



BOARD OF DIRECTORS' PROPOSAL FOR ITS AUTHORISATION TO DECIDE ON THE ISSUANCE OF SHARES

The Board of Directors of Kesko Corporation proposes to the Annual General Meeting to be held on 30 March 2020 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 take 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 after the new shares to be issued in a share issue without payment pursuant to the proposal of the Board of Directors have been registered.

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.

The 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 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 of Directors shall make decisions concerning any other matters related to the share issues.

The authorisation is valid until 30 June 2021. The authorisation revokes the authorisation granted by the General Meeting of 4 April 2016 to the Board of Directors to convey a total maximum of 1,000,000 B shares

held by the Company, which would have expired on 30 June 2020. The authorisation also revokes the authorisation granted by the General Meeting of 11 April 2018 to issue a total maximum of 10,000,000 new B shares, which the Board of Directors has not used. That authorisation would have expired on 30 June 2021.

If the Annual General Meeting does not approve the Board's proposal on a share issue without payment, the Board of Directors of Kesko Corporation proposes to the Annual General Meeting to be held on 30 March 2020 that the Board be authorised to decide on the conveyance of own B shares held by the Company on the following terms and conditions:

Under the authorisation, the Board shall be authorised to take one or more decisions on the conveyance of the B shares, provided that the number of B shares thereby conveyed totals a maximum of 200,000 B shares. This number of shares is equivalent to approximately 0.2% of all shares in the Company.

B shares can be conveyed to 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 conveyed 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.

Own B shares held by the Company 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 possible amount that is payable upon the conveyance of the B shares held by the Company. The Board of Directors is also entitled to convey shares against non-monetary consideration. The possible amount payable for the shares shall be recorded in the reserve for invested non-restricted equity.

The Board of Directors shall make decisions concerning any other matters related to the share issues.

The authorisation is valid until 30 June 2021. The authorisation revokes the authorisation granted by the General Meeting of 4 April 2016 to the Board of Directors to convey a total maximum of 1,000,000 B shares held by the Company, which would have expired on 30 June 2020. The authorisation does not revoke the authorisation granted by the General Meeting of 11 April 2018 to issue a total maximum of 10,000,000 new B shares, which the Board of Directors has not used. That authorisation is valid until 30 June 2021.

Helsinki, 4 February 2020

KESKO CORPORATION
Board of Directors