



THE BOARD OF DIRECTORS' PROPOSAL ON A SHARE ISSUE WITHOUT PAYMENT (SHARE SPLIT) AND ON THE AMENDMENT OF SECTION 3 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Board of Directors of Kesko Corporation proposes to the Annual General Meeting to be held on 30 March 2020 a resolution on a share issue without payment in order to enhance the liquidity of the Company's shares. The Board also proposes a related amendment to section 3 ("Shares") of the Company's Articles of Association.

The Board of Directors proposes that new shares be issued to the shareholders without payment in proportion to their holdings so that three (3) new A shares are issued for each current A share, and three (3) new B shares are issued for each current B share. In addition, in the share issue without payment, new B shares will similarly be issued without payment to the Company on the basis of B shares held by the Company. Based on the number of shares on the date of the Board's proposal, a total of 95,211,021 new A shares and a total of 204,848,235 new B shares will be issued. The shares shall be issued to shareholders who are registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the record date of the share issue, 1 April 2020. The share issue without payment shall be executed in the book-entry system and will not require any action on the part of the shareholders. The new shares will generate shareholder rights as of 1 April 2020 when they have been registered in the trade register. The registration of the new shares in the shareholders' book-entry accounts is planned to occur on 2 April 2020. The new shares will not entitle their holders to the first instalment of dividend in accordance with the Board's proposal for the distribution of profit of €1.28 per share, but they will entitle the holder to the second proposed dividend instalment of €0.31 per share.

A resolution on the share issue requires that section 3 of the Company's Articles of Association be amended so that the maximum number of B shares as well as the maximum aggregate number of A and B shares be increased. The Board proposes that the maximum numbers be increased to rounded figures so that the maximum number of B shares would be increased from 250,000,000 shares to 360,000,000 shares, and the maximum aggregate number of A and B shares would be increased from 400,000,000 shares to 610,000,000 shares. Each A share would continue to entitle the holder to ten (10) votes and each B share to one (1) vote.

The current and the proposed new wording of the section of the Articles of Association that is proposed to be amended are set out in the appendix hereto.

Helsinki, 4 February 2020

KESKO CORPORATION
Board of Directors

Appendix

The proposal by Kesko Corporation's Board of Directors to amend section 3 of the Articles of Association

3 § Shares

Current wording	Proposed new wording
<p>The company has A shares and B shares. Concerning A shares the minimum number is one (1) and the maximum number two hundred and fifty million (250,000,000), while concerning B shares the minimum number is one (1) and the maximum number two hundred and fifty million (250,000,000), provided that the total number of shares is at minimum two (2) and at maximum four hundred million (400,000,000).</p> <p>Each A share entitles the holder to ten (10) votes and each B share to one (1) vote.</p> <p>The company's shares are included in the book-entry securities system.</p>	<p>The company has A shares and B shares. Concerning A shares the minimum number is one (1) and the maximum number two hundred and fifty million (250,000,000), while concerning B shares the minimum number is one (1) and the maximum number three hundred and sixty million (360,000,000), provided that the total number of shares is at minimum two (2) and at maximum six hundred and ten million (610,000,000).</p> <p>Each A share entitles the holder to ten (10) votes and each B share to one (1) vote.</p> <p>The company's shares are included in the book-entry securities system.</p>

