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Kesko's share-based commitment and incentive plans for 2026-2029

Kesko Corporation's Board of Directors has decided to establish the following long-term share-based commitment and incentive plans for 2026-2029: the Performance Share Plan President and CEO (PSP President and CEO), the Performance Share Plan (PSP), the Key Personnel Share Plan (KPSP), and the Restricted Share Pool (RSP). The Board has also confirmed the criteria for 2026 for the PSP President and CEO 2025-2028, the Bridge Plan 2025-2028, the PSP President and CEO 2026-2029, the PSP 2025-2028, the PSP 2026-2029, and the KPSP 2026.

Kesko’s share-based commitment and incentive scheme comprises five share-based plans. Share awards based on all the plans are paid to the participants in Kesko B shares.

The launch of the Performance Share Plan President and CEO (PSP President and CEO) and the transitional Bridge Plan was communicated in a stock exchange release on 5 February 2025. The PSP President and CEO consists of annually commencing individual share plans, each with a three-year performance period and a one-year commitment period following the payment of a share award. A total maximum of 113,820 B shares may be granted under the PSP President and CEO 2026-2029. The shares will be paid to the President and CEO after the financial results release for the 2028 financial year, in March 2029 at the latest. The Board of Directors of Kesko Corporation has decided that the performance criteria for the PSP President and CEO and the Bridge Plan in the 2026 calendar year will be the development of Kesko Group's comparable tax-free sales (%), Kesko Group's comparable return on capital employed (ROCE, %), the absolute total shareholder return (TSR, %) of a Kesko B share, and a target measuring Kesko's sustainability.

The Performance Share Plan (PSP) consists of individual annually commencing share plans, each with a two-year performance period and a two-year commitment period following the payment of the share award. The target group for the PSP 2026-2029 in the 2026-2027 performance period will comprise approximately 60 key members of Kesko’s management. A total maximum of 584,220 B shares may be granted under the PSP 2026-2029, and the shares will be paid to the participants after the financial results release for the 2027 financial year, in March 2028 at the latest. The Board of Directors of Kesko Corporation has decided that the performance criteria for the ongoing PSPs for the 2026 calendar year are the same as the criteria for the PSP President and CEO.

The Key Personnel Share Plan (KPSP) consists of individual annually commencing share plans, each with a one-year performance period, followed by a two-year commitment period, after which shares will be paid to the participants. The target group for the KPSP 2026 in the 2026 performance period will comprise approximately 170 other key persons in Kesko. A total maximum of 299,130 B shares may be granted under the KPSP 2026, and the shares will be paid to the participants after the financial results release for the 2028 financial year, in March 2029 at the latest. The Board of Directors of Kesko Corporation has decided that the criteria for the KPSP comprise indicators related to Kesko's profitability and the profitability, growth and capital efficiency of the participant's area of responsibility, to the performance of a Kesko B share, to sustainability, as well as to other personal targets for the participant.

The fifth plan, the Restricted Share Pool (RSP), consists of annually commencing share plans. Each RSP has a three-year commitment period, after which the potentially granted share awards for an individual plan will be paid to the participants in Kesko B shares, provided that their employment or service relationships with Kesko Group are in force at the time of payment. The purpose of the RSP plan is to serve as a complementary long-term share award plan to be used as a commitment instrument for selected key persons in special situations. In addition to the above employment condition, Kesko may set participant-specific or company-specific terms, the fulfilment of which is a precondition for the payment of restricted share awards. The total maximum amount of share awards payable under the RSP 2026-2028 is 80,000 B shares. Any potential share awards from the RSP plan beginning in 2026 will be paid out in March 2029.

The number of shares for the share plans represents gross earnings, from which the applicable withholding tax and transfer tax are deducted, and the remaining net amount is paid to the participants in shares.

At its discretion, the Board may decide not to pay a share award or to recover an award that has already been paid, if the recipient has been found guilty of malpractice or an action in breach of Kesko's ethical or sustainability principles or guidance that, as a whole, cannot be considered insignificant, or if there are weighty grounds for assuming that the recipient is guilty of such acts.

The amount of share award paid to a share plan participant in a single year must not exceed the maximum amount separately set by the Board of Directors.

Kesko applies a share ownership recommendation to the members of Kesko's Group Management Board. According to the recommendation, each Group Management Board member shall maintain a holding of at least fifty per cent of the net shares they have received under the company's share-based compensation scheme until their holding of Kesko shares corresponds to at least four times their fixed gross annual salary.

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Kesko Corporation

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