

Minutes no. 1/2009 of KONE Corporation's Annual General Meeting, which was held at the Finlandia Hall in Helsinki on 23 February 2009 at 11:00 a.m.

**1 §  
Opening of the Meeting**

Chairman of the Board Antti Herlin opened the meeting and welcomed the participants.

**2 §  
Election of the Chairman and the Secretary of the Meeting**

Attorney-at-law Merja Kivelä was appointed Chairman of the meeting, and she summoned Attorney-at-law Janne Lauha as Secretary of the meeting.

**3 §  
Adoption of the List of Votes**

The list of votes was adopted and attached to the minutes (Appendix 1). The proxies presented by representatives of the shareholders were attached to the minutes (Appendix 2).

It was stated that the following Board Members were also present: Chairman Antti Herlin, Vice Chairman Sirkka Hämäläinen-Lindfors, Matti Alahuhta, Sirpa Pietikäinen and Iiro Viinanen; Deputy Member Jussi Herlin; President Matti Alahuhta in the capacity of CEO; proposed new Board Members Anne Brunila, Juhani Kaskeala and Shunichi Kimura; the Auditors of the company Heikki Lassila, Authorised Public Accountant, and authorized public accountants PricewaterhouseCoopers Ltd, with Niina Vilske, Authorized Public Accountant as the principal auditor; as well as CFO Aimo Rajahalme.

It was stated that in addition to the shareholders, the company's management and the Auditors, meeting officers were also in attendance.

**4 §  
Election of the Person to Check the Minutes and Persons to Control the Counting of the Votes**

Ilona Herlin was elected as the person to check the minutes. The Chairman of the Board stated that in the event that voting takes place at the meeting, the votes will be counted by equipment and systems provided by Euroclear Finland. Klaus Cawén and Jukka Ala-Mello were elected as persons to control the counting of the votes.

**5 §  
Legitimacy and Quorum of the Meeting**

It was recorded that the Annual General Meeting was convened by a summons published on 27 January 2009 in the *Helsingin Sanomat*, *Hufvudstadsbladet* and *Kauppalehti* newspapers (Appendices 3–5).

In addition, the company published the summons to the Annual General Meeting as a stock exchange release in accordance with the rules of NASDAQ OMX Helsinki.

It was noted that the meeting had been convened in accordance with law and the Articles of Association and that it was quorate.

It was recorded that the company's Financial Statements and Board of Directors' Report for 2008, the Auditor's Report, as well as the Board of Director's dividend proposal and proposal for the authorization of the Board of the Directors to decide on the repurchase and distribution of the company's shares have been available to shareholders on the company's website and at the company's main office for at least a week prior to the meeting and they were also available at the meeting.

### 6 §

#### **Review by CEO & President and Presentation of Financial Statements 2008, Including Consolidated Financial Statements, the Board of Directors' Report and the Auditor's Report to the Annual General Meeting**

It was recorded that the company's Financial Statements 2008 have been available to the participants of the Annual General Meeting from the start of the meeting. The Financial Statements have also been on display and available on the company's website and at the company's main office as of 23 January 2009. The Financial Statements have been published as a stock exchange release on 23 January 2009. All shareholders that have so requested have received a copy of the Financial Statements by mail.

CEO & President Matti Alahuhta gave a status review and presented the Financial Statements 2008, including consolidated financial statements, the Board of Directors' Report and the Auditor's report (Appendix 6).

### 7 §

#### **Approval of the Financial Statements**

It was stated that the Auditors have stated in their Auditors' report that, in accordance with International Financial Reporting Standards (IFRS) adopted in the European Union, the consolidated financial statements give a true and fair view of the group's financial position, its result of operations and cash flow. In addition, the Auditors have stated that, in accordance with rules and regulations in effect in Finland concerning the preparation of financial statements and board of directors' report, the Financial Statements and the Board of Directors' Report give a true and fair view on the group's and the parent company's result of operations and financial position. The information included in the Board of Directors' Report and the Financial Statements is free from any inconsistencies.

Six shareholders of the company (Appendix 7), with a total of 59,137 class B shares and represented by Kati Lappalainen from Nordea Bank Finland Plc, and one shareholder (Appendix 8), with a total of 4,600 class B shares and represented by Satu Repola from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 7 of the agenda of the Annual General Meeting, Approval of the Financial Statements. The shareholders in question did not

make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

The Annual General Meeting decided to approve the company's Financial Statements 2008, including consolidated financial statements, the Board of Director's Report and the Auditor's Report, in the proposed form.

## 8 §

### **Use of the Profit Shown on the Balance Sheet – Dividend Distribution**

The secretary of the meeting read the Board of Directors' proposal dated 23 January 2009 regarding the use of profit:

*“The parent company's unrestricted equity on 31 December 2008 is EUR 1,533,733,113.48, of which net income is EUR 264,692,626.91.*

*The Board of Directors proposes that of the profit available to the Annual General Meeting, a dividend of EUR 0.645 be paid for each of 38,104,356 class A shares and of EUR 0.65 for each of outstanding 214,643,060 class B shares, so that the proposed total amount of dividends is EUR 164,095,298.62. The rest of the profit, EUR 1,369,637,814.86, will be retained and carried forward.*

*It is proposed that the dividend be paid on 5 March 2009.”*

The Chairman stated that, in accordance with the summons to the meeting, the dividend will be paid to shareholders registered in the shareholder register maintained by Euroclear Finland on the record date 26 February 2009.

The Board of Directors' proposal on the use of profit and on the date of dividend payment as well as the record date of dividend was adopted.

## 9 §

### **Granting of Discharge from Liability to the Board Members, the Deputy Member and the CEO & President**

One shareholder ([Appendix 9](#)) of the company, with a total of 13,594 class B shares and represented by Sauli Salminen from Svenska Handelsbanken AB; six shareholders ([Appendix 7](#)), with a total of 59,137 class B shares and represented by Kati Lappalainen from Nordea Bank Finland Plc; four shareholders ([Appendix 8](#)), with a total of 25,144 class B shares and represented by Satu Repola from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch; and three shareholders ([Appendix 10](#)), with a total of 260 class B shares objected to section 9 of the agenda of the Annual General Meeting, Granting Discharge from Liability to the Board Members, the Deputy Member and the CEO & President. The shareholders in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

It was decided to grant discharge from liability to the Board Members, the Deputy Member and the CEO & President of the parent company for the 2008 financial period.

#### **10 §**

##### **Decision on the Number of Board Members and Deputy Members**

It was decided in accordance with the proposal of the Board of Directors' Nomination and Compensation Committee to elect eight (8) Board Members and one (1) Deputy Member to the Board.

#### **11 §**

##### **Decision on the Remuneration of Board Members and Deputy Member**

It was decided in accordance with the proposal of the Board of Directors' Nomination and Compensation Committee that the Chairman of the Board of Directors be paid EUR 54,000, the Vice Chairman EUR 42,000 and the Members EUR 30,000 per year. The Deputy Member will be paid EUR 15,000 per year. In addition, it was decided in accordance with the Board of Directors' Nomination and Compensation Committee to pay the Board Members and the Deputy Member a compensation of EUR 500 for attendance at Board and Committee meetings.

One shareholder of the company (Appendix 8), with a total of 1,963 class B shares and represented by Satu Repola from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 11 of the agenda of the Annual General Meeting, Decision on the Remuneration of the Board Members and the Deputy Member. The shareholder in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

#### **12 §**

##### **Election of the Board Members and the Deputy Member**

Twenty-seven shareholders (Appendix 9) of the company, with a total of 1,970,939 class B shares and represented by Sauli Salminen from Svenska Handelsbanken AB; 120 shareholders (Appendix 7), with a total of 9,535,900 class B shares and represented by Kati Lappalainen from Nordea Bank Finland Plc; and 209 shareholders (Appendix 8), with a total of 10,021,839 class B shares and represented by Satu Repola from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 12 of the agenda of the Annual General Meeting, Election of Board Members and Deputy Member. The shareholders in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

It was decided in accordance with the Nomination and Compensation Committee's proposal to elect Antti Herlin, Matti Alahuhta, Reino Hanhinen, Sirkka Hämäläinen-Lindfors, Sirpa Pietikäinen, Anne Brunila, Juhani Kaskeala and Shunichi Kimura as Board Members and Jussi Herlin as Deputy Member for a term that expires at the closing of the next Annual General Meeting following the election.

**13 §****Decision on the Number of Auditors**

It was decided to elect two Auditors in accordance with the Audit Committee's proposal.

**14 §****Decision on the Remuneration of Auditors**

One shareholder of the company ([Appendix 7](#)), with a total of 987 class B shares and represented by Kati Lappalainen from Nordea Bank Finland Plc objected to section 14 of the agenda of the Annual General Meeting, Decision on the Remuneration of Auditors. The shareholder in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

It was decided in accordance with the Audit Committee's proposal that the Auditors would be reimbursed according to their invoice based on the performed Audit Proposal process.

**15 §****Election of Auditors**

One shareholder of the company ([Appendix 7](#)), with a total of 987 class B shares and represented by Kati Lappalainen from Nordea Bank Finland Plc, and two shareholders ([Appendix 8](#)), with a total of 14,296 class B shares and represented by Satu Repola from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 15 of the agenda of the Annual General Meeting, Election of Auditors. The shareholders in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

It was decided, in accordance with the Audit Committee's proposal, to elect authorized public accountants Heikki Lassila and PricewaterhouseCoopers Oy as the company's Auditors.

**16 §****Board of Directors' Authorization to Decide to Repurchase KONE's Own Shares**

It was noted that the Board of Director's proposal to authorize the Board of Directors to decide to repurchase the company's shares was available for the participants of the Annual General Meeting. In addition, the proposal has been available for the shareholders on the company's website and at the company's head office as of 23 January 2009, and copies of it have been sent to the shareholders upon request. The proposal was attached to the minutes as appendix ([Appendix 11](#)).

Two shareholders of the company ([Appendix 12](#)), with a total of 120 class B shares, objected to section 16 of the agenda of the Annual General Meeting, Board of Directors' Authorization to Decide to Repurchase the KONE's Own Shares. The shareholders in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

The Board of Directors was authorized in accordance with the Board of Directors' proposal to decide to repurchase the company's own shares with distributable assets as follows:

No more than 25,570,000 shares may be repurchased with assets from the company's unrestricted equity so that a maximum of 3,810,000 class A shares and a maximum of 21,760,000 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 OMX 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 NASDAQ OMX Helsinki on the date of repurchase. Any holder 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 NASDAQ OMX Helsinki at the market price as per the time of purchase.

The authorization remains in effect for a period of one year following the date of the decision of the General Meeting.

#### 17 §

#### **Board of Directors' Authorization to Decide to Distribute Shares Repurchased by KONE**

It was noted that the Board of Director's proposal to authorize the Board of Directors to decide to distribute the shares repurchased by the company was available to the participants of the meeting. In addition, the proposal has been available to the shareholders on the company's website and at the company's head office as of 23 January 2009, and copies of it have been sent to the shareholders upon request. The proposal was attached to the minutes as appendix (Appendix 13).

Two shareholders of the company (Appendix 12), with a total of 120 class B shares, objected to section 17 of the agenda of the Annual General Meeting, Board of Directors' Authorization to Decide to Distribute Shares Repurchased by KONE. The shareholders in question did not make a counter-proposal or request a vote, but asked only to have the objection recorded in the minutes of the Annual General Meeting.

The Board of Directors was authorized in accordance with the Board of Directors' proposal to decide on the distribution of treasury shares in possession of the company as follows:

The authorization is limited to 3,810,000 class A shares and 21,760,000 class B shares. The Board of Directors is authorized to decide to whom the shares will be given, i.e. distribute shares in a directed manner in deviation from the shareholders' pre-emptive rights.

The authorization remains in effect for a period of one year following the date of the decision of the General Meeting.

**18 §**  
**Closing of the Meeting**

Since the issues included in the agenda had been dealt with and there were no other issues, the Chairman closed the meeting and announced that the minutes of the meeting would be available to the shareholders no later than one week from the meeting, i.e. as of 2 March 2009, at the company's main office at Kartanontie 1, 00330 Helsinki, and on the company's website.

On behalf of the meeting

MERJA KIVELÄ  
Merja Kivelä, Chairman

JANNE LAUHA  
Janne Lauha, Secretary

I have checked the minutes and found them to be correct:

Helsinki, 25 February 2009

ILONA HERLIN  
Ilona Herlin