

Minutes No. 1/2015 of KONE Corporation's Annual General Meeting, which was held at the Finlandia Hall in Helsinki on 23 February 2015 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 Attorney-at-Law Sanna Linna-Aro 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 Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, Svenska Handelsbanken AB (publ), Branch Operation in Finland, Nordea Bank Finland plc and Euroclear Bank SA/NV 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. Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, Svenska Handelsbanken AB (publ), Branch Operation in Finland, Nordea Bank Finland plc and Euroclear Bank SA/NV had stated that their clients 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 Skandinaviska Enskilda Banken AB (publ), Helsinki Branch, Svenska Handelsbanken AB (publ), Branch Operation in Finland and Nordea Bank Finland plc will be attached to the minutes (Appendices 1, 2 and 3).

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, and they would not be recorded under the agenda item concerned.

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**

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 29, 2015 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 at NASDAQ OMX Helsinki Ltd on January 29, 2015. Bulletins regarding the Annual General Meeting had been published in Kauppalehti and Helsingin Sanomat on February 2, 2015.

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 and 5.

**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 2,453 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 448,201,216. The Company held a total of 10,683,398 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 235,165,262 class B shares representing 23,515,909 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 6. 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 regular Board Members were also present at the Annual General Meeting: Chairman Antti Herlin, Shinichiro Akiba, Matti Alahuhta, Anne Brunila, Jussi Herlin, Sirkka Hämäläinen-Lindfors, Ravi Kant, Juhani Kaskeala and Sirpa Pietikäinen. It was noted that Iris Herlin, a Deputy Board Member, and Kazunori Matsubara, who were Board Member candidates were also present at the meeting. 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 authorized public accountants PricewaterhouseCoopers Ltd, with Pasi Karppinen, Authorized Public Accountant, as the principal auditor and Niina Vilske, Authorized Public Accountant, who was an Auditor candidate were also present at the Annual General Meeting.

In addition, meeting officials and other members of company management were 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 2014**

It was noted that the documents relating to the Company's annual accounts of 2014 were available to the participants of the Annual General Meeting at the meeting. The Financial Statements were published by a stock exchange release on January 29, 2015. 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 29, 2015.

President & CEO Henrik Ehrnrooth gave a status review and presented the main points of the 2014 Financial Statements.

It was recorded that the annual accounts of the Parent Company had been prepared in accordance with Finnish accounting standards and that the consolidated annual accounts had been prepared in accordance with the international financial reporting standards (IFRS).

The President & CEO Review was attached to the minutes as Appendix 7 and the Financial Statements as Appendix 8.

The Auditor's Report was presented and attached to the minutes as Appendix 9.

The Financial Statements, Consolidated Financial Statements and Auditor's Report were noted as having been duly reviewed.

## 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, 2014.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 284,659 opposing class B shares and 1,674,249 abstaining class B shares.

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

It was noted that the parent company's unrestricted equity on December 31, 2014 was EUR 1,238,147,924.86, of which the net profit for the financial period was EUR 404,065,028.22.

It was noted that the Board of Directors had proposed that a dividend of EUR 1.1975 be paid for each of class A share and a dividend of EUR 1.20 be paid for each of class B share for the 2014 financial period from the parent company's distributable funds. The record date for dividend payment is February 25, 2015 and the dividend will be paid on March 4, 2015.

The Board of Director's proposal was attached to the minutes as Appendix 10.

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: 129,765 abstaining class B shares.

**9 §****Resolution on the discharge of the Members of the Board of Directors, Deputy Board Member and the President & CEOs from liability**

It was noted that the discharge from liability for the financial year 2014 concerned the following persons:

Antti Herlin, Chairman of the Board of Directors,  
Jussi Herlin, Vice Chairman,  
Shinichiro Akiba, Board Member,  
Matti Alahuhta, Board Member, President & CEO January 1 to March 31, 2014,  
Anne Brunila, Board Member,  
Sirikka Hämäläinen-Lindfors, Board Member,  
Ravi Kant, Board Member as of 24 February 2014  
Juhani Kaskeala, Board Member,  
Sirpa Pietikäinen, Board Member,  
Iiris Herlin, Deputy Board Member and  
Henrik Ehrnrooth, President & CEO as of 1 April 2014.

The Annual General Meeting decided to grant discharge from liability to the Board Members, Deputy Board Member and President & CEOs for the 2014 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: 993,884 opposing class B shares and 1,547,915 abstaining class B shares.

**10 §****Resolution on the remuneration of the 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 2016 Annual General Meeting:

Chairman of the Board of Directors EUR 54,000,  
Vice Chairman EUR 44,000, and  
Board Members each EUR 33,000.

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 but anyhow EUR 2,000 fee per those Committee meetings for the members residing outside of Finland.

It was noted that the Nomination and Compensation Committee of the Board had further proposed that, 40 per cent of the annual remuneration will be paid in class B shares of KONE Corporation and the rest in cash. It was noted that the Committee had further proposed that possible travel expenses shall 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 11.

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: 579,643 opposing class B shares and 129,765 abstaining class B shares.

**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 Members and at maximum three Deputy Members. During the 2014 financial period, the Board consisted of nine 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 as nine regular Members.

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

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 nine 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: 129,765 abstaining class B shares.

## **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 nine regular Members.

It was noted that, during the term that started at the closing of the 2014 Annual General Meeting, the Board consisted of the following Members: Chairman Antti Herlin, Vice Chairman Jussi Herlin, and regular Board Members Shinichiro Akiba, Matti Alahuhta, Anne Brunila, Sirkka Hämäläinen-Lindfors, Ravi Kant, Juhani Kaskeala and Sirpa Pietikäinen and Deputy Member Iris 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 2016 Annual General Meeting:

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

and that the following persons be elected as new Members of the Board  
Iris Herlin and Kazunori Matsubara.

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 13.

The Annual General Meeting decided to elect the persons proposed by the Nomination and Compensation Committee as Members of the Board for the term that starts at the closing of the 2015 Annual General Meeting and ends at the closing of the 2016 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: 279,165 abstaining class B shares.

**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 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 14.

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.

It was recorded that votes of nominee registered and other shareholders represented by the banks were given under this agenda item as follows: 1,136,153 opposing class B shares and 160,053 abstaining class B shares.

**14 §****Resolution on the number of the 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. 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 15.

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 2016 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: 129,765 abstaining class B shares.

**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.

It was noted that, during the term that started at the closing of the 2014 Annual General Meeting, Heikki Lassila, Authorized Public Accountant, and authorized public accountants PricewaterhouseCoopers Ltd, 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 the Annual General Meeting elect authorized public accountants PricewaterhouseCoopers Oy and Niina Vilske, Authorized Public Accountant, as the Company's Auditors.

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 to elect authorized public accountants PricewaterhouseCoopers Oy and Niina Vilske, Authorized Public Accountant, as Auditors for a term that ends at the closing of the 2016 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: 280,815 abstaining class B shares.

### **16 §**

#### **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 52,440,000 shares 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 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 authorization 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 17.

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: 225,054 opposing class B shares and 129,765 abstaining class B shares.

### **17 §**

#### **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 Finnish Companies Act as follows:

The amount of shares to be issued based on this authorization shall not exceed 7,620,000 class A shares and 44,820,000 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' preemptive rights (directed issue).

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 General Meeting.

The Board of Director's proposal was attached to the minutes as Appendix 18.

The Annual General Meeting resolved 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 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: 47.569.208 opposing class B shares and 129,765 abstaining class B shares.

**18 §  
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 9, 2015 at the latest.

The Chairman closed the meeting at 12:27.

Chairman of the Annual General Meeting:

\_\_\_\_\_  
Merja Kivelä

In fidem:

\_\_\_\_\_  
Sanna Linna-Aro

The minutes have been scrutinized and approved by:

\_\_\_\_\_

Hilkka Salonen

**APPENDICES**

- Appendix 1 Summary list of the voting instructions provided by Skandinaviska Enskilda Banken AB (publ), Helsinki Branch
- Appendix 2 Summary list of the voting instructions provided by Svenska Handelsbanken AB (publ), Branch Operation in Finland
- Appendix 3 Summary list of the voting instructions provided by Nordea Bank Finland plc
- Appendix 4 Summons to the Annual General Meeting published on the Company's internet site on January 29, 2015
- Appendix 5 Summons to the Annual General Meeting published as stock exchange release on January 29, 2015
- Appendix 6 List recording the attendance at the beginning of the meeting and the list of votes
- Appendix 7 Review of President & CEO Henrik Ehrnrooth
- Appendix 8 Financial Statements of KONE 2014
- Appendix 9 Auditor's Report of PricewaterhouseCoopers Oy dated January 29, 2015
- Appendix 10 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 11 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 12 Proposal of the Nomination and Compensation Committee of the Board concerning the number of the Members of the Board of Directors
- Appendix 13 Proposal of the Nomination and Compensation Committee of the Board concerning the election of the Members of the Board of Directors
- Appendix 14 Proposal of the Audit Committee of the Board of Directors concerning the remuneration of the Auditors
- Appendix 15 Proposal of the Audit Committee of the Board of Directors concerning the number of Auditors
- Appendix 16 Proposal of the Audit Committee of the Board of Directors concerning the election of the Auditors
- Appendix 17 Proposal of the Board of Directors concerning the authorisation of the Board of Directors to decide on the repurchase of the Company's shares
- Appendix 18 Proposal of the Board of Directors concerning 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