

KESKO CORPORATION'S ANNUAL GENERAL MEETING

MINUTES NO. 1/2016

Place	Messukeskus Conference Centre, Messuaukio 1, Helsinki, Finland
Time	4 April 2016 at 13.00–14.50
Present	Shareholders and representatives of 1,259 shareholders

Appendix 1**Board members**

Esa Kiiskinen	Chair
Mikael Aro	Deputy Chair
Matti Kyytsönen	
Anu Nissinen	
Toni Pokela	

Auditors

Mikko Nieminen, APA, the auditor with principal responsibility
Enel Sintonen, APA

Those present also included members of the Company's top management and technical staff.

1. Opening of the meeting

Board Chair Esa Kiiskinen welcomed those present and opened the meeting. The Board Chair gave a speech, which is attached to the minutes.

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

Professor Seppo Villa was elected as the Chair of the meeting. The Chair called Senior Vice President, General Counsel Anne Leppälä-Nilsson to act as the secretary of the meeting. The Chair explained the confines of the meeting room, the recording of speeches for ensuring the accuracy of the minutes of the meeting, and other instructions to the participants. The Chair noted that the items would be handled in the order in which they were listed on the agenda distributed to the participants.

3. Election of persons to scrutinise the minutes and to supervise the counting of votes

It was resolved to elect Sampo Brisk and Jari Peltonen as scrutinisers of the minutes.

It was resolved to elect Erkka Kohonen and Heimo Välinen to supervise the counting of votes.

4. Recording the legality of the meeting

The Chair explained the provisions of the Limited Liability Companies Act and the Articles of Association concerning the convocation of the General Meeting and the availability of documents relating to the meeting.

The Chair noted that the notice of meeting provided in accordance with the Articles of Association had been published on Kesko Corporation's website on 22 February 2016.

Appendix 3

The Chair noted that Kesko Corporation's financial statements, the report by the Board of Directors and the Auditor's report had been available on the Company's website since 11 March 2016.

- **It was noted** that the meeting had been properly convened and that it had a quorum.

5. Recording the attendance at the meeting and the list of votes

The Chair explained the provisions of the Limited Liability Companies Act and the Articles of Association concerning shareholders' participation rights. The record date of the General Meeting had been 21 March 2016 and the registration had ended on 30 March 2016 at 16.00. Holders of nominee registered shares wishing to participate in the General Meeting had had to temporarily register in the register of the Company's shareholders no later than 30 March 2016 at 10.00.

The Chair noted that the proxies of Nordea Bank Finland, Skandinaviska Enskilda Banken and Svenska Handelsbanken representing holders of nominee registered shares, had in advance expressed their opinions about certain items on the General Meeting agenda to the Company, and at the same time, had advised that they would not demand a vote on the issues whose draft resolutions they had advised that their clients objected, or on which they had advised that they would abstain from voting. An appropriate recording in the minutes at those

items is sufficient without the need to separately request minutes to be taken at each item, provided that the Chair can reliably ascertain that the majority required in each case is in favour of the draft resolution.

Appendix 4

The Chair noted that, at the beginning of the meeting, there was an attendance of 1,259 representatives of shareholders according to the list of votes, representing 181,820,127 votes and 40,378,233 shares.

Appendix 1

- **It was noted** that the list of votes as at the beginning of the meeting is attached to the minutes of the meeting.

6. Review by the President and CEO

President and CEO Mikko Helander gave a review of Kesko Group's operations. President and CEO Mikko Helander's presentation is attached to these minutes.

Appendix 5

7. Presentation of the 2015 financial statements, the report by the Board of Directors and the Auditor's report

Kesko Corporation's 2015 financial statements, the report by the Board of Directors and the Auditor's report were presented.

Appendix 6

The Chair noted that the original financial statements documents and the Auditor's report were available from the secretary of the meeting.

The Chair opened discussion on the financial statements.

President and CEO Mikko Helander, Board Chair Esa Kiiskinen, and Senior Vice President Jorma Rauhala answered shareholders' questions.

8. Adoption of the financial statements

The Chair noted that the Auditor's report recommended the adoption of the financial statements and the consolidated financial statements.

- **It was resolved** to adopt Kesko Corporation's 2015 financial statements and consolidated financial statements.

9. Distribution of the profits shown on the balance sheet and resolution on the payment of dividend

The Chair explained the Board's proposal for the distribution of profits and the payment of dividend.

- **It was resolved**, in accordance with the Board's proposal for profit distribution, to distribute a dividend of €2.50 per share on shares held outside the Company, or a total amount of €248,195,187.50.

The record date for dividend distribution is 6 April 2016 and the dividend pay date was resolved to be 13 April 2016.

It was recorded that holders of nominee registered shares, holding a total of 24,743 votes, had announced their objection to this item.

10. Resolution on discharging the Board members and the Managing Director from liability

- **It was resolved** that the Board members and the Managing Director are discharged from liability for the financial year 2015.

It was recorded that holders of nominee registered shares with a total of 98,544 votes had announced their objection to this item, and that shareholders with a total of 11,706 votes had announced that they would abstain from voting on this item.

11. Resolution on the Board members' fees and the basis for reimbursement of expenses

The Chair noted that it was stated in the notice of the General Meeting that shareholders jointly representing over 10% of the votes attached to Kesko Corporation shares have proposed that the Board members' fees be unchanged as follows:

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

A representative of the proposing shareholders repeated the proposal mentioned in the notice of the General Meeting.

- **It was resolved** that the Board members and its Committees' members are paid the following annual and meeting fees:

Annual fees:

- the Chair of the Board	€80,000
- the Deputy Chair of the Board	€50,000
- a member of the Board	€37,000

and meeting fees:

- for a Board meeting and its Committee's meeting	€500/meeting
- but for a Committee meeting to a Committee Chair who is not also the Chair or the Deputy Chair of the Board	€1,000/meeting

In addition, it was resolved that daily allowances are paid and travel expenses are reimbursed to the Board members and the Board's Committee members in accordance with the general travel rules of Kesko.

It was recorded that holders of nominee registered shares with a total of 70,950 votes had announced their objection to this item.

12. Resolution on the number of Board members

The Chair noted that it was stated in the notice of the General Meeting that shareholders jointly representing over 10% of the votes attached to Kesko shares have proposed that the number of Board members be resolved to be the current seven.

A representative of the proposing shareholders repeated the proposal mentioned in the notice of the General Meeting.

- **It was resolved** to confirm the number of Board members to be seven.

13. Election of Board members

The Chair noted that according to section 4 of the Articles of Association, the term of office of a Board of Directors' member is three years so that the term of office begins at the close of the General Meeting electing the member and expires at the close of the third subsequent Annual General Meeting. The Annual General Meeting held on 13 April 2015 resolved that the number of Board members is seven.

The Annual General Meeting held on 13 April 2015 elected seven Board members:

- retailer Esa Kiiskinen (Ch.)
- eMBA Mikael Aro (Dep. Ch.)
- retailer, Master of Science in Economics Tomi Korpisaari
- Master of Science in Economics Matti Kyytsönen
- Master of Science in Economics Anu Nissinen
- retailer Toni Pokela and
- Master of Laws Kaarina Ståhlberg

According to the Articles of Association, the term of office of a Board of Directors' member is three years, which means that under the Articles of Association, the terms of office of the Board of Directors elected on 13 April 2015 will expire at the close of the 2018 Annual General Meeting.

Tomi Korpisaari and Kaarina Ståhlberg had announced their resignations from the Company Board membership as of 1 March 2016.

Shareholders jointly representing over 10% of the votes attached to Kesko Corporation shares had proposed that Korpisaari and Ståhlberg be replaced until the close of the 2018 Annual General Meeting by retailer, trade technician Matti Naumanen and M.Sc. (Econ.), Managing Director Jannica Fagerholm, who have signed their consents to the appointment.

A representative of the proposing shareholder repeated the proposal mentioned in the notice of the General Meeting.

The Chair opened discussion.

Board Chair Esa Kiiskinen and President and CEO Mikko Helander answered a shareholder's questions.

- **It was resolved** to elect retailer, trade technician Matti Naumanen and Managing Director, M.Sc. (Econ.) Jannica Fagerholm, as members of the Board until the close of the 2018 Annual General Meeting.

The consents to the appointment of the persons elected as members of the Board were attached to the minutes.

Appendix 7

It was recorded that holders of nominee registered shares with a total of 299,913 votes had announced their objection to this item, and that shareholders with a total of 58,477 votes had announced that they would abstain from voting on this item.

14. Resolution on the Auditor's fee and the basis for reimbursement of expenses

The Chair noted that the Board's Audit Committee had proposed to the General Meeting that the Auditor's fee be paid and expenses reimbursed according to an invoice approved by the Company.

- **It was resolved** that the Auditor's fee is paid and expenses are reimbursed according to an invoice approved by the Company.

It was recorded that holders of nominee registered shares with a total of 228,655 votes had announced their objection to this item.

15. Election of the Auditor

The Chair noted that the Board's Audit Committee had proposed that the firm of auditors PricewaterhouseCoopers Oy, Authorised Public Accountants, who have given their consent, be elected as the Company's Auditor. If the firm is elected as Kesko's Auditor, PricewaterhouseCoopers Oy has announced that Mikko Nieminen, APA, will act as the Auditor with principal responsibility.

- **It was resolved** to elect the firm of auditors PricewaterhouseCoopers Oy as the Company's Auditor, who have announced that Mikko Nieminen, APA, will be the Auditor with principal responsibility.

The consent to the appointment of the firm of auditors elected as the Auditor was attached to the minutes.

Appendix 8

It was recorded that holders of nominee registered shares with a total of 279,842 votes had announced their objection to this item.

16. Board's proposal for its authorisation to decide on the acquisition of own shares

The Chair explained the Board's proposal that it be authorised to decide on the acquisition of a total maximum of 1,000,000 own B shares of the Company.

- **It was resolved**, in accordance with the Board's proposal, to authorise Kesko Corporation's Board to decide on the acquisition of a total maximum of 1,000,000 own B shares of the Company.

B shares are acquired with the Company's distributable unrestricted equity, not in proportion to the shareholdings of shareholders, at the market price quoted in public trading organised by Nasdaq Helsinki Ltd ("the exchange") at the date of acquisition. The shares are acquired and paid in accordance with the rules of the exchange. The acquisition of own shares reduces the amount of the Company's distributable unrestricted equity.

B shares are acquired 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.

The Board of Directors makes decisions concerning any other issues related to the acquisition of own B shares.

The authorisation is valid until 30 September 2017.

It was recorded that holders of nominee registered shares with a total of 672,642 votes had announced their objection to this item.

17. Board's proposal for its authorisation to decide on share issue

The Chair explained the Board's proposal that it be authorised to decide on the transfer of a maximum of 1,000,000 own B shares held by the Company in treasury.

Board Chair Esa Kiiskinen and General Meeting Chair Seppo Villa answered shareholders' questions.

- **It was resolved**, in accordance with the Board's proposal, to authorise Kesko Corporation's Board to transfer a maximum of 1,000,000 own B shares held by the Company in treasury.

Own B shares held by the Company in treasury can be issued for subscription by shareholders in a directed issue in proportion to their existing holdings of the Company shares, regardless of whether they own A or B shares.

Own B shares held by the Company in treasury can also be issued in a directed issue, departing from the shareholder's pre-emptive right, for a weighty financial reason of 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, and to implement the Company's commitment and incentive scheme.

Own B shares held by the Company in treasury can be transferred 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 amount possibly paid for B shares held by the Company in treasury in connection with their transfer is recorded in the reserve of unrestricted equity.

The Board of Directors makes decisions concerning any other matters related to share issues.

The authorisation is valid until 30 June 2020, and it cancels the authorisation given to the Board of Directors by the General Meeting of 8 April 2013 to transfer a total maximum of 1,000,000 B shares. The authorisation applied for does not cancel the authorisation given to the Board of Directors by the Annual General Meeting of 13 April 2015 to issue a total maximum of 20,000,000 new B shares, valid until 30 June 2018.

It was recorded that holders of nominee registered shares with a total of 13,680 votes had announced their objection to this item.

18. Donations for charitable purposes

The Chair noted that the Board had proposed that the General Meeting resolve to authorise Kesko Corporation's Board to decide on the donations in a total maximum of €300,000 for charitable or corresponding purposes until the Annual General Meeting to be held in 2017, and to decide on the donation recipients, purposes of use and other terms of the donations.

- **It was resolved** to authorise Kesko Corporation's Board to decide on the donations in a total maximum of €300,000 for charitable or corresponding purposes until the Annual

General Meeting to be held in 2017, and to decide on the donation recipients, purposes of use and other terms of the donations.

It was recorded that shareholders with a total of 511,155 votes had announced their objection to this item, and shareholders with a total of 17,866 votes had announced that they would abstain from voting on this item.

19. Closing of the meeting

The Chair noted that all of the business specified for this meeting had been handled. The minutes of the General Meeting would be made available to shareholders on the Company's website on 18 April 2016 at the latest. The Chair thanked the shareholders and the Company management and declared the General Meeting closed.

Seppo Villa
Chair

In fidem

Anne Leppälä-Nilsson
Secretary

The minutes have been confirmed and approved

Scrutiniser
Sampo Brisk

Scrutiniser
Jari Peltonen