

Minutes No. 1/2019 of KONE Corporation's Annual General Meeting, which was held at the Finlandia Hall in Helsinki on 26 February 2019 starting at 11:00 a.m.

**1 §**  
**Opening of the meeting**

Chairman of the Board Antti Herlin opened the meeting.

**2 §**  
**Calling the meeting to order**

Attorney-at-Law Merja Kivelä was appointed Chairman of the meeting, and she summoned Master of Laws Juho Aaltonen to act as Secretary of the meeting.

The Chairman explained the procedures for covering the topics on the meeting's agenda.

The Chairman noted that Euroclear Bank SA/NV, Danske Bank A/S, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch and Svenska Handelsbanken AB (publ), Branch Operation in Finland had stated that they represented certain nominee registered and other shareholders and that the banks had provided the Chairman with the information concerning the shareholdings and the voting instructions of the shareholders in advance. Euroclear Bank SA/NV, Danske Bank A/S, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch and Svenska Handelsbanken AB (publ), Branch Operation in Finland had stated that the shareholders represented by them had not demanded a vote on those agenda items under which the instruction was to oppose the proposed resolution or to abstain from taking part in the decision-making if the Chairman could clearly state based on the voting instructions provided in advance and the positions taken in the general meeting that the majority required under the agenda item in question supports the proposal made to the general meeting. In such situations, it was sufficient that such votes were duly recorded in the minutes.

The Chairman noted that the voting instructions received for each item on the agenda will not be announced separately, but summary lists of the voting instructions of shareholders represented by Euroclear Bank SA/NV, Danske Bank A/S, Nordea Bank Abp, Skandinaviska Enskilda Banken AB (publ) Helsinki Branch and Svenska Handelsbanken AB (publ), Branch Operation in Finland will be attached to the minutes (Appendices 1, 2, 3, 4 and 5).

The Chairman noted that opposing or abstaining votes will be recorded in the minutes under each relevant agenda item. To the extent the summary lists included opposing votes that have been presented without any counterproposal under such agenda items where it is not possible to vote against the proposal without presenting a counterproposal, such votes would not be formally acknowledged as opposing votes.

The procedure presented by the Chairman concerning voting instructions was approved.

### 3 §

#### **Election of person to scrutinize the minutes and persons to supervise the counting of votes**

Tiina Toivonen was elected as the person to scrutinize the minutes.

Juhani Laitinen and Klaus Cawén were elected as persons to supervise the counting of the votes.

### 4 §

#### **Recording the legality of the meeting**

It was noted that the Board of Directors had decided in its meeting of January 24, 2019 that the summons to the Annual General Meeting will be published on the Company's internet site. In addition, the Company had an obligation to publish the summons to the Annual General Meeting as a stock exchange release. The summons to the Annual General Meeting had been published on the Company's internet site and as a stock exchange release on January 24, 2019. Bulletins regarding the Annual General Meeting had been published in Kauppalehti and Helsingin Sanomat on January 28, 2019.

It was noted that the Annual General Meeting was legally convened in accordance with the provisions of the Articles of Association and the Limited Liability Companies Act.

The summonses to the meeting were attached to the minutes as Appendices 6 and 7.

### 5 §

#### **Recording the attendance at the meeting and adoption of the list of votes**

The list recording the attendance at the beginning of the meeting and the list of votes were presented, according to which three holders of class A shares and 2,460 holders of class B shares were represented in the meeting either in person, by legal representative or by proxy.

It was noted that class A shares of the Company entitled their holder to one vote. The total number of class A shares and the votes carried by the shares was 76,208,712. Each full ten class B shares entitled their holder to one vote in the Annual General Meeting, however, each shareholder had a minimum of one vote. The total amount of class B shares of the Company was 451,883,955. The Company held a total of 11,813,915 class B shares.

It was recorded that a total of 76,208,712 class A shares representing a total of 76,208,712 votes and a total of 226,758,339 class B shares representing 22,675,142 votes were represented at the beginning of the meeting.

The list of attendees at the beginning of the meeting and the list of votes represented at the meeting were approved and attached to the minutes as Appendix 8. It was noted that the list of votes would be adjusted to correspond to the attendance at the beginning of a possible vote.

It was noted that the list of the Company's shareholders was also available at the Annual General Meeting.

It was noted that the following Board Members were also present at the Annual General Meeting: Chairman Antti Herlin, Vice Chairman Jussi Herlin, Matti Alahuhta, Anne Brunila, Iris Herlin, Ravi Kant, Juhani Kaskeala and Sirpa Pietikäinen. It was noted that President & CEO Henrik Ehrnrooth was also present at the meeting.

It was noted that the Auditors of the Company Heikki Lassila, Authorized Public Accountant, and Pasi Karppinen, Authorized Public Accountant, the principal auditor on behalf of PricewaterhouseCoopers Oy and, in addition, Jouko Malinen, Authorized Public Accountant, and audit firm PricewaterhouseCoopers Oy, represented by Lauri Kallaskari, Authorized Public Accountant, who were proposed to be elected as the auditor, were also present at the Annual General Meeting.

In addition, meeting officials and other members of Company's management were present at the Annual General Meeting.

## 6 §

### **Presentation of the annual accounts, the report of the Board of Directors and the Auditor's Report for the year 2018**

It was noted that the documents relating to the Company's annual accounts of 2018 were available to the participants of the Annual General Meeting at the meeting. The Financial Statements had been published by a stock exchange release on January 24, 2019. The documents relating to the Company's annual accounts had also been on display and available on the Company's internet site as of January 24, 2019.

President & CEO Henrik Ehrnrooth gave a status review and presented the main points of the 2018 Financial Statements.

Auditor of the Company, PricewaterhouseCoopers Oy, represented by the principal auditor Pasi Karppinen, Authorized Public Accountant, presented the main points of the Auditor's Report.

The President & CEO's review was attached to the minutes as [Appendix 9](#) and the Financial Statements as [Appendix 10](#).

The Auditor's Report was presented and attached to the minutes as [Appendix 11](#).

The Financial Statements, Consolidated Financial Statements, the report of the Board of Directors and the Auditor's Report were noted as having been duly presented.

## 7 §

### **Adoption of the annual accounts**

The Annual General Meeting approved the Consolidated Financial Statements and the Financial Statements of the parent company for the financial period of January 1 to December 31, 2018.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 81,257 opposing votes and 163,701 abstaining votes.

**8 §****Resolution on the use of the profit shown on the balance sheet and the payment of dividends**

It was noted that the parent company's non-restricted equity on December 31, 2018 was EUR 2,453,122,735.36, of which the net income for the financial period was EUR 1,067,984,631.14.

It was noted that the Board of Directors had proposed that for the financial year 2018 a dividend of EUR 1.6475 be paid for each class A share and a dividend of EUR 1.65 be paid for each class B share. The date of record for dividend distribution is proposed to be February 28, 2019 and the dividend is proposed to be paid on March 7, 2019.

The Board of Directors' proposal was attached to the minutes as Appendix 12.

The Annual General Meeting decided to distribute dividend in accordance with the Board's proposal.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 90,957 opposing votes and 16,851 abstaining votes.

**9 §****Resolution on the discharge of the members of the Board of Directors and the President and CEO from liability**

It was noted that the discharge from liability for the financial period 2018 concerned the following persons:

Antti Herlin, Chairman of the Board of Directors,  
Jussi Herlin, Vice Chairman of the Board of Directors,  
Matti Alahuhta, Board Member,  
Anne Brunila, Board Member,  
Iiris Herlin, Board Member,  
Ravi Kant, Board Member  
Juhani Kaskeala, Board Member,  
Sirpa Pietikäinen, Board Member, and  
Henrik Ehrnrooth, President & CEO.

The Annual General Meeting decided to grant discharge from liability to the Board Members and the President & CEO for the 2018 financial period.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 5,817 opposing votes and 222,529 abstaining votes.

**10 §****Resolution on the remuneration of the members of the Board of Directors**

The Vice Chairman of the Board of Directors, Jussi Herlin, presented the proposals of the Board of Directors and its Committees before the discussion of items 10–16.

It was noted that the Nomination and Compensation Committee of the Board had proposed to the Annual General Meeting that the annual compensation for the Board Members to be elected for the term that starts at the closing of this Annual General Meeting and ends at the closing of the 2020 Annual General Meeting is kept unchanged:

Chairman of the Board of Directors EUR 55,000,  
Vice Chairman of the Board of Directors EUR 45,000, and  
Board Members each EUR 40,000.

It was noted that the Nomination and Compensation Committee of the Board had further proposed that 40 percent of the annual remuneration be paid in class B shares of KONE Corporation and the rest in cash. It was noted that the Nomination and Compensation Committee had further proposed that a EUR 500 fee per meeting be paid for each member for Board and Committee meetings but anyhow a EUR 2,000 fee per those Committee meetings for the members residing outside of Finland. Possible travel expenses were proposed to be reimbursed according to the travel policy of the Company.

The proposal of the Nomination and Compensation Committee of the Board was attached to the minutes as Appendix 13.

The Annual General Meeting decided to approve the proposal of the Nomination and Compensation Committee of the Board for the fees for the Board Members.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 154,624 opposing votes and 1,351 abstaining votes.

## **11 §**

### **Resolution on the number of members of the Board of Directors**

It was noted that, in accordance with the Articles of Association in force, the Board of Directors shall include at minimum five and at maximum ten regular Members and at maximum three Deputy Members.

It was noted that the Nomination and Compensation Committee of the Board had proposed to the Annual General Meeting that eight Board Members would be elected.

The proposal of the Nomination and Compensation Committee of the Board was attached to the minutes as Appendix 14.

The Annual General Meeting decided in accordance with the proposal of the Nomination and Compensation Committee of the Board that the number of Board Members be confirmed as eight regular Members.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 12,410 opposing votes and 1,351 abstaining votes.

**12 §**  
**Election of members of the Board of Directors**

It was noted that, pursuant to the Limited Liability Companies Act and the Articles of Association of the Company, the Members of the Board shall be elected in the Annual General Meeting. The meeting had decided to elect eight regular Members of the Board.

It was noted that the Nomination and Compensation Committee of the Board had proposed to the Annual General Meeting that the following persons be re-elected for a term that starts at the closing of this Annual General Meeting and ends at the closing of the 2020 Annual General Meeting:

Matti Alahuhta,  
Anne Brunila,  
Antti Herlin,  
Iiris Herlin,  
Jussi Herlin,  
Ravi Kant,  
Juhani Kaskeala, and  
Sirpa Pietikäinen.

It was noted that all proposed Members of the Board had given their consent for their election.

The proposal of the Nomination and Compensation Committee of the Board was attached to the minutes as Appendix 15.

The Annual General Meeting decided to elect the persons proposed by the Nomination and Compensation Committee of the Board as Members of the Board for the term that starts at the closing of the 2019 Annual General Meeting and ends at the closing of the 2020 Annual General Meeting.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 8,482,422 opposing votes and 1,149,486 abstaining votes.

**13 §**  
**Resolution on the remuneration of the Auditors**

It was noted that the Audit Committee of the Board of Directors had proposed to the Annual General Meeting that the Auditors be reimbursed as per their invoice.

The Board's Audit Committee's proposal was attached to the minutes as Appendix 16.

The Annual General Meeting decided in accordance with the proposal of the Audit Committee of the Board that the Auditors be reimbursed as per their invoice.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 346,559 opposing votes and 1,351 abstaining votes.

**14 §****Resolution on the number of Auditors**

It was noted that in accordance with the Articles of Association, the Company shall have a minimum of one and a maximum of three Auditors.

It was noted that the Audit Committee of the Board had proposed that two Auditors be elected.

The Board's Audit Committee's proposal was attached to the minutes as Appendix 17.

The Annual General Meeting decided in accordance with the proposal of the Audit Committee of the Board that two Auditors be elected for the Company for a term that ends at the closing of the 2020 Annual General Meeting.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 0 opposing votes and 1,351 abstaining votes.

**15 §****Election of Auditors**

It was noted that, in accordance with the Articles of Association, the term of the current Auditors shall end at the end of this Annual General Meeting. In accordance with the Articles of Association, the Auditors shall be authorized public accountants or public accounting firms.

It was noted that, during the term that started at the closing of the 2018 Annual General Meeting, Heikki Lassila, Authorized Public Accountant, and audit firm PricewaterhouseCoopers Oy, with Pasi Karppinen, Authorized Public Accountant as the principal auditor, had been acting as the Company's Auditors.

It was noted that the Audit Committee of the Board had proposed that authorized public accountants PricewaterhouseCoopers Oy and Jouko Malinen are elected as Auditors.

The Board's Audit Committee's proposal was attached to the minutes as Appendix 18.

The Annual General Meeting decided in accordance with the proposal of the Audit Committee of the Board to elect audit firm PricewaterhouseCoopers Oy and Jouko Malinen, Authorized Public Accountant, as Auditors for a term that ends at the closing of the 2020 Annual General Meeting.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 1,369,374 opposing votes and 40,364 abstaining votes.

**16 §****Authorizing the Board of Directors to decide on the repurchase of the Company's own shares**

It was noted that the Board of Directors had proposed that the General Meeting authorizes the Board of Directors to decide on the repurchase of no more than 52,440,000 treasury shares with assets from the Company's unrestricted equity, so that a maximum of 7,620,000 class A shares and

a maximum of 44,820,000 class B shares may be repurchased. The consideration to be paid for the repurchased shares with respect to both class A and class B shares will be determined based on the trading price determined for class B shares on the Nasdaq Helsinki on the date of repurchase.

Class A shares will be repurchased in proportion to holdings of class A shareholders at a price equivalent to the average price paid for the Company's class B shares on the Nasdaq Helsinki on the date of repurchase. Any shareholder wishing to offer his or her class A shares for repurchase by the Company must state his or her intention to the Company's Board of Directors in writing. The Company may deviate from the obligation to repurchase shares in proportion to the shareholders' holdings if all the holders of class A shares give their consent. Class B shares will be purchased in public trading on the Nasdaq Helsinki at the market price as per the time of purchase.

It was noted that the Board of Directors had proposed that the authorization remains in effect for a period of one year following the date of decision of the General Meeting.

The Board of Directors' proposal was attached to the minutes as Appendix 19.

The Annual General Meeting resolved to authorize the Board of Directors to decide on the repurchase of the Company's shares in accordance with the proposal of the Board of Directors.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 68,138 opposing votes and 10,830 abstaining votes.

### **17 § Closing of the meeting**

The Chairman noted that the matters on the agenda had been dealt with and that the minutes of the meeting would be available on the Company's internet site as of March 12, 2019 at the latest.

The Chairman closed the meeting at 12:47 p.m.

Chairman of the Annual General Meeting:

\_\_\_\_\_  
Merja Kivelä

In fidem:

\_\_\_\_\_  
Juho Aaltonen

The minutes have been scrutinized and approved by:

\_\_\_\_\_  
Tiina Toivonen

**APPENDICES**

- Appendix 1 Summary list of the voting instructions provided by Euroclear Bank SA/NV
- Appendix 2 Summary list of the voting instructions provided by Danske Bank A/S
- Appendix 3 Summary list of the voting instructions provided by Nordea Bank Abp
- Appendix 4 Summary list of the voting instructions provided by Skandinaviska Enskilda Banken AB (publ) Helsinki Branch
- Appendix 5 Summary list of the voting instructions provided by Svenska Handelsbanken AB (publ), Branch Operation in Finland
- Appendix 6 Summons to the Annual General Meeting published on the Company's internet site on January 24, 2019
- Appendix 7 Summons to the Annual General Meeting published as stock exchange release on January 24, 2019
- Appendix 8 List recording the attendance at the beginning of the meeting and the list of votes
- Appendix 9 Review of President & CEO Henrik Ehmrooth
- Appendix 10 Financial Statements of KONE 2018
- Appendix 11 Auditor's Report dated January 24, 2019
- Appendix 12 Proposal of the Board of Directors concerning the resolution on the use of the profit shown on the balance sheet and the payment of dividend
- Appendix 13 Proposal of the Nomination and Compensation Committee of the Board concerning the resolution on the remuneration of the members of the Board of Directors
- Appendix 14 Proposal of the Nomination and Compensation Committee of the Board concerning the number of the members of the Board of Directors
- Appendix 15 Proposal of the Nomination and Compensation Committee of the Board concerning the election of the members of the Board of Directors
- Appendix 16 Proposal of the Audit Committee of the Board of Directors concerning the remuneration of the Auditors
- Appendix 17 Proposal of the Audit Committee of the Board of Directors concerning the number of Auditors
- Appendix 18 Proposal of the Audit Committee of the Board of Directors concerning the election of the Auditors
- Appendix 19 Proposal of the Board of Directors concerning the authorization of the Board of Directors to decide on the repurchase of the Company's shares