

Corporate governance statement

KONE's general governance principles

The duties and responsibilities of KONE Corporation's various governing bodies are determined by Finnish law and KONE's corporate governance principles. KONE complies with the Finnish Corporate Governance Code 2015 published by the Securities Market Association, with the exception

of recommendations 16 (Independence of the company of the members of the audit committee), 17 (Independence of the company of the members of the remuneration committee) and 18a (Independence of the company of the members of the nomination committee). The entire Code is available on the Internet at www.cgfinland.fi. These exceptions are due to the company's ownership structure. The company's largest shareholder, Antti Herlin, controls 62 percent of the company's voting rights and 22 percent of its shares. The significant entrepreneurial risk associated with ownership justifies the main shareholder serving as either Chairman or Member of the Board of Directors and of its Committees and, in this capacity, overseeing the shareholders' interests.

KONE's administrative bodies and officers with the greatest decision-making power are the General Meeting of Shareholders, the Board of Directors of KONE Corporation, the full time Chairman of the Board and the President and CEO. At the Annual General Meeting of Shareholders, the shareholders approve the consolidated financial statements, decide on the distribution of profits, select the members of the Board of Directors and the auditors and determine their compensation.

KONE Corporation's Annual General Meeting is convened by the Board of Directors. According to the Articles of Association, the Annual General Meeting of Shareholders shall be held within three months of the closing of the financial year on a date decided by the Board of Directors.

Board of Directors

Duties and responsibilities

The Board of Directors' duties and responsibilities are defined primarily by the Articles of Association and the Finnish Limited Liability Companies' Act. The Board's duties include:

- compiling of the Board of Directors' report, interim reports and financial statements
- ensuring the proper organization and surveillance of the accounting and asset management

- the preparation of proposals for the General Meeting and the convocation of the General Meetings
- the approval and confirmation of strategic guidelines and the principles of risk management the ratification of annual budgets and plans
- the appointment of a full-time Chairman of the Board and a President and CEO, and decisions on the terms and conditions of their employment
- decisions on the company's corporate structure
- decisions on major acquisitions and investments
- decisions on other matters falling under the Board's responsibility by law

The Board has created rules of procedure stipulating the duties of the Board, its Chairman and its Committees. The Board of Directors holds six regular meetings a year and additional meetings as required. The Board of Directors reviews its own performance and procedures once a year.

Members of the Board

The Annual General Meeting elects five to ten members and no more than three deputy members to the Board of Directors for one year at a time in accordance with KONE Corporation's Articles of Association. The Board of Directors elects a Chairman and Vice Chairman among its members. The proposals for Board members are prepared at the Nomination and Compensation Committee and under the steering of the Chairman of the Board. During the preparation and in the proposal to the General Meeting of Shareholders attention is paid to the board candidates' broad and mutually complementary background, experience, expertise, age, gender and views of both KONE's business and other businesses so that the diversity of the board supports KONE's business and its future in the best available way.

Committees

The Board of Directors has appointed two committees consisting of its members: the Audit Committee and the Nomination and Compensation Committee. The Board has confirmed rules of procedure for both Committees. The Secretary to the Board acts as the Secretary of both Committees.

The Audit Committee monitors the Group's financial situation and supervises reporting related to the financial statements and interim reports. The Audit Committee monitors and assesses the adequacy and appropriateness of KONE's internal control and risk management, as well as the adherence to rules and regulations. It

also monitors and oversees the financial statement and financial reporting process. In addition, the Audit Committee processes the description of the main features of the internal control and risk management systems pertaining to the financial reporting process included in the company's corporate governance statement. In addition, it deals with the Corporation's internal audit plans and reports. The Director of Internal Audit reports the internal audit results to the Committee. The Audit Committee evaluates the auditing of the Group's companies and the appropriateness of the related arrangements and auditing services, and considers the auditors' reports. Furthermore, the Committee formulates a proposal to the Annual General Meeting regarding the auditors to be selected for the Corporation.

The Nomination and Compensation Committee prepares proposals to be made to the Annual General Meeting regarding the nomination of Board members and their compensation and makes decisions regarding senior management appointments and compensation. The Committee also decides on the compensation systems to be used.

Management

Full-time Chairman of the Board and the President and CEO

KONE Corporation's Board of Directors appoints the full-time Chairman of the Board and the President and CEO. The Board determines the terms and conditions of employment of the full-time Chairman of the Board and the President and CEO, and these are defined in their respective written contracts. The Chairman of the Board prepares matters to be considered by the Board together with the President and CEO and the corporate staff. The Chairman of the Board and the President and CEO are responsible for the execution of the targets, plans, strategies and goals set by the Board of Directors within the KONE Group. The President and CEO is also responsible for operational leadership within the scope of the strategic plans, budgets, operational plans, guidelines and orders approved by KONE Corporation's Board of Directors. The President and CEO presents operational issues to the Board, and is responsible for implementing the decisions of the Board.

Executive Board

The Executive Board supports the President and CEO in executing the corporate strategy. The Executive Board follows business developments, initiates actions and defines operating principles and methods in accor-

dance with guidelines handed down by the Board of Directors and the President and CEO. The Executive Board holds regular monthly meetings and additional meetings as required.

Control systems

KONE Corporation's Board of Directors has ratified the principles of internal control, risk management and internal auditing to be followed within the Group.

Internal control

The goal of KONE's internal control system is to ensure that the Group's operations are efficient and profitable, that its business risk management is adequate and appropriate, and that the information created is reliable. The control system also makes it possible to oversee that the determined operating principles, given instructions and possible related party transactions are followed.

The Board's Audit Committee monitors the functioning of the internal control process. The Corporation has an Internal Audit Department, which is separate from the management. The Head of Internal Audit reports to the Chairman of the Board. The Internal Audit Department is responsible for auditing both the internal control system and the management of business risks. It reports its findings to the Audit Committee.

Risk management

KONE's Risk Management function coordinates and develops a systematic assessment of risks and opportunities within core business planning and decision-making processes together with the Strategy Development function.

KONE continuously assesses the risks and opportunities related to its business environment, operations and financial performance in order to limit unnecessary or excessive risks. In addition, KONE's units and functions systematically identify and assess, as part of the strategic planning and budgeting processes, the risks that can threaten the achievement of their business objectives. Key risks are reported to the Risk Management function, which facilitates the risk management process and consolidates the risk information to the Executive Board. The Executive Board assigns the ownership of identified risk exposures to specific functions or units. The Board of Directors reviews the KONE risk portfolio regularly

on the basis of the Executive Board's assessment.

The Risk Management function is also responsible for administering the global insurance programs. The Treasury function manages financial risks centrally according to the KONE Treasury Policy.

Main features of internal control and risk management related to financial reporting

Correct financial reporting in KONE's internal control framework means that its financial statements give a true and fair view of the operations and the financial position of the group and that such statements do not include intentional or unintentional misstatements or omissions both in respect of the figures and level of disclosure. The internal control framework is built and based on reporting processes and frameworks as described below, as well as company values, a culture of honesty and high ethical standards. Such framework is promoted by proper training, a positive and a disciplined work attitude and by the hiring and promoting of suitable employees.

Corporate-wide financial management and control of operations is coordinated by the Global Finance and Control function and implemented by a network of subsidiary and business entity Controllers within KONE. Internal control processes and procedures are regularly controlled and steered by the Board of Directors, the Audit Committee, Business and Finance management and internal and external auditors.

KONE's monthly management planning and financial reporting process represents a key control procedure within KONE in ensuring the effectiveness and efficiency of operations. KONE's financial statements are based on the monthly management reporting process. This process includes in-depth analyses of deviations between actual performance, budgets, prior year performance and latest forecasts for the business. The process covers financial information as well as key performance indicators that measure the operational performance on a business unit and corporate level. The process is designed to ensure that any deviations from plans, in terms of financial or operating performance and financial management policies are identified, communicated and reacted upon efficiently, in a harmonized and timely manner.

Financial control tasks are built into the business processes of KONE as well as into the ongoing business supervision and monitoring of the management. KONE has established Financial Control Models for order-based activities, service activities as well as for treasury and tax matters. The models have been defined in order to ensure that the financial control covers the relevant tasks in an efficient and timely manner. Financial Control Models are designed to support the efficiency and effectiveness of operations through

well-defined and productive monitoring process. The correctness of the financial reporting is supported and monitored through the Financial Control Models. The models include Key Control Tasks for Finance Directors and controllers of KONE's subsidiaries and business entities. Key Control Indicators are defined and linked to the tasks in the Financial Control Models. The aim of these indicators is to measure and support the effectiveness and harmonization of operations. The effectiveness of the Financial Control Models and indicators is assessed in all units regularly and monitored by the Global Finance and Control Function.

The internal control procedures applied to KONE's financial reporting process are laid down in carefully defined principles and instructions. A unified and globally harmonized framework provides processes, tools and instructions to cover managerial and external financial reporting. The interpretation and application of accounting standards is centralized in the Global Finance and Control function, which maintains, under supervision of the Audit Committee, the KONE Accounting Standards. The Global Finance and Control function monitors the compliance of the KONE Accounting Standards in the various entities of the group. Budgeting and reporting processes and contents are defined in the KONE Accounting and Reporting Instructions. These standards and instructions are maintained and updated centrally by the Global Finance and Control function and applied uniformly throughout KONE.

KONE has a global enterprise resource planning (ERP) system which is built to reflect the KONE Accounting Standards and KONE Accounting and Reporting Instructions. KONE applies a controlled change management process ensuring that no changes to the financial posting logic of the ERP system can be made without approval from the Global Finance and Control function. Automatic interfaces between different systems are principally applied in the period-end financial reporting process of KONE. Transactional processing is increasingly automated and centralized in dedicated internal shared service centers.

Effective internal control over record to report processes, from business processes and systems to the financial statements, is important in ensuring the correctness of financial reporting. This is driven by the identification of key data elements of the business and the quality of the data to ensure correct financial reporting and forecasting ability.

Auditing

The objective of a statutory audit is to express an opinion whether the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the group, as well as whether the parent company's

More information

Most significant risks and uncertainties related to KONE's business are described in the Board of Directors' Report. Financial risk management is described in note 2.4 and 5.3.



financial statements give a true and fair view of the parent company's financial performance and financial position. Statutory audit encompasses also the audit of the accounting and governance in the company. The auditor considers whether the information in the Board of Directors' report is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable legal requirements.

According to the Articles of Association, the company must have a minimum of one and a maximum of three Auditors. The Auditors must be public accountants or public accounting firms authorized by Finland's Central Chamber of Commerce. The Auditor is elected at the Annual General Meeting for a term which expires at the end of the following Annual General Meeting.

Insiders

KONE Corporation adheres to the insider guidelines of the Nasdaq Helsinki Ltd, which have been supplemented with internal insider guidelines approved by the Board of Directors. In compliance with the Market Abuse Regulation, the person discharging managerial responsibilities in KONE Corporation (managers) include the members and deputy members of the Board of Directors, the President and CEO and members of the Executive Board. Managers are permitted to trade in KONE shares and other financial instruments of KONE during a six-week period after the release of interim reports and financial statements releases. KONE does not maintain a list of permanent insiders. KONE has resolved to maintain the insider list with respect to each quarter and year-end financial reporting. The company also maintains other project-specific insider lists when necessary. Project-specific insiders are prohibited from trading with financial instruments of KONE until the termination of the project.

The person in charge of KONE's insider issues is the Secretary to the Board of Directors.

Corporate governance in 2017

Annual General Meeting

The Annual General Meeting was held in Helsinki, Finland on February 28, 2017.

More information

This statement is available on the company's web pages at www.kone.com and it has been given separately of the Board of Directors' report

Board of Directors and committees

The Annual General Meeting elected eight members to KONE's Board of Directors. The full-time Chairman of the Board of Directors of KONE Corporation is Antti Herlin. Jussi Herlin is the Vice Chairman of the Board. The other members of the Board are Matti Alahuhta, Anne Brunila, Iiris Herlin, Ravi Kant, Juhani Kaskeala and Sirpa Pietikäinen. Out of the eight Board Members, five are male and three female.

Of the Board members, Matti Alahuhta, Anne Brunila, Iiris Herlin, Ravi Kant, Juhani Kaskeala and Sirpa Pietikäinen are independent of the Corporation. With the exception of Antti Herlin, Iiris Herlin and Jussi Herlin, the other Board members are independent of the Corporation's significant shareholders.

In 2017, the Board of Directors convened 7 times, with an average attendance rate of 96%. Jukka Ala-Mello serves as Secretary to the Board and to its Committees.

Audit committee

The Board of Directors' Audit Committee comprises Jussi Herlin (Chairman), Anne Brunila (independent member), Antti Herlin and Ravi Kant (independent member).

The Audit Committee held 3 meetings in 2017, with an average attendance rate of 100%.

Caj Lövegren serves as the Head of Internal Audit.

Nomination and compensation committee

The Nomination and Compensation Committee comprises Antti Herlin (Chairman), Matti Alahuhta (independent member), Jussi Herlin and Juhani Kaskeala (independent member).

The Nomination and Compensation Committee held 3 meetings in 2017, with an average attendance rate of 100%.

Number of Board and Committee meetings in 2017 and participant attendance:

	Board	Audit Committee	Nomination and Compensation Committee
Antti Herlin	7/7	3/3	3/3
Jussi Herlin	7/7	3/3	3/3
Matti Alahuhta	6/7		3/3
Anne Brunila	6/7	3/3	
Iiris Herlin	7/7		
Ravi Kant	7/7	3/3	
Juhani Kaskeala	7/7		3/3
Sirpa Pietikäinen	7/7		

Compensation and other benefits of the Board of Directors

The Annual General Meeting of KONE Corporation in February 2017 confirmed the fees of the members of the Board as follows (annual fees in EUR):

Chairman of the Board	54,000
Vice chairman	44,000
Member	37,000

Of the annual remuneration, 40 percent was paid in class B shares of KONE Corporation and the rest in cash. It was also confirmed that a meeting fee of EUR 500 is paid for each meeting of the Board and its committees but anyhow EUR 2,000 fee per those Committee meetings for the members residing outside of Finland. Board members' travel expenses and daily allowances are compensated in accordance with the company's travel expense policy.

Compensation and other benefits of the Chairman

The compensation for Antti Herlin, full-time Chairman of the Board, consists of a basic salary and a yearly bonus decided by the Board on the basis of the Group's financial result. The yearly bonus may not exceed 100 percent of the recipient's annual salary. In 2017, Antti Herlin's basic salary was EUR 468,488. In addition, his accrued bonus for 2017 totaled EUR 399,152. He was also paid EUR 60,500 as compensation for serving as Chairman of the Board. Antti Herlin's holdings of shares are presented in the table on page 83.

The full-time Chairman's retirement age and pension are determined in accordance with Finland's Pensions Act. No separate agreement regarding early retirement has been made.

President and CEO

Henrik Ehrnrooth serves as KONE Corporation's President and CEO.

Compensation and other benefits of the President and CEO

The President and CEO's compensation consists of a basic salary and a yearly bonus determined annually by the Board on the basis of the Corporation's key targets. The yearly bonus may not exceed 100 percent of the recipient's annual salary.

Henrik Ehrnrooth's annual base salary is EUR 750,000. In addition, his accrued bonus for 2017 totaled EUR 540,750. Henrik Ehrnrooth's holdings of shares are presented in the table below.

Henrik Ehrnrooth is included in the share-based incentive plan for the Group's senior management. The potential bonus is based on the growth in KONE's net sales and operating profit. In April 2017, on the basis of the incentive plan for year 2016, Henrik Ehrnrooth received a bonus of EUR 3,322,885 which consisted of 36,715 KONE class B shares together with a cash bonus to cover taxes and similar charges arising from the receipt of shares. The corresponding bonus accrued from 2017 and due for payment in April 2018 is 35,031 KONE class B shares together with a cash bonus to cover taxes and similar charges arising from the receipt of shares.

Henrik Ehrnrooth's retirement age and pension are determined in accordance with Finland's Pensions Act. No separate agreement regarding early retirement has been made. Should his employment contract be terminated before retirement, he has the right to the equivalent of 18 months' salary, which includes the salary for a six-month term of notice.

Executive Board

KONE's Executive Board consists of President and CEO and 13 Members. Henrik Ehrnrooth serves as President and CEO. The other members of Executive Board are Max Alfthan, Axel Berkling, Klaus Cawén, Huges Delval (from February 1, 2017), Ilkka Hara, Thomas Hinnerskov, William Johnson, Mikko Korte, Heikki Leppänen, Pierre Liautaud, Tomio Pihkala, Susanne Skippari (from February 1, 2017), and Larry Wash. During the year, Executive Board members also included Pekka Kemppainen (until January 31, 2017) and Kerttu Tuomas (until January 31, 2017).

Compensation and other benefits of the Executive Board

The compensation for the members of the Executive Board comprises a base salary and a yearly bonus, based on the Group's annual result and the achievement of personal targets. The bonus amount is determined by the Nomination and Compensation Committee and may not exceed 50 percent of the annual salary.

The Executive Board members' holdings of shares are presented in the below table.

The members of the Executive Board are included in the share-based incentive

plan for senior management. In April 2017, on the basis of the incentive plan, the members of the Executive Board received a bonus of 246,323 KONE class B shares together with a cash bonus equal to the amount required to cover taxes and similar charges arising from the receipt of shares. The corresponding bonus accrued from 2017 and due for payment in April 2018 is 182,169 KONE class B shares together with a cash bonus equal to the amount of taxes and similar charges. No separate agreement regarding early retirement has been made for the members of the Executive Board. The compensation for the termination of the employment contract prior to retirement is a maximum of 15 months' salary, which includes the salary for a six-month term of notice.

Auditing

KONE Corporation's Auditors are Niina Vilske, Authorized Public Accountant, and PricewaterhouseCoopers Oy, Authorized Public Accountants. The fees paid to companies in the PricewaterhouseCoopers chain for 2017 were EUR 4.0 million for

auditing and EUR 0.9 million for other consulting services.

Insiders

The holdings of the Board of Directors and Management of KONE on December 31, 2017 and the changes occurring in them during the financial year are presented in the table below.

More information

As of July 3, 2016, the trades of KONE Board and Management are published as stock exchange releases.

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Shareholdings and options of KONE Board and Management on on Dec 31, 2017 and changes in shareholding during the period Jan 1–Dec 31, 2017

	Class A shares	Change	Class B shares	Change
Alahuhta Matti			753,212	+ 339
Alfthan Max			34,724	+ 14,686
Berkling Axel			24,760	+ 8,252
Brunila Anne			2,252	+ 339
Cawén Klaus			331,148	+ 25,686
Delval Huges			10,593	+ 5,035
Ehrnrooth Henrik			274,716	+ 36,715
Hara Ilkka			11,351	+ 11,015
Herlin Antti	70,561,608	-	45,845,472	+ 860,495
Herlin Iiris			134,259	+ 339
Herlin Jussi			108,453	+ 403
Hinnerskov Thomas			18,015	+ 18,015
Johnson William			132,156	+ 28,686
Kant Ravi			1,412	+ 339
Kaskeala Juhani			2,236	+ 339
Korte Mikko			31,194	+ 14,686
Leppänen Heikki			181,948	+ 28,686
Liautaud Pierre			60,032	+ 28,686
Pietikäinen Sirpa			7,412	+ 339
Pihkala Tomio			69,444	+ 28,686
Skippari Susanne			2,518	+ 2,518
Wash Larry			60,032	+ 28,686

Pekka Kemppainen owned 192,062 KONE class B shares, and Kerttu Tuomas owned 179,462 KONE class B shares on January 31, 2017. Susanne Skippari sold 8,000 KONE option rights during the year. The shares owned by companies in which the Board Member or Management exercises controlling power and minor children are also included in these shareholdings.

Board of Directors

Antti Herlin

Chairman of the Board

b. 1956, D.Sc. (Econ.) h.c., D.Arts h.c., D.Sc. (Tech) h.c.

Member of the Board since 1991.

Has served as Chairman of the Board since 2003. Previously served as CEO of KONE Corporation 1996–2006 and as Deputy Chairman 1996–2003.

Current key positions of trust are Chairman of the Board of Security Trading Oy and Holding Manutas Oy, Vice Chairman of the Board of Sanoma Corporation and Member of the Board of Caverion Corporation.

Jussi Herlin

Vice Chairman of the Board

b. 1984, M.Sc. (Econ)

Member of the Board since 2012.

Senior Business Analyst, Strategy Development at KONE Corporation since 2016. Previously served as Consultant at Accenture between 2012–2014 and Deputy Member of the Board of KONE Corporation during the years 2007–2012.

Current key positions of trust are Member of the Board of Security Trading Oy, Member of the Board of the Tiina and Antti Herlin Foundation, Member of the Board of Technology Industries of Finland, Member of the Board of TT Foundation for the Confederation of Finnish Industry and Employers, Member of the Board of Foundation for Economic Education's Supporters' Association and Member of the Supervisory Board of The Finnish Fair Corporation.

Matti Alahuhta

b. 1952, D. Sc. (Tech.), D.Sc. (Tech.) h.c.

Member of the Board since 2003.

Previously served as President of KONE Corporation since 2005, and President & CEO since 2006 to 2014, as Executive Vice President of Nokia Corporation 2004, as President of Nokia Mobile Phones 1998–2003 and as President of Nokia Telecommunications 1993–1998.

Current key positions of trust are Chairman of the Board of DevCo Partners Corporation, Chairman of the Board of Outotec Corporation, Member of the Board of AB Volvo and Member of the Board of ABB Ltd.

Anne Brunila

b. 1957, D.Sc. (Econ.), D.Sc. (Econ.) h.c.

Member of the Board since 2009.

Professor of Practice, Hanken School of Economics since 2014. Previously served as Executive Vice President, Corporate Relations and Strategy and Member of the Management Team of Fortum 2009–2012, as President and CEO of the Finnish Forest Industries Federation 2006–2009, in the Finnish Ministry of Finance as Director General 2003–2006 and in several advisory and executive positions in the Bank of Finland 1992–2000 and in the European Commission 2000–2002.

Current key positions of trust are Member of the Board of Stora Enso, Member of the Board of Sanoma Corporation and Chairman of the Board of Aalto University Foundation.

Iiris Herlin

b. 1989, M.Soc.Sc.

Member of the Board since 2015. Deputy Member of the Board between 2013 and 2014.

Current key positions of trust are Member of the Board of Security Trading Oy and Member of the Board of the Tiina and Antti Herlin Foundation.

Ravi Kant

b. 1944, B.Tech. (Hons.), M.Sc., D.Sc. (Hon)

Member of the Board since 2014.

Previously served in different positions in Tata Motors since 1999, and as Managing Director and CEO from 2005 to 2009 and after that as the Vice Chairman of the Board of Directors until 2014. Prior to that, he was Director, Consumer Electronics, Philips India; Director (Marketing), LML Ltd. and Vice President (Marketing), Titan Watches Ltd.

Current key positions of trust are Chairman of the Board of Indian Institute of Management Rohtak, Chairman of the Board of Indian Institute of Information Technology Allahabad, Member of the Board of Vedanta Ltd, Member of the Board of Hawkins Cookers Ltd and Member of the Advisory Board of Accenture India.

Juhani Kaskeala

b. 1946, Admiral.

Member of the Board since 2009.

Managing Director of Admiral Consulting Oy since 2011. Previously served in Finnish Defence Forces in several positions 1965–2009, last as Commander of the Finnish Defence Forces 2001–2009.

Current key positions of trust are Member of the Board of Oy Forcit Ab, Member of the Board of Nixu Oyj, Senior Advisor of Blic Oy and Member of the European Leadership Network.

Sirpa Pietikäinen

b. 1959, M.Sc. (Econ.)

Member of the Board since 2006.

Served as Member of the European Parliament since 2008 and as a negotiation theory lecturer and consultant since 1999. Previously served as a Member of Finland's Parliament 1983–2003 and as Finland's Minister of the Environment 1991–1995.

Current key positions of trust are Chairman of GLOBE EU, Vice Chairman of the Board of the Martha Organisation, Member of the Board of Alzheimer Europe, Member of the Board of Lammi Savings Bank and Member of the KVS Foundation Advisory Board.

Jukka Ala-Mello

b. 1963, M.Sc. (Econ.), Authorized Public

Accountant

Secretary to the Board of Directors since 2006.

Has served as Director of KONE Corporation and Managing Director and Member of the Board of Security Trading Oy and Holding Manutas Oy since 2006. Previously served as a Partner and APA Auditor in PricewaterhouseCoopers Oy 1993–2006 and Financial Manager of Panostaja Corporation 1990–1993.

Current key positions of trust are Chairman of the Board of Panostaja Corporation and Chairman of the Board of OWH-Yhtiöt Corporation.

More information

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More information

Shareholdings of KONE Corporation's public insiders are available on page 83.

Executive Board

Henrik Ehrnrooth

President and CEO

b. 1969, M.Sc. (Econ).

President & CEO of KONE Corporation since 2014. Member of the Executive Board. Previously served as Chief Financial Officer of KONE Corporation 2009–2014. Earlier worked for Goldman Sachs from 1998–2009, most recently as a Managing Director in the Investment Banking Division and at UBS in various positions from 1994–1998. Current key position of trust: Member of the Board of UPM-Kymmene Corporation, Member of the Foundation Board of the International Institute of Management Development (IMD, Switzerland), Member of the European Round Table of Industrialists (ERT).

Max Alfthan

Marketing and Communications

b. 1961, M.Sc. (Econ.)

Member of the Executive Board and employed by KONE Corporation since 2014. Previously served as Chief Strategy Officer of Fiskars 2008–2014, Senior Vice President for Communications of Amer Sports Corporation 2001–2008, Managing Director of Lowe Lintas & Partners Oy 1998–2001 and Marketing Director of Sinebrychoff 1989–1998.

Axel Berkling

Asia-Pacific

b. 1967, M.Sc. (Econ)

Member of the Executive Board since 2016. Employed by KONE Corporation since 1998. Previously served at KONE Corporation as Managing Director of KONE Germany from 2012–2016. Axel has held various regional commercial roles since 2007, including managing KONE's service business in Germany. Prior to joining KONE, he served as Managing Director of Nass Magnet GmbH 1996–1998, and held different roles at Arthur Andersen from 1992–1995.

Klaus Cawén

M&A and Strategic Alliances,

Russia, Legal Affairs

b. 1957, LL.M.

Member of the Executive Board since 1991. Employed by KONE Corporation since 1983. Previously served as General Counsel of KONE Corporation 1991–2001. Current key positions of trust: Member of the Board of Oy Karl Fazer Ab, Member of the Board of East Office of Finnish Industries Ltd, Member of the Board of Outotec Plc, Member of the Board of Toshiba Elevator and Building Systems Corporation (Japan), and Member of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company.

Hugues Delval

Service Business

b. 1971, M.Sc. (Commercial Engineering)

Member of the Executive Board since 2017. Employed by KONE Corporation since 1994. Previously served as Senior Vice President, Head of Global Maintenance, Service Business (2015–2017), Managing Director for KONE France (2011–2015), and Managing Director for KONE Belgium and Luxembourg

(2009–2011). Since joining KONE, he has held various regional leadership positions and roles in several geographies.

Ilkka Hara

CFO

b. 1975, M. Sc. (Finance and Accounting)

Member of the Executive Board and employed by KONE Corporation since 2016. Previously served as GM and CFO of Microsoft Phones 2014–2016, in various leadership roles at Nokia 2004–2014. Prior to Nokia worked at ABN AMRO 2003–2004 and Morgan Stanley 2001–2003.

Current key positions of trust: member of the Board of Directors at Hartili Oy.

Thomas Hinnerkov

Central and North Europe

b. 1971, M.Sc. (Finance and Accounting)

Member of the Executive Board and employed by KONE Corporation since 2016. Previously served as Regional CEO for ISS Western Europe (2016) and for ISS APAC (2012–2016), as well as serving in various other leadership roles at ISS during 2003–2012. Prior to ISS, he worked at TEMA Kapital 2002–2003, McKinsey & Company 2001–2002 and Gudme Raaschou Investment Bank from 1995–2000.

Current key position of trust: Member of the Board of Caverion Corporation.

William B. Johnson

Greater China

b. 1958, MBA

Member of the Executive Board since 2012, and employed by KONE Corporation since 2004.

Previously served as Managing Director of KONE China since 2004, Service Vice President of Asia-Pacific, Carrier International Corporation (United Technologies) 2002–2004, as Managing Director Australia, Carrier Air Conditioning Ltd. (United Technologies) 2001–2002, and in various leadership roles with Otis Elevator Company and Trammell Crow Company.

Mikko Korte

Operations Development

b. 1968. M.Sc. (Eng)

Member of the Executive Board since 2016, and employed by KONE Corporation since 1995.

Previously served as Head of New Equipment Business for KONE Americas 2013–2015, Managing Director for KONE Finland and Baltics 2011–2013, Service Director for KONE Central and North Europe 2007–2011, Service Business Director for KONE Scandinavia 2004–2007 and Service Operations Manager for KONE Finland 1999–2004.

Heikki Leppänen

New Equipment Business

b. 1957, Licentiate in Technology

Member of the Executive Board since 2005. Employed by KONE Corporation since 1982. Previously served in KONE Corporation as Senior Vice President, Technology 2004–2005 and as Head of Global Research and Development 2000–2004.

Pierre Liautaud

South Europe, Middle East and Africa

b. 1958, M.Sc (Ecole Polytechnique, Ecole Nationale Supérieure des Télécommunications)

Member of the Executive Board and employed by KONE Corporation since 2011. Previously served in KONE as EVP, West & South Europe, Africa, Customer Experience 2011–2016, in Microsoft EMEA as Vice President, Enterprise & Partner Group 2003–2006, then Area Vice President Western Europe 2006–2009. Was CEO at @viso (Vivendi-Softbank, 1999–2001) and Activia Networks (2001–2003). Also served in IBM Corporation 1982–1999, most recently as Vice-President Marketing, Internet Division (1998) and General Manager, Global Electronics Industry (1999).

Tomio Pihkala

Chief Technology Officer

b. 1975, M. Sc. (Mechanical Engineering)

Member of the Executive Board since 2013. Employed by KONE Corporation since 2001. Previously served in KONE Corporation as Executive Vice President, Operations Development 2013–2015, Vice President, Technology Finland 2011–2013, as Director, Service Equipment Business, in KONE China 2009–2010, as Director, Product Strategy and Marketing, in KONE China 2007–2008. Current key positions of trust: Member of the Board of Toshiba Elevator and Building Systems Corporation, and Member of the Board of Vexve Oy.

Susanne Skippari

Human Resources

b. 1974, M.Sc. (Econ.)

Member of the Executive Board since 2017. Employed by KONE Corporation since 2007. Previously served as Head of Human Resources in New Equipment Business (2015–2017), and Head of Talent Management (2007–2008 and 2011–2015). Susanne has also worked as Area Human Resources Director for Europe, Middle-East and Africa between 2009–2011.

Prior to joining KONE, she served eight years at Nokia and worked in many Human Resources roles in Finland and in Argentina.

Larry Wash

Americas

b. 1961, M. Sc. (Electrical Engineering), M. (Business Administration)

Member of the Executive Board and employed by KONE Corporation since 2012. Previously worked as President of Global Services for the Climate Solutions sector of Ingersoll Rand, as Vice President of service and contracting business for Trane within North and Latin America, and in various leadership roles with Xerox and Eastman Kodak.

In 2017, Pekka Kemppainen served as Executive Vice President responsible for Service Business until Jan 31, and Kerttu Tuomas served as Executive Vice President responsible for HR until Jan 31.