

**KESKO CORPORATION'S ANNUAL GENERAL MEETING**  
MINUTES NO. 1/2017

**Place** Messukeskus Conference Centre, Messuaukio 1, Helsinki, Finland

**Time** 3 April 2017 from 13.00 to 15.06

**Present** Shareholders and representatives of 1,307 shareholders **Appendix 1**

**Board members**

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

**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**

The Board Chair Esa Kiiskinen welcomed those present and opened the meeting. The Board Chair gave a speech, which is appended 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 EVP, Group 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 Ritva Karling and Jari Peltonen to scrutinise the minutes.

It was resolved to elect Heimo Välinen and Jan Lehtinen 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 Company's Articles of Association had been published on Kesko Corporation's website on 20 February 2017.

##### 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 10 March 2017.

- **It was noted** that the meeting had been lawfully 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 22 March 2017 and the registration had ended on 29 March 2017 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 29 March 2017 at 10.00.

The Chair noted that the proxies of Euroclear Bank SA/NV, 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 to 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 would be 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 start of the meeting, there was an attendance of 1,307 representatives of shareholders according to the list of votes, representing 184,919,741 votes and 40,669,361 shares.

## Appendix 1

- **It was noted** that the list of votes as at the start of the meeting would be appended 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 appended to the minutes.

Appendix 5

## 7. Presentation of the 2016 financial statements, the report by the Board of Directors and the Auditor's report

Kesko Corporation's 2016 financial statements, the report by the Board of Directors and the Auditor's report were presented.

Appendices 6 and 7

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

The Auditor's report was presented by the auditor with principal responsibility, APA Mikko Nieminen, of the Company's Auditor, PricewaterhouseCoopers Oy.

The Chair opened discussion on the financial statements.

President and CEO Mikko Helander, Board Chair Esa Kiiskinen, EVP, Division President Jorma Rauhala, EVP, Chief Financial Officer Jukka Erlund and Auditor Mikko Nieminen 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 2016 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 €2.00 per share on shares held outside the Company, or a total amount of €198,932,930.00.

The record date for dividend distribution is 5 April 2017 and the dividend pay date was resolved to be 12 April 2017.

It was recorded that holders of nominee registered shares with a total of 486,389 votes had announced their objection to this item, and that shareholders with a total of 13,000 votes had announced that they would abstain from voting on 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 2016.

It was recorded that holders of nominee registered shares with a total of 744,748 votes had announced their objection to this item, and that shareholders with a total of 13,000 votes had announced that they would abstain from voting on this item.

## 11. Resolution on the Board members' remuneration and the basis for reimbursement of their 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 110,083 votes had announced their objection to this item, and that shareholders with a total of 36,943 votes had announced that they would abstain from voting on this item.

It was recorded that shareholder Arvi Kekäläinen expressed a wish that in the future, the Board members' remuneration be paid partly in Kesko shares.

## 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 (7).

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.

It was recorded that in her speech, shareholder Ritva Siipi expressed a wish that women and men be equally represented on Kesko's Board of Directors.

It was recorded that holders of nominee registered shares with a total of 16,939 votes had announced their objection to this item, and that shareholders with a total of 13,000 votes had announced that they would abstain from voting on this item.

## 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 (3) 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 Chair noted that the Annual General Meetings held on 13 April 2015 and on 4 April 2016 had resolved that the number of Board members is seven. The Annual General Meeting held on 13 April 2015 had elected seven (7) Board members for terms expiring at the close of the 2018 Annual General Meeting in accordance with the Articles of Association. Those Board members are retailer Esa Kiiskinen, Master of Science in Economics Tomi Korpisaari, retailer, eMBA Toni Pokela, eMBA Mikael Aro, Master of Science in Economics Matti Kyytsönen, Master of Science in Economics Anu Nissinen and Master of Laws Kaarina Ståhlberg.

Korpisaari and Ståhlberg resigned from the Company's Board membership as of 1 March 2016. The General Meeting held on 4 April 2016 elected retailer, trade technician Matti Naumanen and Master of Science in Economics, Managing Director Jannica Fagerholm to replace Korpisaari and Ståhlberg until the close of the Annual General Meeting to be held in 2018.

Consequently, the composition of the Board of Directors as at the General Meeting date was as follows:

- Chair, retailer Esa Kiiskinen
- Deputy Chair, eMBA Mikael Aro
- Master of Science in Economics Jannica Fagerholm
- Master of Science in Economics Matti Kyytsönen
- Retailer Matti Naumanen
- Master of Science in Economics Anu Nissinen
- Retailer Toni Pokela

According to the Articles of Association, the term of office of a Board of Directors' member is three years. Under the Articles of Association, the terms of office of the present Board of Directors will expire at the close of the 2018 Annual General Meeting. Therefore, and because this General Meeting resolved the number of Board members to be seven, Board members are not elected by this General Meeting.

The Board Chair Esa Kiiskinen answered shareholders' questions.

It was recorded that holders of nominee registered shares with a total of 934,551 votes had announced their objection to this item, and that shareholders with a total of 17,728,395 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 has 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 277,783 votes had announced their objection to this item, and that shareholders with a total of 13,000 votes had announced that they would abstain from voting on this item.

## 15. Election of the Auditor

The Chair noted that the Board's Audit Committee has 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 had announced that Mikko Nieminen, APA, would act as the Auditor with principal responsibility.

Jannica Fagerholm, the Audit Committee Chair, Jukka Erlund, EVP, Chief Financial Officer, and President and CEO Mikko Helander answered shareholders' questions.

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

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

### Appendix 8

It was recorded that holders of nominee registered shares with a total of 753,197 votes had announced their objection to this item, and that shareholders with a total of 13,000 votes had announced that they would abstain from voting on this item.

## 16. Donations for charitable purposes

The Chair noted that the Board has 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 2018, and to authorise the Board to decide on the donation recipients, purposes of use and other terms of the donations.

The Board Chair Esa Kiiskinen answered a shareholder's question.

- **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 2018, and to authorise the Board to decide on the donation recipients, purposes of use and other terms of the donations.

It was recorded that shareholders with a total of 8,440 votes had announced their objection to this item, and shareholders with a total of 13,384 votes had announced that they would abstain from voting on this item.

## 17. 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 will be available to shareholders on the Company's website on 17 April 2017 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  
Ritva Karling

Scrutiniser  
Jari Peltonen