

Remuneration Report 2024

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Letter from the Chair of the Nomination and Compensation Committee

Dear Shareholders,

I am pleased to present KONE's Remuneration Report for 2024 on behalf of KONE's Nomination and Compensation Committee.

KONE's performance in 2024 demonstrated once again the company's resilience. Orders received were on a healthy level, with growth in three of our four Areas. Sales and profits also grew slightly, despite the weak property markets in China. The positive development was driven by Service and Modernization businesses where we see very exciting opportunities also in the coming years. Cash flow increased during the year and KONE's financial position at the end of 2024 was strong. I was also pleased to see good progress in several areas of sustainability.

Overall, we had good business performance in 2024 and correspondingly good results in achieving the targets set for the short-term incentive (STI) plan for 2024. This resulted in STI earnings above the target level. The long-term incentive plan 2022 three-year performance period ended at the end of 2024 and achieved an outcome of 78% of the target opportunity. Performance varied over the three-year period. The year 2022 was difficult for KONE amidst COVID-19 and significant supply chain disruptions. While 2023 and 2024 showed more positive development with profitability improving in both years. We have enhanced this year's report by providing more details on our short- and long-term incentive performance criteria and outcomes.

In January 2024, Philippe Delorme was appointed President and CEO, succeeding Henrik Ehrnrooth,

who stepped down from the position. The Board decided to exercise its discretion by replacing the former CEO's contractual termination provisions by share-based incentives with Board defined criteria. This was to ensure the success of KONE's business performance also during the transition period.

KONE's new strategy, Rise, was launched in September and execution is in full speed. KONE's ambition is to lead the industry by being #1 choice for employees and customers, by leading in innovation and sustainability and by leading in growth and profitability. Incentive plans and performance measures have been aligned with the new strategy. We continue to emphasize sustainability alongside profitable growth in our long-term incentive plan as we believe that embedding sustainability into all aspects of our business enables differentiation and superior performance over the long term.

Jussi Herlin
Chair of the KONE Nomination and Compensation Committee



KONE's Remuneration Report 2024

This report provides the details of how the Remuneration Policy has been implemented describing the remuneration of the Board of Directors ("Board") and the President and CEO ("CEO") of KONE Corporation from January 1, 2024 to December 31, 2024. It is prepared in accordance with the Finnish Corporate Governance Code, as well as the provisions to the Finnish Securities Market Act and Limited Liability Companies Act. The remuneration of KONE's governing bodies is based on KONE's Remuneration Policy that was presented for the Annual General Meeting on February 29, 2024.

Remuneration Philosophy

KONE's remuneration approach is built on strong principles of driving high performance, fair and competitive remuneration, encouraging value-based behavior and sustainability. We are committed to developing a strong pay for performance culture for employees at all levels across the organization.

The CEO's remuneration package is aligned with and supports our pay for performance culture. A significant portion of the CEO's remuneration package is based on variable pay. To ensure we maintain a strong connection between company performance and CEO remuneration, the performance targets for our short-term and long-term incentives are directly linked to KONE's business result.

Remuneration of the Board of Directors

Board member	Annual fees	Nomination and Compensation Committee fees	Audit Committee fees	Remuneration based on employment*	Total (EUR)
Herlin Antti, Chairman of the Board	220,000	10,000			230,000
Herlin Jussi, Vice Chair of the Board*				241,255	241,255
Alahuhta Matti	110,000	10,000			120,000
Duinhoven Susan	110,000	10,000	10,000		130,000
Fredriksson Marika	110,000		20,000		130,000
Herlin Iiris	110,000				110,000
Ihamuotila Timo	110,000		10,000		120,000
Kant Ravi	110,000				110,000
Mikkilineni Krishna	110,000				110,000
Manubens Marcela **	0				0

*See remuneration based on employment terms in the adjacent text

** Board member until February 29, 2024

On February 29, 2024, the Annual General Meeting (AGM) confirmed the following annual fees for the members of the Board of Directors:

- Chairman: EUR 220,000
- Vice Chair: EUR 125,000
- Member: EUR 110,000

Based on the decision of the AGM, 40 percent of the annual fees are paid as class B shares of KONE Corporation and the rest in cash.

Additionally, the AGM confirmed separate annual compensation to the members of the board committees:

- Chairman of the Audit Committee: EUR 20,000
- Members of the Audit Committee: EUR 10,000

- Chairman of the Nomination and Compensation Committee: EUR 20,000
- Members of the Nomination and Compensation Committee: EUR 10,000

The annual compensation of the members of the board committees is paid in cash. Possible travel expenses are reimbursed according to the travel policy of the company. Board fees are not paid to a board member who is employed by the company.

Remuneration of the Executive Vice Chair with separate employment terms

Vice Chair of the Board, Jussi Herlin, has a separate employment contract for his role as Executive Vice Chair of the Board at KONE. The employment-based compensation consists of a base salary, benefits and an annual bonus decided by the Board. The annual bonus may not exceed 100 percent of the annual base salary. In 2024, Jussi Herlin's annual base salary and

benefits were EUR 126,240. Jussi Herlin received a bonus payout of EUR 115,015 in 2024 based on the performance criteria for 2023, tied to the Group's financial performance. The performance criteria applied to his annual short-term incentive in 2024 is based on KONE's financial performance and strategy execution criteria. The bonus will be paid in 2025.

The Executive Vice Chair's retirement age and pension is determined in accordance with Finland's Pensions Act. No separate agreement regarding early retirement has been made.

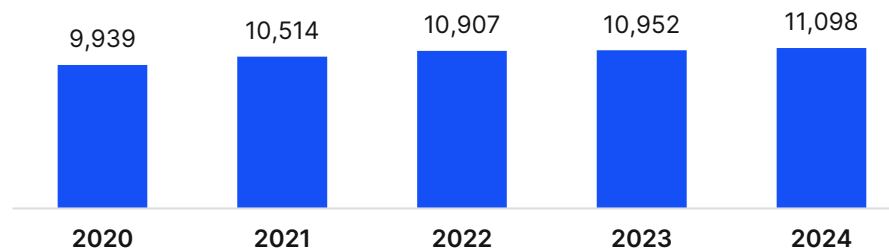
Board member Matti Alahuhta, who served as President and CEO of KONE until March 31, 2014, has received EUR 312,419 pension from KONE in 2024.

Development of KONE's financial performance and remuneration

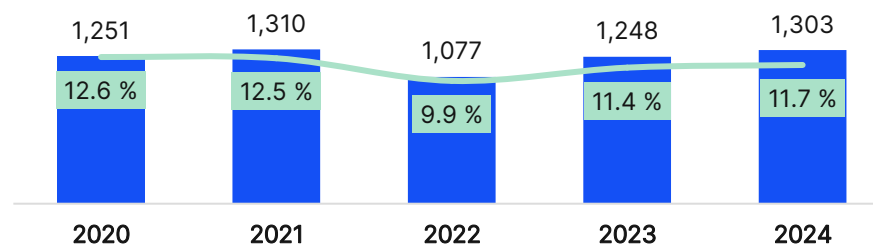
During the past five years, KONE's compound annual sales growth amounted to 2.6% (in comparable currencies). The significant decline of the Chinese construction market, supply chain disruptions and broad-based inflation have burdened financial performance. 2023 showed more positive development and the improvement in profitability continued in 2024.

In 2024, KONE's sales grew 1.3% (2.2% growth at comparable currencies). Service and Modernization sales grew in all areas, offsetting the decline in New Building Solutions sales. Profitability (adjusted EBIT %) improved by 30 basis points, thanks to a favorable business mix and better margins in New Building Solutions and Modernization deliveries outside China.

Sales (MEUR)



Adjusted EBIT (MEUR) and adjusted EBIT margin (%)

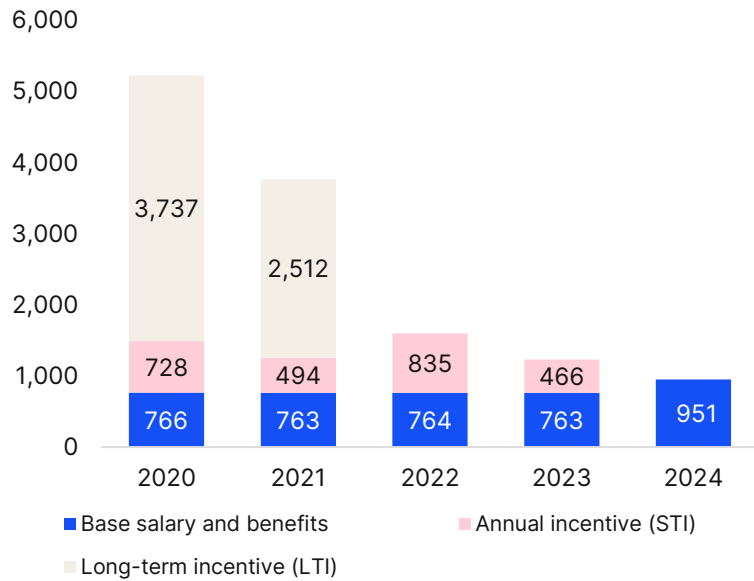


5-year remuneration development (paid remuneration per year)

Average Compensation (EUR)	2020	2021	2022	2023	2024
Chairman of the Board	936,951	588,562	240,000	230,000	230,000
Vice Chair of the Board	118,976	107,865	151,766	126,457	241,255
Average Member of the Board	50,214	112,000	120,000	118,571	118,571
President and CEO	5,214,169	3,755,742	1 585 350	1,228,416	1,031,179
Average KONE employee*	37,412	39,635	42,020	43,196	45,737

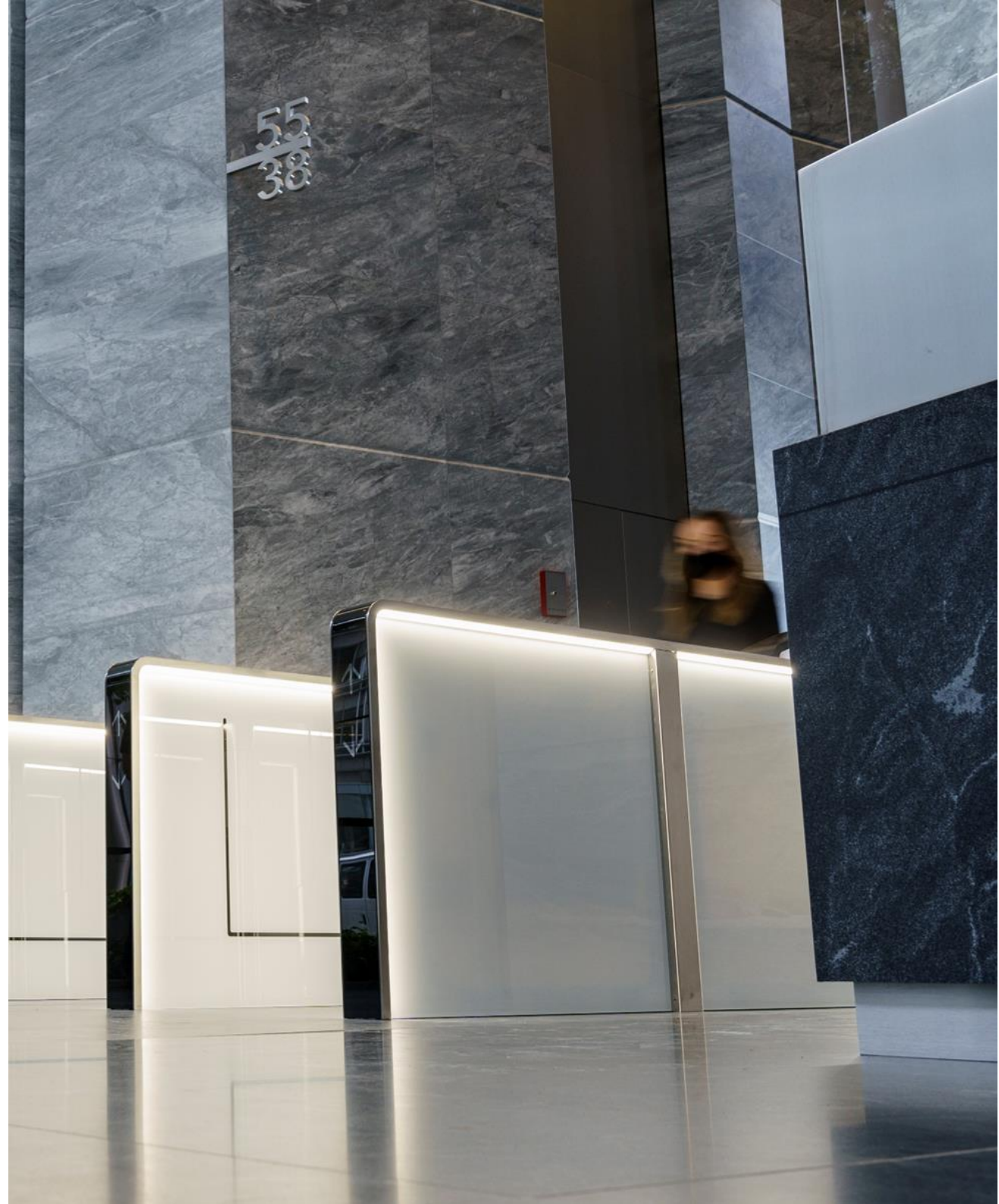
* Total KONE employee compensation divided by the average number of employees during the year.

CEO remuneration 2020-2024, tEUR



Former CEO Henrik Ehrnrooth 2020–2023, current CEO Philippe Delorme as of January 1, 2024. Excludes contribution towards pension.

The CEO did not receive a share payment in 2022 and 2023 due to the long-term incentive structure changing to a three-year performance period in 2021. The current CEO joined KONE on January 1, 2024 and was therefore not eligible for STI or LTI payments payable in 2024. The former CEO's STI paid in 2024 is reported on the next page.

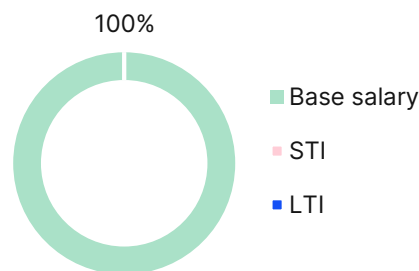


Remuneration of the President and CEO

The Board of Directors determines the remuneration of the CEO based on the proposal from the Nomination and Compensation Committee in alignment with the principles of KONE Corporation Remuneration Policy. The CEO's remuneration consists of fixed remuneration including annual base salary, fringe benefits and a contribution towards pension as well as variable remuneration including short-term incentive and long-term incentive plans. The substantial portion of the variable remuneration provides a strong alignment with the interests of KONE shareholders. The success of the CEO is measured by the Board of Directors based on KONE's achievement of its financial, strategic and operational targets.

The CEO Philippe Delorme joined KONE on January 1, 2024. He is not eligible for incentive payments in 2024 that are based on previous years' performance.

CEO actualized fixed and variable remuneration 2024



CEO Philippe Delorme, excluding benefits and pension

Remuneration paid to the CEO in 2024, EUR

Base salary	Short-term incentive	Long-term incentive	Benefits	Pension	Total compensation
819,436	-	-	131,743	80,000	1,031,179

CEO Philippe Delorme, 1 January – 31 December 2024

Short-term incentive plan of the CEO

Performance criteria	Performance year 2023, paid in 2024			Performance year 2024, paid in 2025				
	Weight	Performance outcome % Minimum 0% Target 100% Maximum 150%	Weighted outcome % of annual base salary	Payout, EUR	Weight	Performance outcome % Minimum 0% Target 100% Maximum 150%	Weighted outcome % of annual base salary	Payout, EUR
EBIT	34%	150%	51%		34%	97%	33%	
Value of orders received margin	17%	150%	26%		17%	150%	26%	
Lifts in service growth	12.75%	150%	19%		12.75%	150%	19%	
Cash flow	8.5%	150%	13%		8.5%	110%	9%	
Strategy execution	12.75%	137%	18%		12.75%	139%	18%	
Individual Performance	15%	125%	19%		15%	100%	15%	
Total weighted outcome	100%		145%	1,084,800	100%		120%	1,017,025

Due to business sensitivity and competition reasons, financial targets are not disclosed.

Short-term incentive

The CEO participates in KONE's short-term incentive plan that drives the delivery of annual financial and operational performance and supports the delivery of the business strategy. The maximum earning opportunity for the short-term incentive equals 150% of the CEO's annual base salary.

The short-term incentive of EUR 1,084,000 paid to the former CEO Henrik Ehrnrooth in 2024 was based on 2023 performance with a performance achievement of 145% of target opportunity.

Based on 2024 performance, the CEO Philippe Delorme earned a bonus payout of EUR 1,017,025, which equaled 120% of the target opportunity. The reward will be paid in 2025.

Long-term incentive

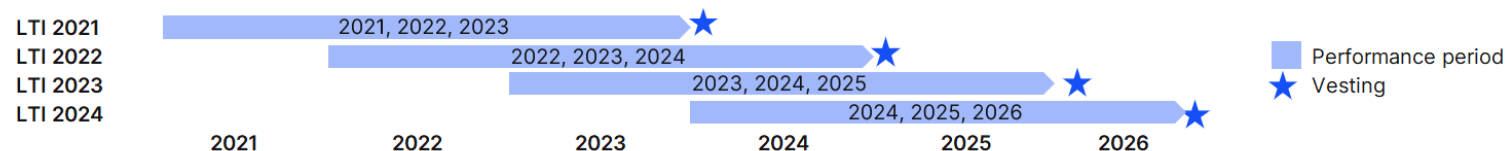
The CEO is included in the performance-based long-term incentive plan for the Group's top management decided by the Board each year. The performance criteria emphasize profitable growth and sustainability. It consists of annually commencing individual share plans, each with a three-year rolling performance period. The plans vest and are delivered in one portion after the three-year period, based on accumulated performance outcomes.

The CEO's maximum earning opportunity in the KONE long-term incentive plan 2024 equaled to 85,247 KONE Class B shares. The high portion of variable pay is in alignment with the KONE Corporation Remuneration Policy, which promotes long-term financial performance and sustainable shareholder value creation.

Former CEO

Henrik Ehrnrooth held the position of KONE CEO until December 31, 2023. The Board of Directors exercised its discretion and replaced Henrik Ehrnrooth's contractual notice period and severance payment with the rewards from the LTI 2021, LTI 2022 and LTI 2023 that were paid in January 2024. The Board of Directors also granted Henrik Ehrnrooth an additional incentive that resulted to a reward of 49,399 KONE class B shares which was delivered as a cash payment of EUR 2,488,659 in November 2024 based on the achievement of specific performance metrics.

Performance based long-term incentive plan structure



Long-term incentive plans of the CEO

Performance based long-term incentive plan	Performance period	Vesting year	Performance outcome (3-year average)***	Maximum number of granted shares *	Paid shares**	Value of vested award, EUR
LTI 2021	January 2021–December 2023	2024	68.5%	53,541	15,056	1,404,174
LTI 2022 ***	January 2022–December 2024	2025	79.3%	58,243	18,968	1,769,058
LTI 2023 ***	January 2023–December 2025	2026	106.7%	74,642	32,684	3,048,311
LTI 2024	January 2024–December 2026	2027		85,247		

* Gross before deduction for taxes

** Net shares delivered to CEO Henrik Ehrnrooth

*** Performance years 2024 and 2025 payment calculated at target level due to the advance payment. LTI 2022 final performance based total outcome was 78,0%.

Long-term incentive plan Performance criteria	Performance year 2021			Performance year 2022			Performance year 2023			Performance year 2024		
	Weight	Performance outcome % Minimum 0% Target 100% Maximum 120%	Weighted outcome	Weight	Performance outcome % Minimum 0% Target 100% Maximum 120%	Weighted outcome	Weight	Performance outcome % Minimum 0% Target 100% Maximum 120%	Weighted outcome	Weight	Performance outcome % Minimum 0% Target 100% Maximum 120%	Weighted outcome
Adjusted EBIT margin %	48%	25%	12%	48%	0%	0%	48%	120%	58%	40%	83%	33%
Sales growth	32%	115%	37%	32%	0%	0%	32%	120%	38%	40%	113%	45%
Sustainability targets												
Emissions from Operations (Scope 1 & 2)	5%	120%	6%	5%	120%	6%	5%	120%	6%	5%	120%	6%
Emissions from Products (Scope 3)	5%	120%	6%	5%	0%	0%	5%	120%	6%	5%	120%	6%
Safety improvement	5%	12.5%	1%	5%	120%	6%	5%	120%	6%	5%	0%	0%
Diversity and inclusion	5%	120%	6%	5%	120%	6%	5%	120%	6%	5%	120%	6%
Total weighted outcome	100%		67%	100%		18%	100%		120%	100%		96%

Due to business sensitivity and competition reasons, financial targets are not disclosed.



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