 pandemic, the Annual General Meeting will be arranged in such a way that neither shareholders nor their proxy

representatives may arrive at the meeting venue. Shareholders and their proxy representatives can participate in the General Meeting and exercise their rights only by voting in advance and by submitting counterproposals and questions in advance, taking into account the limitations set out in the Temporary Act.

A shareholder or a proxy representative may not participate in the General Meeting by means of real-time telecommunications either, but shareholders may follow the General Meeting on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm) by ordering a personal link to the live stream by 6 April 2021 at 4.00 pm EET at the latest. Ordering the link requires strong electronic identification by means of online banking codes or Mobile ID. Holders of nominee-registered shares, who cannot order the link on the website, may contact the Company by e-mail [keskoagm@kesko.fi](mailto:keskoagm@kesko.fi) by the aforementioned time in order to obtain the link. The link will be activated for the shareholders who are registered in Kesko's register of shareholders on the record date of the General Meeting, 29 March 2021. Ordering a link does not require participation registration for the meeting or advance voting. The language of the meeting is Finnish. Shareholders following the General Meeting in this way are not considered to be participating in the General Meeting based on only following the Meeting, and the resolutions of the General Meeting shall be made based solely on the advance voting.

#### **1. Right to participate by a shareholder registered in the register of shareholders**

Each shareholder registered in the Company's register of shareholders kept by Euroclear Finland Ltd on the record date of the General Meeting, 29 March 2021, has the right to participate in the General Meeting. Shareholders whose shares are registered on their personal Finnish book-entry account are registered in the Company's register of shareholders.

#### **2. Notice of participation of a shareholder registered in the register of shareholders and voting in advance**

Registration for the General Meeting and advance voting begin when the deadline for making counterproposals has expired and the Company has published the possible counterproposals to be put to a vote on the Company's website, but no later than on 24 March 2021. A shareholder registered in the Company's register of shareholders wishing to participate in the General Meeting by voting in advance, must register for the General Meeting and vote in advance by 6 April 2021 at 4.00 pm EET at the latest by which time the notice of participation and the votes must be received.

Shareholders with a Finnish book-entry account may register and vote in advance on certain matters on the agenda of the General Meeting within the registration and advance voting period by the following means:

- a) On the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm)

Registration and advance voting require strong electronic identification (online banking codes or Mobile ID) for natural persons, and business ID and the shareholder's book-entry account number for legal persons.

b) By e-mail or regular mail

A shareholder voting in advance by e-mail or regular mail must deliver the advance voting form available on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm) to Euroclear Finland Ltd by e-mail to [yhtiokokous@euroclear.eu](mailto:yhtiokokous@euroclear.eu) or by regular mail to Euroclear Finland Ltd, Yhtiökokous / Kesko Corporation, PO Box 1110, FI-00101 Helsinki, Finland. The advance voting form will be available on the Company's website no later than on 24 March 2021.

If a shareholder participates in the General Meeting by delivering advance votes by e-mail or regular mail to Euroclear Finland Ltd, the delivery of the votes before the deadline for delivering the notice of participation and the advance voting period has expired shall constitute due registration for the General Meeting provided that the shareholder's message includes the information required for the registration set out in the advance voting form.

Shareholders must submit the requested information, such as their identification and contact details in connection with the registration. Personal data disclosed in connection with a shareholder's registration will be used only in connection with the General Meeting and the thereto related necessary processing of registrations.

Instructions regarding the voting are available to all shareholders on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). Additional information is also available by telephone at +358 10 532 3211 (Monday to Friday between 9.00 am and 4.00 pm EET).

### **3. Proxy representative and powers of attorney**

Shareholders can participate in the General Meeting and exercise their rights thereat by way of proxy representation.

A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate their right to represent the shareholder. Should a shareholder participate in the General Meeting by means of several proxy representatives representing the shareholder with shares on different book-entry accounts, the shares by which each representative represents the shareholder shall be identified in connection with the registration.

A template for proxy document and voting instructions will be made available on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm) on 24 March 2021 at the latest.

Shareholders who will not vote in advance themselves may, without any cost to the shareholder, use the Company's proxy authorisation service and authorise Veli Siitonen, Attorney-at-Law of Merilampi Attorneys Ltd., or another of the Company independent Attorney-at-Law appointed by him to exercise the shareholder's voting rights at the General Meeting in accordance with the voting instructions given by the shareholder. A signed proxy document including the

advance voting form must be delivered to Veli Siitonen, Attorney-at-Law, by e-mail or regular mail (contact details below) no later than on 6 April 2021 at 10.00 am EET, by which time the documents must be received.

Further information on the designated proxy representative is available on the website [www.merilampi.com/ihmiset/specialist-counsel/veli-siitonen/](http://www.merilampi.com/ihmiset/specialist-counsel/veli-siitonen/) and his contact details are:

e-mail: [veli.siitonen@merilampi.com](mailto:veli.siitonen@merilampi.com)

postal address: Merilampi Attorneys Ltd., Veli Siitonen, Keskuskatu 7, FI-00100 Helsinki, Finland

Shareholders may participate in the General Meeting and exercise their rights thereat also by appointing another proxy representative of their choice. A proxy representative appointed by a shareholder must also vote in advance in the herein described manner (a proxy representative cannot vote in the electronic advance voting system). A proxy representative must deliver a signed proxy document given to him/her including the advance voting form or corresponding information by regular mail to Euroclear Finland Ltd, Yhtiökokous / Kesko Corporation, PO Box 1110, FI-00101 Helsinki, Finland or by e-mail to [yhtiokokous@euroclear.eu](mailto:yhtiokokous@euroclear.eu) no later than on 6 April 2021 at 4.00 pm EET, by which time the documents or corresponding information must be received. Delivery of the proxy document to Euroclear Finland Ltd before the end of the registration period shall constitute due registration for the General Meeting.

#### **4. Holders of nominee-registered shares**

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 record date of the General Meeting, 29 March 2021. Participation further requires that the shareholder is temporarily registered in the Company's shareholder register kept by Euroclear Finland Ltd by virtue of this shareholding by 7 April 2021 at 10.00 am EET at the latest. As regards nominee-registered shares, this constitutes due registration for the General Meeting.

Holders of nominee-registered shares are advised to request instructions regarding the registration 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 to be temporarily registered in the Company's register of shareholders and arrange voting on behalf of a holder of nominee-registered shares by the aforementioned time at the latest.

#### **5. Making counterproposals to the proposed resolutions and submitting questions in advance**

Shareholders holding at least one-hundredth (1/100) of all shares in the Company within the meaning of the Temporary Act have a right to make a counterproposal to the proposed resolution on the agenda of the General Meeting to be put to a vote. Such counterproposals must be delivered to the

Company by e-mail to [keskoagm@kesko.fi](mailto:keskoagm@kesko.fi) by no later than 22 March 2021 at 4.00 pm EET. Shareholders making a counterproposal must in connection with delivering the counterproposal present evidence of their shareholding. A counterproposal will be considered at the General Meeting provided that the shareholder has the right to participate in the General Meeting, the shareholder has registered for the General Meeting, and the shareholder holds shares corresponding to at least one-hundredth of all shares in the Company on the record date of the General Meeting. Should the counterproposal not be taken up for consideration in the General Meeting, votes given on favour of the counterproposal will not be taken into consideration. The Company will publish counterproposals to be put to a vote, if any, on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm) on 23 March 2021 at the latest.

Pursuant to Chapter 5, Section 25 of the Limited Liability Companies Act, a shareholder who has the right to participate in the General Meeting as set out in section C.1 or C.4 of this Notice, has the right to submit questions with respect to the matters to be considered at the General Meeting until 24 March 2021 by sending them by e-mail to [keskoagm@kesko.fi](mailto:keskoagm@kesko.fi). Such questions from shareholders, the Company's answers to them as well as counterproposals other than those put to a vote will be made available on the Company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm) on 31 March 2021 at the latest. As a prerequisite for submitting questions, shareholders must present adequate proof of their shareholding upon request.

## **6. Other instructions / information**

As at the date of the Notice of General Meeting, Kesko Corporation has 126,948,028 A shares, which carry a total of 1,269,480,280 votes, and 273,130,980 B shares, which carry a total of 273,130,980 votes. There are 400,079,008 shares in aggregate, and the aggregate number of votes attached to the shares is 1,542,611,260. Each A series share carries ten votes and each B series share carries one vote at the General Meeting.

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

Helsinki, 15 March 2021

KESKO CORPORATION  
BOARD OF DIRECTORS

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

Kesko Corporation

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