

KONE Corporation Stock Options 2015

The Board of Directors of KONE Corporation (Board of Directors) has on December 18, 2014 resolved by authorization of the General Meeting of Shareholders on March 1, 2010 to issue stock options to the key personnel of KONE Corporation (Company) and its subsidiaries (KONE Group) and to a wholly owned subsidiary KONE Capital Corporation (Subsidiary) on the following terms and conditions.

I STOCK OPTION TERMS AND CONDITIONS

1. Number of Stock Options

The maximum total number of stock options issued shall be 1,500,000, and they entitle their holders to subscribe for a maximum total of 1,500,000 new class B shares in the Company or existing class B shares held by the Company.

2. Stock Options

1. The stock options shall be marked with the symbol "2015".
2. The key personnel to whom stock options are issued shall be notified of their entitlement to subscribe stock options in writing by the Board of Directors. The Board of Directors shall decide on the approval of the subscriptions of stock options.

3. Right to Stock Options

The stock options shall, in deviation from the shareholders' pre-emptive subscription rights, be gratuitously issued to the key personnel of the KONE Group (stock option recipients) and to the Subsidiary wholly owned by the Company. The shareholders' pre-emptive subscription rights are deviated from since the stock options are intended to form part of the Group's incentive and commitment program for the key personnel. There is a weighty financial reason for the Company for granting the stock options.

4. Granting of Stock Options

1. The Board of Directors shall decide upon the granting of the stock options. The Subsidiary shall be granted stock options to the extent that the stock options are not granted to the key personnel of the KONE Group.
2. The Board of Directors shall later decide upon the further granting of the stock options subscribed by the Subsidiary, to the key personnel employed by or to be recruited by the KONE Group.
3. The stock options shall not be regarded as a part of a stock option recipient's regular salary and the stock options shall be regarded as discretionary and nonrecurring. The stock options shall have no impact on potential compensation to be paid to a stock option recipient, on the basis of his/her employment or service. Stock option recipients

shall be liable for all taxes and tax-related consequences arising from receiving or exercising stock options.

5. Transfer of Stock Options and Obligation to Offer Stock Options

1. The stock options are freely transferable, when the relevant share subscription period has begun. The Board of Directors may, however, permit the transfer of a stock option also before such date. The Company or the Subsidiary shall hold the stock options on behalf of the stock option recipient until the beginning of the share subscription period. The stock option recipient has the right to acquire possession of the stock options when the relevant share subscription period begins. Should the stock option recipient transfer his/her stock options, such person is obliged to inform the Company about the transfer in writing, without delay.

2. Should a stock option recipient cease to be employed by or in the service of the KONE Group, for any reason other than the death of a stock option recipient, or the statutory retirement, retirement in compliance with the employment or service contract or retirement otherwise determined by the Company, such person or his/her legal successor shall, without delay, offer to the Company or its order, free of charge, the stock options for which the share subscription period specified in Section II.2 has not begun on the last day of such person's employment or service. The Board of Directors can, however, in the above-mentioned cases, decide that the stock option recipient is entitled to keep such stock options, or a part of them, which are under the offering obligation.

3. Regardless of whether the stock option recipient or his/her legal successor has offered the stock options to the Company or not, the Company is entitled to inform the stock option recipient in writing that the stock option recipient has lost his/her stock options on the basis of reasons mentioned in Sections I.5.1-2. Should the stock options be transferred to the book-entry account system, the Company has the right, whether or not the stock options have been offered to the Company, to request and get transferred all the stock options under the offering obligation from the stock option recipient's book-entry account to the book-entry account appointed by the Company, without the consent of the stock option recipient. In addition, the Company is entitled to register transfer restrictions and other respective restrictions concerning the stock options to the stock option recipient's book-entry account, without the consent of the stock option recipient.

4. A stock option recipient shall, during his employment, service or thereafter, have no right to receive compensation on any grounds for stock options that have been forfeited in accordance with these terms and conditions.

II SHARE SUBSCRIPTION TERMS AND CONDITIONS

1. Right to Subscribe for Shares

1. Each stock option entitles its holder to subscribe for one (1) new or an existing class B share in the Company. The Company shall, prior to the beginning of the share subscription period, announce whether the subscription right is directed at a new class B share or an existing class B share. The book equivalent value of each share is EUR 0.125. As a result of the share subscriptions, the share capital of the Company may be

increased by a maximum total of EUR 187,500 and the number of class B shares by a maximum total of 1,500,000 new class B shares.

KONE Corporation's Board of Directors has decided on January 26, 2017 that the stock option holders will be offered new class B shares in the company.

2. The Subsidiary shall not be entitled to subscribe for shares in the Company on the basis of the stock options.

2. Share Subscription and Payment

1. The share subscription period for stock option shall be April 1, 2017 - April 30, 2019. Should the last day of the share subscription period not be a banking day, the share subscription may be made on a banking day following the last share subscription day

2. However, the share subscription period begins only if the financial performance of the KONE Group for financial years 2015-2016 based on the total consideration of the Board of Directors is equal to or better than the average performance of key competitors of KONE. If the above-mentioned prerequisite does not fulfill, stock options expire based on the consideration and in the extent and manner decided by the Board of Directors and the terms of the stock options. KONE Corporation's Board of Directors has noted on January 26, 2017 that the criteria of the 2015 stock option plan have been met and resolved that the share subscription period will begin April 1, 2017 in accordance with the terms and conditions.

3. Share subscriptions shall take place at the head office of the Company or possibly at another location to be determined later. The subscriber shall transfer the respective stock option certificates with which he/she subscribes for shares, or, in the case of the stock options have been transferred to the book-entry account, the stock options with which shares have been subscribed for, shall be deleted from the subscriber's book-entry account. Upon subscription, payment for the shares subscribed for shall be made to the bank account designated by the Company. From the subscription price 0.125 euros representing the accounting par value will be entered to the share capital and rest to the paid-up unrestricted equity fund if new class B shares are directed at the subscription. The Company shall decide on all measures concerning the share subscription.

3. Share Subscription Price

1. The share subscription price for the stock option is 36.20 euros per share.

Following the decision of the Annual General Meeting on February 26, 2018, the share subscription price is 30.40 EUR per share as of February 27, 2018.

2. The subscription price of the stock option shall be reduced in special situations and at times specified hereinafter at Sections II.7.1 - II.7.2. The share subscription price shall, nevertheless, always amount to at least the book equivalent value of the share.

4. Registration of Shares

Shares subscribed for and fully paid shall be registered in the book-entry account of the subscriber.

5. Shareholder Rights

The dividend rights of the new class B shares and other shareholder rights shall commence when the increase of the share capital has been entered into the Trade Register.

Should existing class B shares, held by the Company, be given to the subscriber of shares, the subscriber shall be given the right to dividend and other shareholder rights after the shares have been registered on his/her book-entry account.

6. Share Issues, Stock Options and Other Special Rights for Shares before Share Subscription

If the Company, prior to share subscription, decides to issue shares or new stock options or other special rights entitling to shares, a stock option holder shall have the same right as, or an equal right to, that of a shareholder. Equality is reached in the manner determined by the Board of Directors by adjusting the number of shares available for subscription, the share subscription price or both of these.

7. Rights in Certain Cases

1. If the Company distributes dividends or funds from the reserve of invested non-restricted equity, the amount of the dividend or distributable invested non-restricted equity decided before the subscription is deducted from the subscription price of the stock option as at the record date for each dividend distribution or other distribution of funds.
2. If the Company before the subscription reduces its share capital by distributing share capital to shareholders, the amount of distributable share capital decided before the subscription is deducted from the subscription price of the stock option as at the record date of repayment of share capital.
3. If the Company is placed in liquidation before the share subscription, the stock option holder shall be given an opportunity to exercise his/her subscription right within a period of time determined by the Board of Directors. If the Company is removed from the register prior to the share subscription, the option holder has the same or equal rights with a shareholder.
4. Should the Company resolve to merge with another company as a merging company or merge with a company to be formed in a combination merger, or should the Company resolve to be demerged entirely, the stock option owners shall, prior to the registration of the execution of a merger or a demerger, be given the right to subscribe for shares with their stock options, within a period of time determined by the Board of Directors. Alternatively, the Board of Directors may give a stock option owner the right to convert the stock options into stock options issued by the other company, in the manner determined in the draft terms of merger or demerger, or in the manner otherwise

determined by the Board of Directors, or the right to sell stock options prior to the registration of the execution of a merger or a demerger. After such period, no share subscription right or conversion right shall exist. The same proceeding shall apply to cross-border mergers or demergers, or should the Company, after having registered itself as an European Company (Societas Europae), or otherwise, register a transfer of its domicile from Finland into another member state of the European Economic Area. The Board of Directors shall decide on the impact of potential partial demerger on the stock options. In the above situations, the stock option owners shall have no right to require that the Company redeem the stock options from them at their market value.

5. If the Company, after the beginning of the share subscription period, resolves to acquire or to redeem its own shares by an offer made to all shareholders, the stock option owners shall be made an equivalent offer. In other cases, acquisition or the redemption of the Company's own shares or stock options or other special rights entitling to shares by the Company, shall not affect the position of stock option owners.

6. If, before the end of the subscription period, a situation, as referred to in Chapter 18 Section 1 of the Finnish Companies Act, in which a shareholder possesses over 90% of the shares and the votes of the shares of the Company, and therefore has the right and obligation to redeem the shares of the remaining shareholders, the stock option owners shall be entitled to use their right of subscription by virtue of the stock option within a period of time determined by the Board of Directors. A shareholder who possesses over 90% of the shares and the votes of the shares of the Company has the right to buy the stock option owner's stock options and when a shareholder exercises this right the stock option owner is under obligation to sell them to the shareholder for market value.

7. If the Company, prior to the share subscription, decides to combine its share series, stock option owners have equal rights with the owners of the Company's class B shares.

III OTHER MATTERS

1. The laws of Finland shall be applied to these terms and conditions. Disputes arising in relation to the stock options shall be settled by arbitration, in accordance with the Arbitration Rules of the Central Chamber of Commerce by using one arbitrator.

2. The Board of Directors may decide on the transfer of the stock options to the book-entry account at a later date than earlier mentioned and make also other such technical amendments and specifications, which are not considered essential, to these terms and conditions. Other matters related to the stock options shall be decided by the Board of Directors and they may impose binding rules on stock option recipients. The stock option documentation shall be kept available for inspection at the head office of the Company.

3. If the stock option owner acts against these terms and conditions, or against any decisions, orders, or instructions given by the Company or against applicable laws and regulations of the authorities, the Company shall be entitled to withdraw, free of charge, the stock options which have not been transferred, or with which shares have not been subscribed for.

4. The Company may maintain a register of the stock option owners to which the stock

option owners' personal data is recorded. The Company may send all announcements regarding the stock options to the stock option owners by email.

5. These terms and conditions have been made in Finnish and in English. In the case of any discrepancy between the Finnish and English terms and conditions, the Finnish terms and conditions shall prevail.