

KESKO CORPORATION'S ANNUAL GENERAL MEETING
MINUTES NO. 1/2011

Place	Fair Centre congress wing, Rautatieläisenkatu 3, Helsinki
Date	4 April 2011 at 13.00–15.37
Participants	Shareholders and representatives of 1,449 shareholders Appendix 1

Board members

Heikki Takamäki Chair
Seppo Paatelainen Deputy Chair
Esa Kiiskinen
Ilpo Kokkila
Mikko Kosonen
Maarit Näkyvä
Rauno Törrönen

Auditor

Johan Kronberg, APA, the auditor with principal responsibility
Ylva Eriksson, APA
Mikko Nieminen, APA

Those present also included members of the company's top management, technical staffs and media representatives.

1. Opening of the meeting

Board Chair, Heikki Takamäki, welcomed the participants and opened the meeting. The Board Chair gave a speech, which is attached to the minutes.

Appendix 2

2. Calling the meeting to order

Chief Judge Pekka Merilampi was elected as the Chair of the meeting. The Chair called 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 the speeches for ensuring the accuracy of the minutes, 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 Pirjo Auvinen and Toni Pokela as scrutinisers. It was resolved to elect Mikko Helve 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 in its meeting on 2 February 2011, the company's Board of Directors had decided that Helsingin Sanomat and Kauppalehti are the newspapers, referred to in article 9 of the Articles of Association, in which the notices of General Meeting are published.

The Chair noted that the notice of meeting had been published in Helsingin Sanomat and Kauppalehti on 7 March 2011. The notice of meeting and the proposals of the Board and the Board's Audit Committee to the General Meeting had also been available on the company's website.

Appendix 3

The Chair noted that the financial statements documents had been available on the company's website since 11 March 2011.

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

5. Recording the attendance at the meeting and adoption of 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 23 March 2011 and the registration had ended on 30 March 2011 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 not later than 30 March 2011 at 10.00.

The Chair noted that, at the beginning of the meeting, there was an attendance of 1,449 representatives of shareholders included in the list of votes, representing 163,707,290 votes and 33,757,937 shares. The shares accounted for 34.2% of all shares and the votes 42.6% of all votes.

Appendix 1

The Chair noted that proxies of Nordea Bank Finland Plc, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch and Svenska Handelsbanken AB (publ), Branch Operation in Finland, 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 their clients objected, or that they would abstain from

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voting. They would settle with an appropriate record in the minutes at the relevant items, provided that the Chair could reliably ascertain that the majority required in each case was in favour of the draft resolution.

Appendix 4

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

6. Review by the President and CEO

President and CEO Matti Halmesmäki gave a review of the Kesko Group operations. The slides he presented are attached to these minutes.

Appendix 5

7. Presentation of the 2010 financial statements, the report of the Board of Directors and the auditors' report

Kesko Corporation's 2010 financial statements, report by the Board of Directors and the auditors' report were presented.

Appendices 6-7

The Chair noted that the original financial statements documents were available at the meeting.

The Chair opened the discussion on the financial statements and the review given by the President and CEO.

At request of shareholder Tapio Niemi, his questions and letter dated 11 March 2010 were attached to the minutes.

Appendix 8

8. Adoption of the financial statements

The Chair noted that the auditor recommended the adoption of the financial statements and the consolidated financial statements.

- **It was resolved** to adopt Kesko Corporation's 2010 financial statements and consolidated financial statements.

It was recorded that nominee registered shareholders holding an aggregate of 1,160 votes and shares had announced their abstention from voting on this item.

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

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

- **It was resolved**, in accordance with the Board of Directors' proposal for profit distribution, to distribute a dividend of €1.30 per company share, or a total amount of €128,233,679.60.

The record date for dividend distribution is 7 April 2011 and the dividend pay date was resolved to be 14 April 2011.

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 2010.

It was recorded that shareholders holding a total of 1,221 votes and shares had announced their abstention from voting on this item.

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

The Chair noted that, according to the notice of the General Meeting, shareholders jointly representing over 10% of the votes carried by Kesko shares had proposed that the Board members' fees be unchanged and paid 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 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 and compensation for travel expenses are paid in accordance with the general travel rules of Kesko.
- **It was resolved** that the Board and Committee 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
- Board member	€37,000

and meeting fees:

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

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

It was recorded that shareholders holding a total of 1,160 votes and shares had announced their abstention from voting on this item.

12. Resolution on the number of Board members

The Chair noted that, according to the notice of the General Meeting, shareholders jointly representing over 10% of the votes carried by Kesko shares had proposed that the number of Board members be resolved to be unchanged at seven (7).

According to the Articles of Association, the Board of Directors is composed of at least 5 but no more than 8 members whose term is 3 years.

- **It was resolved** to confirm the number of Board members to be 7.

A suggestion that equally women and men be proposed for Board members when preparing proposals to next year's Annual General Meeting was recorded at request of shareholder Ritva Siipi.

13. Election of the Board members

The Chair noted that the Annual General Meeting held on 30 March 2009 had resolved that the number of Board members is seven and had elected the Board members the term of whom all will expire at the close of the 2012 Annual General Meeting. For this reason and because it had just been resolved that the number of Board members is seven, this General Meeting did not elect Board members.

It was recorded that nominee registered shareholders holding a total of 134,478 votes and shares had announced their objection to this item, and shareholders holding a total of 7,872,525 votes (7,849,467 shares) had announced their abstention from voting.

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

The Chair noted that the Boards' Audit Committee had proposed to the General Meeting that the auditor's fee be paid and expenses reimbursed according to invoice approved by the company.

- **It was resolved** that the auditors' fee is paid and expenses are reimbursed according to invoice approved by the company.

It was recorded that nominee registered shareholders holding a total of 16,264 votes and shares had announced their objection to this item, and

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shareholders holding a total of 3,383 votes and shares had announced their abstention from voting.

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, with Johan Kronberg, APA, as the auditor with principal responsibility, be elected as the auditor of the company.

- **It was resolved** to elect the firm of auditors PricewaterhouseCoopers Oy, who have announced Johan Kronberg, APA, to be the auditor with principal responsibility, as the auditor of the company.

The consent to the election from the firm of auditors was attached to the minutes.

Appendix 9

It was recorded that nominee registered shareholders holding a total of 34,351 votes and shares had announced their objection to this item, and shareholders holding a total of 34,000 votes and shares had announced their abstention from voting.

16. The Board of Directors' proposal for Board authorisation to decide on the acquisition of own shares

The Chair noted that the Board of Directors had proposed that the Annual General Meeting resolve to authorise the Board to decide on the acquisition of a maximum of 1,000,000 own B shares.

- **It was resolved**, in accordance with the Board of Directors' proposal, to authorise Kesko Corporation's Board to decide on the acquisition of a maximum of 1,000,000 own B shares. B shares are acquired with the company's unrestricted equity not in proportion to shares held by shareholders but at the market price quoted in public trading organised by NASDAQ OMX Helsinki Ltd ("stock exchange") at the date of acquisition. The shares are acquired and paid in accordance with the rules of the stock exchange.

B shares are acquired to be used in the development of the company's capital structure, to finance possible business acquisitions, to make investments and/or other arrangements within the scope of the company's business operations, and to implement the company's incentive plan. The Board of Directors makes decisions concerning other issues related to the acquisition of own B shares. The authorisation is valid until 30 September 2012.

17. The Board of Directors' proposal for Board authorisation to decide on share issue

The Chair explained the Board's proposal to be authorised to make decisions concerning the issuance of own B shares held by the company.

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

Own B shares held by the company 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 can also be issued in a directed issue, deviating 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 business acquisitions, to make investments or other arrangements within the scope of the company's business operations, and to implement the company's incentive plan.

Own B shares held by the company can be delivered either against or without consideration. According to the Finnish Limited Liability Companies' Act, a directed share issue can only be without consideration, provided that the company, taking into account the best interests of all of its shareholders, has a particularly weighty financial reason.

The amount possibly paid for the company's own shares in connection with their delivery is recorded in the reserve of unrestricted equity. The Board of Directors makes decisions concerning any other issues related to share issuances. The authorisation is valid until 30 June 2014, and it does not cancel the share issue authorisation given to the Board of Directors by the Annual General Meeting of 30 March 2009.

It was recorded that nominee registered shareholders holding a total of 91,471 votes and shares had announced their objection to this item, and shareholders holding a total of 1,160 votes and shares had announced their abstention from voting.

18. Donations for charitable purposes

The Chair noted that the Board of Directors had proposed that the Annual 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 in 2011, and to authorise the Board of Directors 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

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corresponding purposes, and to authorise the Board of Directors to decide on the donation recipients, purposes of use and other terms of the donations.

It was recorded that nominee registered shareholders holding a total of 199,578 votes and shares had announced their objection to this item, and shareholders holding a total of 1,160 votes and shares had announced their abstention from voting.

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 2011 at the latest. The Chair thanked the shareholders and the company management and closed the General Meeting.

Pekka Merilampi
Chair

In fidem

Anne Leppälä-Nilsson
Secretary

The minutes have been confirmed and approved.

Scrutiniser
Pirjo Auvinen

Scrutiniser
Toni Pokela