

Minutes no. 1/2010 of KONE Corporation's Annual General Meeting, which was held at the Finlandia Hall in Helsinki on 1 March 2010 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 Marianne Luotio as Secretary of the meeting.

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

The Chairman explained the voting instructions that had been provided in advance by nominee-registered shareholders. Summary lists of the voting instructions of shareholders represented by Svenska Handelsbanken AB (publ) (Niina Väisänen), Skandinaviska Enskilda Banken AB (publ), Helsinki Branch (Tomi Tuominen) and Nordea Bank Finland plc (Kati Lappalainen) were attached to the minutes as Appendices 1, 2 and 3. It was noted that objections will be recorded separately in the minutes and that other voting instructions are available in the aforementioned appendices.

**3 §  
Election of person to scrutinize the minutes and persons to supervise the counting of votes**

Hilkka Salonen was elected as the person to scrutinize the minutes.

Klaus Cawén and Juhani Laitinen 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 26, 2010 that the summons to the Annual General Meeting will be published in the *Helsingin Sanomat*, *Kauppalehti* and *Hufvudstadsbladet* newspapers. In addition, the Company had an obligation to publish the summons to the Annual General Meeting as a stock exchange release. It was noted that the proposals by the Board and its Committees to the Annual General Meeting had been published by a stock exchange release at NASDAQ OMX Helsinki ltd on January 26, 2010 and in their entirety on the Company's website on January 26, 2010. Thereafter, the summons to the Annual General Meeting was published in the *Helsingin Sanomat*, *Kauppalehti* and *Hufvudstadsbladet* newspapers on January 28, 2010.

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 4, 5 and 6.

### 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, according to which three holders of class A shares and 1,567 holders of class B shares were present either in person, by legal representative or by proxy, were presented.

It was noted that class A shares of the Company entitled their holder to one vote. The total amount of class A shares and the votes carried by the shares was 38,104,356. Each full ten class B shares entitled their holder to one vote in the Annual General Meeting, however, so that each shareholder had a minimum of one vote. The total amount of class B shares of the Company was 220,322,514. The Company and its fully owned subsidiary held a total of 4,710,242 class B shares.

It was recorded that a total of 38,104,356 class A shares representing a total of 38,104,356 votes and a total of 99,828,035 class B shares representing 9,982,411 votes were represented at the beginning of the meeting.

The attendance at the beginning of the meeting and the list of votes were attached to the minutes as Appendix 7. It was noted that the list of votes will 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 regular Board Members were also present at the Annual General Meeting: Chairman Antti Herlin, Vice Chairman Sirkka Hämäläinen-Lindfors, Matti Alahuhta, Anne Brunila, Juhani Kaskeala and Sirpa Pietikäinen; and the following Deputy Board Member was present: Jussi Herlin. It was noted that President Matti Alahuhta was also present at the meeting in the capacity of CEO.

It was noted that the Auditors of the Company Heikki Lassila, Authorized Public Accountant, and authorized public accountants PricewaterhouseCoopers Ltd, with Niina Vilske, Authorized Public Accountant, as the principal auditor were also present at the Annual General Meeting.

In addition company management was present at the Annual General Meeting.

### 6 §

#### **Presentation of the annual accounts, the report of the Board of Directors and the Auditors' Report for the year 2009**

It was noted that the Company's 2009 Financial Statements were available to the participants of the Annual General Meeting from the beginning of the meeting. The Financial Statements were published by a stock exchange release on January 26, 2010. The Financial Statements had also been on display and available on the Company's website and at the Company's main office as of

January 26, 2010. All shareholders that had so requested have received a copy of the Financial Statements by mail.

CEO Matti Alahuhta gave a status review and presented the main points of the 2009 Financial Statements.

The CEO Review was attached to the minutes as Appendix 8 and the Financial Statements as Appendix 9.

The Auditor's Report was presented and attached to the minutes as Appendix 10.

### 7 §

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

Two shareholders of the Company (Appendix 2), with a total of 9,873 class B shares and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 7 of the agenda, 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 approved the Financial Statements for the financial period of January 1 to December 31, 2009.

### 8 §

#### **Resolution on the use of the profit shown on the balance sheet and the payment of dividend**

It was noted that the Board of Directors had proposed that a dividend of EUR 1.295 be paid for each of class A share and a dividend of EUR 1.30 be paid for each of class B share for the 2009 financial period. Half of the proposed dividend is constituted by extra dividend related to KONE's 2010 celebration year. The record date for dividend payment is March 4, 2010 and the dividend will be paid on March 11, 2010.

It was also noted that the Board of Directors had proposed that the Board be authorized to grant during 2010 no more than EUR 3,500,000 to support activities of universities and colleges and that 100,000 class B shares held by KONE Corporation be granted without consideration to the KONE Corporation's Centennial Foundation possibly to be established and that the Board be authorized to grant later no more than EUR 100,000 to the KONE Corporation's Centennial Foundation. The aggregate value of the grants is EUR 6,500,000.

It was noted that the parent company's unrestricted equity on December 31, 2009 is EUR 1,561,214,658.74, of which the net profit for the financial period is EUR 181,888,247.92.

The Board of Director's proposal was attached to the minutes as Appendix 11.

The Annual General Meeting decided to distribute dividend in accordance with the Board's proposal. The Annual General Meeting also decided, in accordance with the proposal of the Board of Directors, that the Board be authorized to grant during 2010 no more than EUR 3,500,000 to support activities of universities and colleges and that 100,000 class B shares of KONE Corporation be granted without consideration to the KONE Corporation's Centennial

Foundation possibly to be established and that the Board be authorized to grant later no more than EUR 100,000 to the KONE Corporation's Centennial Foundation.

It was noted that the donations for philanthropic purposes are reasonable in view of their purpose of use and the Company's position and other circumstances and, in addition, there is an especially weighty financial reason for the transfer of the shares, taking into consideration KONE Corporation's business, capital position, market value and various interest groups, corporate responsibility and the ensuring of high-quality scientific expertise.

It was noted that the decision with respect to the donations to KONE Corporation's Centennial Foundation was conditional upon the decision by the Annual General Meeting on the establishment of KONE Corporation's Centennial Foundation later under section 16 of the agenda. It was also noted that section 16 of the agenda only required a decision on the establishment of KONE Corporation's Centennial Foundation proposed by the Board.

### **9 §**

#### **Resolution on granting discharge from liability to the Members and Deputy Member of the Board of Directors and the CEO & President**

Three shareholders of the Company, with a total of 135,600 class B shares (Appendix 1) and represented by Niina Väisänen from Svenska Handelsbanken AB (publ), six shareholders, with a total of 72,182 class B shares (Appendix 3) and represented by Kati Lappalainen from Nordea Bank Finland plc, and five shareholders, with a total of 31,156 class B shares (Appendix 1) and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 9 of the agenda of the Annual General Meeting, Resolution on granting discharge from liability to the Members and Deputy Member of the Board of Directors 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.

The Annual General Meeting decided to grant discharge from liability to the Board Members, the Deputy Member and the CEO & President for the 2009 financial period.

### **10 §**

#### **Resolution on the remuneration of the Members and Deputy Members of the Board of Directors**

It was noted that the Nomination and Compensation Committee of the Board had proposed to the Annual General Meeting that the following annual fees for the Board Members to be elected be paid for the term that starts at the closing of this Annual General Meeting and ends at the closing of the 2011 Annual General Meeting:

Chairman of the Board of Directors EUR 54,000,  
Vice Chairman EUR 42,000,  
other Board Members each EUR 30,000,  
Deputy Board Member EUR 15,000.

It was noted that the Nomination and Compensation Committee of the Board had further proposed that, in addition to the annual fees, an EUR 500 fee per meeting be paid for each Board Member for participating in Board and Committee meetings.

The proposal of the Nomination and Compensation Committee of the Board was attached to the minutes as Appendix 12.

Three shareholders of the Company, with a total of 157,760 class B shares (Appendix 3) and represented by Kati Lappalainen from Nordea Bank Finland plc, and two shareholders, with a total of 2,812 class B shares (Appendix 2) and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 10 of the agenda of the Annual General Meeting, Resolution on the remuneration of the Members and Deputy Members of the Board of Directors. The shareholders in question stated that they would 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 proposal of the Nomination and Compensation Committee of the Board for the fees for the Board Members and Deputy Members.

#### **11 §**

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

It was noted that, in accordance with the Articles of Association, the Board of Directors shall include at minimum five and at maximum eight Members and at maximum three Deputy Members. During the 2009 financial period, the Board consisted of eight regular Members and one Deputy Member.

It was noted that the Nomination and Compensation Committee of the Board had proposed to the Annual General Meeting that the number of Board Members be confirmed at eight regular Members and one Deputy Member.

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

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

#### **12 §**

#### **Election of Members and Deputy 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 and one Deputy Member.

It was noted that, during the 2009 financial period, the Board consisted of the following Members: Chairman Antti Herlin, Vice Chairman Sirkka Hämäläinen-Lindfors, and regular

Board Members Matti Alahuhta, Anne Brunila, Reino Hanhinen, Juhani Kaskeala, Shunichi Kimura and Sirpa Pietikäinen, and Deputy Member Jussi Herlin.

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 2011 Annual General Meeting:

Antti Herlin,  
Sirkka Hämäläinen-Lindfors,  
Matti Alahuhta,  
Anne Brunila,  
Reino Hanhinen,  
Juhani Kaskeala,  
Shunichi Kimura, and  
Sirpa Pietikäinen

and that the following person be re-elected as a Deputy Member to the Board:  
Jussi Herlin.

It was noted that all proposed Members of the Board and the Deputy Member 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 14.

Thirty-seven shareholders of the Company, with a total of 1,472,652 class B shares (Appendix 1) and represented by Niina Väisänen from Svenska Handelsbanken AB (publ), 158 shareholders, with a total of 9,193,814 class B shares (Appendix 3) and represented by Kati Lappalainen from Nordea Bank Finland plc, and 345 shareholders, with a total of 10,051,560 class B shares (Appendix 2) and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 12 of the agenda of the Annual General Meeting, Election of Members and Deputy Members of the Board of Directors. The shareholders in question stated that they would 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 elect the persons proposed by the Nomination and Compensation Committee as Members and as Deputy Member of the Board for the term that starts at the closing of this Annual General Meeting and ends at the closing of the 2011 Annual General Meeting.

### 13 §

#### **Resolution on the remuneration of the Auditor**

It was noted that the Audit Committee of the Board of Directors had proposed to the Annual General Meeting that the Auditor to be elected be reimbursed according to the Auditor's invoice.

The Board's Audit Committee's proposal was attached to the minutes as Appendix 15.

Five shareholders of the Company, with a total of 59,283 class B shares (Appendix 2) and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 13 of the agenda of the Annual General Meeting, Resolution on the remuneration of the Auditor. The shareholders in question stated that they would 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 in accordance with the proposal of the Audit Committee of the Board that the Auditor will be reimbursed according to the Auditor's invoice.

#### **14 §**

##### **Decision on the number of Auditors**

It was noted that in accordance with the Articles of Association, the Company shall have at least one and a maximum of three Auditors. The Auditors shall be authorized public accountants.

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

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 that two Auditors be elected for the Company for a term that ends at the closing of the 2011 Annual General Meeting.

#### **15 §**

##### **Election of the 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.

It was noted that during the 2009 financial period, Heikki Lassila, Authorized Public Accountant, and authorized public accountants PricewaterhouseCoopers Ltd, with Niina Vilske, 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 the Annual General Meeting elect authorized public accountants PricewaterhouseCoopers Oy and Heikki Lassila, Authorized Public Accountant, as the Company's Auditors.

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

Six shareholders of the Company, with a total of 68,670 class B shares (Appendix 2) and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 15 of the agenda of the Annual General Meeting, Election of the Auditors. The shareholders in question stated that they would 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 in accordance with the proposal of the Audit Committee of the Board to re-elect authorized public accountants PricewaterhouseCoopers Oy and Heikki Lassila, Authorized Public Accountant, as Auditors for a term that ends at the closing of the 2011 Annual General Meeting.

### **16 §**

#### **Establishment of the KONE Corporation's Centennial Foundation and transfer of treasury shares**

It was noted that the Board of Directors had proposed to the Annual General Meeting that the KONE Corporation's Centennial Foundation be established. The purpose of the foundation is to advance and support developmental, educational and cultural activities for children and youth around the world. A total of 100,000 class B shares of KONE Corporation held by the Company were proposed to be transferred without consideration to the foundation to constitute its original capital. It was further noted that the Board of Directors had proposed that the Annual General Meeting approve the deed and by-laws of the foundation attached hereto as Appendices 18 and 19 and authorize the Board of Directors of the Company to make to the by-laws any technical amendments and corrections possibly required by the register of foundations.

The Board of Director's proposal was attached to the minutes as Appendix 20.

Two shareholders of the Company, with a total of 116,800 class B shares (Appendix 1) and represented by Niina Väisänen from Svenska Handelsbanken AB (publ), objected to section 16 of the agenda of the Annual General Meeting, Establishment of the KONE Corporation's Centennial Foundation and transfer of treasury shares. The shareholders in question stated that they would 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, in accordance with the proposal of the Board of Directors, to establish the KONE Corporation's Centennial Foundation, approved the deed and by-laws of the foundation attached hereto as Appendices 18 and 19 and authorized the Board of Directors of the Company to make to the by-laws any technical amendments and corrections possibly required by the register of foundations. It was noted that since the Annual General Meeting had decided to establish the KONE Corporation's Centennial Foundation, the Board is authorized in accordance with section 8 of the agenda, Resolution on the use of the profit shown on the balance sheet and the payment of dividend, to transfer without consideration to the foundation 100,000 class B shares held by KONE Corporation to constitute its original capital and to grant later no more than EUR 100,000 to the foundation.

### **17 §**

#### **Authorizing the Board of Directors to decide on the repurchase of the Company's shares**

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorized to decide on the repurchase of the Company's shares with assets from the Company's unrestricted equity as follows:

The number of the Company's shares to be repurchased may not exceed 25,570,000 shares 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 Ltd 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 Ltd 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 Ltd at the market price as per the time of purchase.

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

The Board of Director's proposal was attached to the minutes as Appendix 21.

The Annual General Meeting decided 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.

#### 18 §

#### **Authorizing the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares**

It was noted that the Board of Directors had proposed to the Annual General Meeting that the Board of Directors be authorized to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares referred to in Chapter 10, section 1 of the Limited Liability Companies Act as follows:

The number of shares to be issued based on this authorization shall not exceed 3,810,000 class A shares and 21,760,000 class B shares. The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

In addition, it was noted that the Board of Directors had proposed that the authorization remain in effect for a period of five years following the date of decision of the Annual General Meeting.

The Board of Director's proposal was attached to the minutes as Appendix 22.

Two shareholders of the Company, with a total of 116,800 class B shares (Appendix 1) and represented by Niina Väisänen from Svenska Handelsbanken AB (publ), six shareholders, with a total of 4,156,708 class B shares (Appendix 3) and represented by Kati Lappalainen from Nordea Bank Finland plc, and 15 shareholders, with a total of 295,831 class B shares and represented by Tomi Tuominen from Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, objected to section 18 of the agenda of the Annual General Meeting. Authorizing the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares. The shareholders in question stated that they would 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 authorize the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares referred to in Chapter 10, section 1 of the Limited Liability Companies Act in accordance with the proposal of the Board of Directors.

**19 §**  
**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 website as of March 8, 2010.

The Chairman closed the meeting at 12:25 p.m.

Chairman of the Annual General Meeting: *MERJA KIVELÄ*  
Merja Kivelä

In fidem: *MARIANNE LUOTIO*  
Marianne Luotio

The minutes have been scrutinised and approved by: *HILKKA SALONEN*  
Hilkka Salonen

**APPENDICES**

- Appendix 1 Summary list of the voting instructions of shareholders represented by Svenska Handelsbanken AB (publ)
- Appendix 2 Summary list of the voting instructions of shareholders represented by Skandinaviska Enskilda Banken AB (publ), Helsinki Branch
- Appendix 3 Summary list of the voting instructions of shareholders represented by Nordea Bank Finland plc
- Appendix 4 The summons to the Annual General Meeting published in Helsingin Sanomat on January 28, 2010
- Appendix 5 The summons to the Annual General Meeting published in Kauppalehti on January 28, 2010
- Appendix 6 the summons to the Annual General Meeting published in Hufvudstadsbladet on January 28, 2010
- Appendix 7 The list recording the attendance at the beginning of the meeting and the list of votes
- Appendix 8 The Review of CEO Matti Alahuhta
- Appendix 9 Financial Statements of KONE 2009
- Appendix 10 The Auditor's Report of Pricewaterhouse Coopers Oy dated January 26, 2010
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- Appendix 12 The proposal of the Nomination and Compensation Committee of the Board concernig the resolution on the remuneration of the Members and Deputy Members of the Board of Directors
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- Appendix 15 The Board's Audit Committee's proposal concerning the remuneration of the Auditor
- Appendix 16 The Board's Audit Committee's proposal concerning the decision on the number of Auditors
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- Appendix 18 The by-laws of the KONE Corporation's Centennial Foundation
- Appendix 19 The deed of the KONE Corporation's Centennial Foundation
- Appendix 20 The Board of Director's proposal concernig the establishment of the KONE Corporation's Centennial Foundation and transfer of treasury shares
- Appendix 21 The Board of Director's proposal concernig the authorisation of the Board of Directors to decide on the repurchase of the Company's shares
- Appendix 22 The Board of Director's proposal concernig the authorisation of the Board of Directors to decide on the issuance of shares as well as the issuance of options and other special rights entitling to shares