



KESKO CORPORATION STOCK EXCHANGE RELEASE 3.2.2022 AT 9.00

# Proposals of Kesko's Board of Directors to the Annual General Meeting

**The Board of Directors of Kesko Corporation has decided to propose to the Annual General Meeting to be held on 7 April 2022 that it resolve to pay €1.06 per share as dividend for the year 2021, adopt the financial statements, approve the Remuneration Report for Governing Bodies, and authorise the Board to decide on the repurchase of the company's own shares, on the issue of shares, and on donations for charitable purposes. The Board proposes that the firm of authorised public accountants Deloitte Oy be elected as the company's Auditor.**

Kesko Corporation's Annual General Meeting will be held on Thursday, 7 April 2022, starting at 1.00 pm (EET). Due to the Covid-19 pandemic, exceptional meeting procedures based on the temporary legislative act (375/2021) will be in place to ensure that the General Meeting can be held in a predictable manner, ensuring the health and safety of the company's shareholders, personnel and other stakeholders. The company's shareholders and their proxies may vote and submit counter proposals and questions in advance, and follow the General Meeting remotely in a manner that will be detailed in the Notice of General Meeting. The Notice of General Meeting will be published as a stock exchange release and on the company's website, with the estimated time being week 6.

In addition to the matters specified for the agenda of the Annual General Meeting in section 10 of Kesko's Articles of Association, the following proposals by the Board of Directors will be handled by the General Meeting:

## **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.

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

The Board proposes that a dividend of €1.06 per share be paid for the year 2021 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 four instalments as follows:

- The first instalment of €0.27 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 11 April 2022. The Board proposes that the dividend instalment pay date be 20 April 2022.
- The second instalment of €0.26 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 22 June 2022. The Board proposes that the dividend instalment pay date be 29 June 2022.

- The third instalment of €0.27 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 13 September 2022. The Board proposes that the dividend instalment pay date be 20 September 2022.
- The fourth instalment of €0.26 per share is to be paid to shareholders registered in the company's register of shareholders kept by Euroclear Finland Ltd on the instalment's record date 13 December 2022. The Board proposes that the dividend instalment pay date be 20 December 2022.

The Board proposes it be authorised to decide, if necessary, on new dividend payment record dates and pay dates for the second, third and/or fourth instalments, 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 2022, a total of 397,110,344 shares were held outside the company, and the corresponding total amount of dividends is €420,936,964.64.

The distributable assets of Kesko Corporation total €1,502,200,136.91, of which profit for the financial year is €354,650,052.25.

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

The Board proposes that the General Meeting approve the 2021 Remuneration Report for Governing Bodies. The resolution concerning the Remuneration Report is advisory in nature. The Remuneration Report will be made available on the company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm) in week 10 at the latest.

### **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.

### **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 re-elected as the company's Auditor for a term that will extend until the end of next Annual General Meeting. If Deloitte Oy is elected as the company's Auditor, the firm has announced that APA Jukka Vattulainen will be the auditor with principal responsibility.

### **Authorising the Board of Directors to decide on the repurchase of the company's own shares**

The Board proposes that the General Meeting authorise the Board to decide on the repurchase of the company's own B shares ("Authorisation to repurchase shares") under the following terms and conditions:

Under the authorisation, the Board will be entitled to decide on the repurchase of a maximum of 16,000,000 of Kesko's B shares. This number of shares is equivalent to approximately 4.0% of all shares in the company. Based on the authorisation, B shares may also be repurchased not in proportion to the shareholdings of shareholders (directed repurchase). The shares may be repurchased in one or more lots. Kesko B shares may be repurchased using the company's distributable unrestricted equity, at the price quoted in public trading at the time of repurchase, or at other market price.

The shares are to be repurchased 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, or to be kept by the company, otherwise transferred, or cancelled.

The Board will make decisions concerning other terms of the repurchase of own shares.

The authorisation to repurchase shares will be in force until 30 June 2023.

### **Authorising the Board of Directors to decide on a share issue**

The Board proposes that the General Meeting 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 will 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 33,000,000 B shares. This number of shares is equivalent to approximately 8.2% of all shares in the company.

The B shares can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of the company's shares, 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 can only be issued against payment. Kesko B shares held by the company as treasury shares can be issued either against or without payment. According to the Finnish Limited Liability Companies' Act, a directed share issue can only be without payment if the company, taking into account the best interests of all of its shareholders, has a particularly weighty financial reason for it.

The Board of Directors will 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 as treasury shares. The Board will also have the right to issue shares for a non-cash consideration. The subscription price and possible amount payable for the shares will be recorded in the reserve for invested non-restricted equity.

The Board will make decisions regarding any other matters related to the share issues.

The authorisation will be valid until 30 June 2023. The authorisation cancels out the authorisation granted by the General Meeting of 12 April 2021 to the Board of Directors to issue a total maximum of 40,000,000 new B shares or B shares held by the company as treasury shares, which would have expired on 30 June 2022.

### **Donations for charitable purposes**

The Board proposes that the General Meeting 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 2023, and to decide on the donation recipients, purposes of use, and other terms and conditions of the donations.

### **Available documents**

The proposals of the Board of Directors and the Shareholders' Nomination Committee are available on the company's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). The financial statements documents and the Remuneration Report will be published as a stock exchange release and made available to shareholders on the company's website in week 10 at the latest.

**Further information** is available from Lasse Luukkainen, Group General Counsel, tel. +358 105 322 818, and Hanna Jaakkola, Vice President, Investor Relations, tel. +358 105 323 540.

Kesko Corporation

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