

## **KONE CORPORATION CENTENNIAL FOUNDATION BYLAWS**

**1. §** The name of the foundation is the KONE Corporation Centennial Foundation, and its domicile is the city of Helsinki. The foundation's name in Finnish is "KONE Oyj:n 100-vuotissäätiö".

### **Purpose**

**2. §** The purpose of the KONE Corporation Centennial Foundation (hereinafter the "Foundation") is to advance and support developmental, educational and cultural activities for children and youth around the world.

### **Implementation**

**3. §** To achieve its aims, the Foundation awards grants on its own initiative and participates in furthering understanding of issues related to its purpose.

### **Original Capital**

**4. §** The original capital of the Foundation consists of one hundred thousand (100,000) KONE Corporation class B shares. The Foundation's assets are to be invested in a secure and profitable manner.

The Foundation may accept donations, gifts, and bequests and may accumulate property in other ways with the exception of engaging in business activities.

### **Administration**

**5. §** The Foundation's decision-making body is its Board of Trustees, which shall represent it and handle its affairs.

The Board of Trustees shall have the authority to appoint an Executive Committee as well as other permanent or temporary committees and define their composition and duties.

The Board of Directors can name a director and sign a contract for his/her services. According to the Board of Trustees' decision, the director can be a part-time or full-time employee. The director shall have the right to attend and speak at Board meetings but shall not have voting rights. The Board of Trustees can also employ full- or part-time staff members as well as determine their duties.

### **Board of Trustees**

**6. §** The Foundation shall be represented, and its affairs handled for three consecutive years at a time, by its Board of Trustees, which shall have no fewer than three (3) and no more than seven (7) full members. The Board of Trustees may also name personal deputy members for the full members of the Board of Trustees, in which case the Board of Trustees will consist of as many personal deputy members as there are full members (no fewer than three and no more than seven)

in addition to the full members. The Board's term shall begin at the end of the Annual Meeting. The first term shall end, however, at the conclusion of the 2012 Annual Meeting. The members of the Foundation's Board of Trustees are chosen by the Foundation's Board of Trustees, with the stipulation that the chairman of KONE Corporation's Board of Directors shall always be chosen as a member if he/she so desires. The founder of the Foundation shall select the members of the first Board of Trustees.

The Board of Trustees shall choose a chairman and a deputy chairman from among its members at the first meeting of each year. A deputy member shall have the right to attend and speak at Board meetings but shall not have voting rights if the full member he or she has been chosen to represent is present at the meeting.

### **Board Meetings**

**7. §** Written notice of Board of Trustees meetings shall be sent in verifiable manner no later than five (5) days prior to the meeting to members of the Board of Trustees. Other notification to Board of Trustee members shall be delivered in the same manner. The Board of Trustees shall decide on the process by which invitations are delivered.

The chairman or, if he/she is prevented from doing so, the deputy chairman convenes the Board of Trustees.

The Board of Trustees shall have a quorum when more than half the total number of members are present and one of those in attendance is either the chairman or the deputy chairman.

Decisions are reached by simple majority vote unless these bylaws specify otherwise. In the voting for Board of Trustees membership, ties shall be resolved by lot. In all other matters where the Board of Trustees is equally divided, the vote shall be carried by the position supported by the chairman of the meeting.

Minutes shall be kept of the meetings of the Board of Trustees, in which the decisions made and votes taken are recorded. The minutes shall be signed by the meeting's chairman and at least one person selected for that purpose at the meeting.

### **Compensation**

**8. §** Members of the Board of Trustees may be paid reasonable compensation for attending meetings and for work done for the benefit of the Foundation. In addition, reasonable compensation may be paid for travel to carry out work related to the Foundation's mission.

### **Annual Meeting**

**9. §** The Board of Trustees shall convene for an annual meeting by the end of April each year.

The annual meeting shall:

- 1) discuss the auditor's report and approve the Board of Trustees' annual report and financial statement;
- 2) approve the plan of action and budgetary estimates for the current year;

- 3) decide whether to discharge from liability the Executive Committee, the Foundation's director or others bearing fiscal responsibility, with the exception of the members of the Board of Trustees, for activities during the year under review;
- 4) determine the amount to be paid for the services of the auditors and the amount of the meeting fee to be paid to the members of the Board of Trustees;
- 5) elect an auditor and an alternate; and
- 6) determine the number of members on the Board of Trustees and elect the members to the Board.

### **Signatory Authority**

**10. §** The Foundation's chairman has signatory authority alone. A member of the Board of Trustees other than the chairman may sign in the Foundation's name along with any other Board of Trustees member.

The Board of Trustees may authorize a member of the Foundation's staff or someone else to sign on behalf of the Foundation in conjunction with a member of the Board of Trustees or someone else authorized by the Board of Trustees.

### **Budget Year and Audit**

**11. §** The Foundation's budget year shall be the calendar year. The accounts and the Board of Trustees' report on the Foundation's activities during the previous year shall be transmitted during February to the auditor, who shall submit his/her report by the end of March.

### **Annual Statements and Reports to the National Board of Patents and Registration**

**12. §** Signed copies of the income statement and balance sheet with their attachments, the balance sheet specifications and the auditor's statement shall be submitted to the National Board of Patents and Registration within six months of the closing of the books. Announcements of changes in the members of the Board of Trustees together with the Foundation's signatories shall also be submitted without delay to the National Board of Patents and Registration's foundation registry.

### **Amending the Bylaws and Liquidating the Foundation**

**13. §** The Foundation's bylaws can be amended if at least two thirds (2/3) of the members of the Board of Trustees are in favor of the amendment and confirmation required by existing legislation is obtained. Liquidation of the Foundation proceeds according to the same rules of procedure.

**14. §** If the Foundation should be liquidated, use of its funds will be decided by the Board in a manner consistent with the Foundation's purpose as stated in § 2 above.

### **Laws Governing Foundations**

**15. §** Except where otherwise specified in these bylaws, the provisions of existing laws governing foundations shall be followed.

