



KESKO CORPORATION STOCK EXCHANGE RELEASE 26.1.2024 AT 08.30

# Proposals of the Shareholders' Nomination Committee to Kesko's 2024 Annual General Meeting

The Shareholders' Nomination Committee of Kesko Corporation submits the following proposals to Kesko's 2024 Annual General Meeting, planned to be held on 26 March 2024. The proposals will also be included in the Notice of General Meeting, to be published later.

## The number of Board members and Board composition

The Shareholders' Nomination Committee submits the following proposals regarding the number of Board members and Board composition for the one-year term of office for the members that will end, as determined in Kesko's Articles of Association, at the close of the 2025 Annual General Meeting.

The Nomination Committee proposes that seven members be elected to the Board of Directors; however, if one of the proposed members becomes unavailable prior to the General Meeting, the maximum number of elected Board members shall be the number of members available.

The Nomination Committee proposes that the following persons be re-elected as Board members:

- Esa Kiiskinen, retailer, business college graduate, kauppaneuvos
- Peter Fagernäs, Master of Laws
- Jannica Fagerholm, M.Sc. Economics
- Piia Karhu, Doctor of Science, Economics and Business Administration
- Jussi Perälä, retailer, business college graduate
- Timo Ritakallio, Doctor of Science (Technology), LL.M., MBA

The Shareholders' Nomination Committee proposes that retailer Pauli Jaakola, EMBA (born 1973), be elected as a new member of the Board. Jaakola is the retailer of K-Supermarket Munkki in Munkkivuori, Helsinki, and has been a K Group grocery retailer for over 20 years. Jaakola is the Chair of K-ruokakauppiasyhdistys ry, and a member of the Board of K-Retailers' Association, Finnish Grocery Trade Association, Vähittäiskaupan Tilipalvelu VTP Oy, and the Foundation for Vocational Training in the Retail Trade. Jaakola or entities controlled by him hold 170,000 Kesko A series shares and 2,500 B series shares (as at 25 January 2024).

Of the current Board members, Toni Pokela has stated he is not available for re-election.

The proposed Board members meet the independence requirements of the Finnish Corporate Governance Code for listed companies. A majority of the proposed Board members are independent of Kesko. Kiiskinen, Jaakola and Perälä are not considered independent of the company, as they each control a company that has a chain agreement with Kesko. All the proposed Board members apart from Jaakola are considered independent of Kesko's significant shareholders. Jaakola is a member of the Board of K-Retailers' Association, a significant Kesko shareholder.

With regard to the selection procedure for the members of the Board of Directors, the Shareholders' Nomination Committee recommends that shareholders take a position on the proposal as a whole at the General Meeting. This recommendation is based on the fact that Kesko has a Shareholders' Nomination Committee established by a resolution of the General Meeting, compliant with the Finnish Corporate Governance Code and good corporate governance. The Shareholders' Nomination Committee, in addition to ensuring that individual nominees for Board membership are competent, is also responsible for ensuring that the proposed Board of Directors as a whole has the best possible expertise and experience for the company, and that the composition of the Board of Directors meets the requirements for Board diversity and other requirements of the law and the Finnish Corporate Governance Code for listed companies.

All the persons proposed have consented to being elected as Board members. Material information regarding the Board work of the proposed members is available on Kesko's website at [www.kesko.fi/agm](http://www.kesko.fi/agm). The Board will elect the Chair and Deputy Chair from among its members.

### **Board members' fees**

The Shareholders' Nomination Committee proposes that the annual fees of Board members be raised by approximately five (5) percent, and that other remuneration of Board members and the reimbursement of their expenses remain unchanged. The proposal regarding the remuneration of Board members and the reimbursement of their expenses in 2024-2025 is as follows:

- Board Chair, an annual fee of €107,000
- Board Deputy Chair, an annual fee of €66,000
- Board member, an annual fee of €50,000
- Board member who is the Chair of the Audit Committee, an annual fee of €66,000
- A meeting fee of €600/meeting for a Board meeting and its Committee's meeting. A meeting fee of €1,200/Board meeting for the Board Chair. However, a meeting fee of €1,200/Committee meeting is to be paid to a Committee Chair who is not the Chair or Deputy Chair of the Board. The meeting fees are to be paid in cash.
- Daily allowances and the reimbursements of travel expenses are to be paid to the Board members in accordance with the general travel rules of Kesko.

It is proposed that the aforementioned annual fees be made in Kesko Corporation's B shares and in cash, with approximately 30% of the remuneration paid in shares and the remaining amount paid in cash. The company will acquire the shares from the market or transfer shares held by the company as treasury shares in the name and on behalf of the Board members. The company is responsible for the costs arising from the acquisition of the shares. The shares are to be acquired or transferred to the Board members on the first working day to follow the publication of the interim report for the first quarter of 2024, or on first date enabled by applicable legislation. A Board member cannot transfer shares obtained in this manner until either three years have passed from the day the member has received the shares or their membership on the Board has ended, whichever comes first.

### **Composition of the Shareholders' Nomination Committee**

Kesko's 2020 Annual General Meeting resolved to establish a Shareholders' Nomination Committee. The duties of the Committee include preparing proposals regarding the members of the Board of Directors, their number, and their remuneration to Kesko's General Meeting. The Committee has three members: two members are appointed by Kesko's biggest shareholders and the third member is the Chair of Kesko's Board of Directors. The Committee members are Toni Pokela, retailer, appointed by K-Retailers' Association, Jouko Pölönen, President and CEO, appointed by Ilmarinen Mutual Pension Insurance Company, and Esa

Kiiskinen, Chair of Kesko's Board of Directors.

**Further information** is available from Toni Pokela, Chair of the Shareholders' Nomination Committee, tel. +358 40 547 8346, Lasse Luukkainen, Group General Counsel, tel. +358 105 322 818, and Hanna Jaakkola, Vice President, Investor Relations, tel. +358 105 323 540.

Kesko Corporation

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