

Proposals of the Shareholders' Nomination Committee to Kesko's 2021 Annual General Meeting

The Shareholders' Nomination Committee of Kesko Corporation submits the following proposals to the Annual General Meeting planned to be held on 12 April 2021. The proposals will also be included in the Notice of General Meeting, to be published later.

The number of Board members and Board composition

The Shareholders' Nomination Committee submits the following proposals regarding the number of Board members and Board composition 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 Nomination Committee proposes that seven members be elected to the Board of Directors.

The Nomination Committee proposes that the following persons be re-elected as Board members:

- Esa Kiiskinen, retailer, business college graduate, kauppaneuvos
- Peter Fagernäs, Master of Laws
- Jannica Fagerholm, M.Sc. Economics
- Piia Karhu, Doctor of Science, Economics and Business Administration
- Toni Pokela, retailer, EMBA

As new Board members, the Nomination Committee proposes:

- Timo Ritakallio, Doctor of Science (Technology), LL.M., MBA
- Jussi Perälä, retailer, business college graduate

Of the current Board members, Matti Kyytsönen and Matti Naumanen are not proposed for re-election.

Of the proposed new Board members, Timo Ritakallio (b. 1962) is the President and Group CEO of OP Financial Group and CEO of OP Cooperative. Previously, Ritakallio has acted as the President and CEO of Ilmarinen Mutual Pension Insurance Company, Deputy CEO of Pohjola Bank Group, Managing Director of Opstock Securities, and has held various positions at OKO Bank and OP. Ritakallio is the Board Chairman of Finance Finland (FFI), OP Corporate Bank, and Pohjola Insurance, and until recently was the Board Chairman of the Finnish Olympic Committee. Ritakallio has also acted as Vice Chairman of the Board of Outotec, and a member of the Board of Technopolis, Nasdaq OMX Nordic, and SSH Communication Security. Ritakallio holds 2,000 Kesko A series shares (as of 14 January 2021).

The Nomination Committee proposes that Jussi Perälä (b. 1970) be elected as the other new Board member. Perälä is the retailer of K-Rauta Oulunkylä and K-Rauta Procenter Pasila. He has previously been a retailer for K-Rauta building and home improvement stores in Jyväskylä, Kangasniemi, Laukaa and Toivakka, and for Rautia and Rautia agricultural trade stores in Jyväskylä and Joutsa. Perälä is the Vice Chairman of the Board of K-Retailers' Association, and a member of the Board of the Finnish Hardware Association, Vähittäiskaupan Takaus Oy, and Vähittäiskaupan Tilipalvelu Oy. Perälä or entities controlled by him hold 105,910 Kesko A series shares and 95,593 Kesko B series shares (as of 15 January 2021).

The proposed Board members meet the independence requirements of the Finnish Corporate Governance Code for listed companies. A majority of the proposed Board members are independent of Kesko. Kiiskinen, Pokela and Perälä are not considered independent of the

Company, as they each control a company that has a chain agreement with Kesko. All the proposed Board members apart from Toni Pokela are considered independent of Kesko's significant shareholders. Pokela is the Chairman of the Board of Kesko's significant shareholder K-Retailers' Association.

All the persons proposed have consented to taking on the duties. Material information regarding the Board work of the proposed members is available on Kesko's website at www.kesko.fi/en/investor/General-Meeting. The Board will elect the Chairman and Deputy Chairman from among its members.

Board members' fees

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

- Board Chairman, an annual fee of €102,000
- Board Deputy Chairman, an annual fee of €63,000
- Board member, an annual fee of €47,500
- Board member who is the Chairman 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 Chairman. However, a meeting fee of €1,200/Committee meeting is to be paid to a Committee Chairman who is not the Chairman or Deputy Chairman 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 aforementioned annual fees 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 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.

Kesko's Annual General Meeting of 28 April 2020 resolved to establish a Shareholders' Nomination Committee. The Committee prepares proposals regarding the number, election and remuneration of Board members to Kesko's General Meeting of shareholders. The Nomination Committee has three members: two appointed by Kesko's biggest shareholders and one who is the Chairman of Kesko's Board of Directors. The Nomination Committee members are Toni Pokela, retailer, appointed by K-Retailers' Association, Jouko Pölonen, President and CEO, appointed by Ilmarinen Mutual Pension Insurance Company, and Esa Kiiskinen, Chairman of Kesko's Board of Directors.

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Kesko Corporation

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