

Minutes no. 1/2011 of KONE Corporation's Annual General Meeting, which was held at the Finlandia Hall in Helsinki on 28 February 2011 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.

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, 2011 and in their entirety on the Company's website on January 26, 2011.

The Chairman noted that Skandinaviska Enskilda Banken AB (publ), Helsinki Branch had stated that it represented multiple nominee registered shareholders and that the bank had provided the Chairman with the information concerning the shareholdings and voting instructions of the shareholders. Skandinaviska Enskilda Banken AB (publ), Helsinki Branch stated that its clients did not demand 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, but that it was sufficient that such votes were duly recorded in the minutes. Nordea Bank Finland plc and Svenska Handelsbanken AB (publ) had similarly stated on the voting instructions and procedures of their clients.

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, Nordea Bank Finland plc and Svenska Handelsbanken AB (publ) were attached to the minutes (Appendices 1, 2 and 3).

The Chairman noted that 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 Chairman further noted that the proposed procedures will be adhered to during the meeting and that opposing or abstaining votes will be recorded in the minutes under each relevant agenda item.

The procedure presented by the Chairman concerning nominee registered shares 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 26, 2011 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, and the summons to the Annual General Meeting have been also available on the Company's website as of January 26, 2011. Thereafter, the summons to the Annual General Meeting was published in the Helsingin Sanomat, Kauppalehti and Hufvudstadsbladet newspapers on January 28, 2011.

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 1,733 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 222,431,764. The Company and its fully owned subsidiary held a total of 5,147,870 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 113,491,324 class B shares representing 11,348,618 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 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 company's list of shareholders was also available for viewing at the 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, Juhani Kaskeala, Shunichi Kimura, Reino Hanhinen 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, meeting officials and 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 2010**

It was noted that the documents relating to the Company's annual accounts of 2010 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 26, 2011. The documents relating to the Company's annual accounts had also been on display and available on the Company's website and at the Company's main office as of January 26, 2011. All shareholders that had so requested have received a copy of these documents by mail.

CEO Matti Alahuhta gave a status review and presented the main points of the 2010 Financial Statements.

It was recorded that the Financial Statements of the parent company had been prepared in accordance with Finnish accounting standards and that the Consolidated Financial Statements had been prepared in accordance with international financial reporting standards (IFRS).

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.

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, 2010.

Under this item, 1,586 opposing votes of nominee registered shareholders were recorded.

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

It was noted that the parent company's unrestricted equity on December 31, 2010 is EUR 1,797,898,068.97, of which the net profit for the financial period is EUR 564,813,127.90.

It was noted that the Board of Directors had proposed that a dividend of EUR 0.895 be paid for each of class A share and a dividend of EUR 0.90 be paid for each of class B share for the 2010 financial period from the parent company's distributable funds. The record date for dividend payment is March 3, 2011 and the dividend will be paid on March 10, 2011.

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

The Annual General Meeting decided to distribute dividend in accordance with the Board's proposal.

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

It was noted that the discharging of liability for the 2010 financial period concerned the following persons:

Antti Herlin, Chairman of the Board of Directors,  
Sirkka Hämäläinen-Lindfors, Vice Chairman,  
Matti Alahuhta, Board Member and CEO,  
Anne Brunila, Board Member,  
Reino Hanhinen, Board Member,  
Juhani Kaskeala, Board Member,  
Shunichi Kimura, Board Member,  
Sirpa Pietikäinen, Board Member,  
Jussi Herlin, Deputy Board Member

The Annual General Meeting decided to grant discharge from liability to the Board Members, the Deputy Member and the CEO & President for the 2010 financial period.

Under this agenda item, 21,147 opposing votes and 14 abstaining votes of nominee registered shareholders were recorded.

**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 2012 Annual General Meeting:

Chairman of the Board of Directors EUR 54,000,  
Vice Chairman EUR 44,000,

other Board Members each EUR 33,000, and Deputy Board Member EUR 16,500.

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.

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 and Deputy 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 2010 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 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 2010 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, 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 2012 Annual General Meeting:

Antti Herlin,  
Sirikka 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.

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 the 2011 Annual General Meeting and ends at the closing of the 2012 Annual General Meeting.

### **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 15.

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 §**

#### **Resolution on the number of the 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 2012 Annual General Meeting.

**15 §  
Election of Auditor**

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 2010 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.

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 2012 Annual General Meeting.

**16 §  
Authorizing the Board of Directors to decide on the repurchase of the Company's own 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 own 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 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 18.

The Annual General Meeting decided to authorize the Board of Directors to decide on the repurchase of the Company's own shares in accordance with the proposal of the Board of Directors.

Under this agenda item, 1,534 opposing votes of nominee registered shareholders were recorded.

**17 §  
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 7, 2011.

The Chairman closed the meeting at 12:08 p.m.

Chairman of the Annual General Meeting:

\_\_\_\_\_  
Merja Kivelä

In fidem:

\_\_\_\_\_  
Marianne Luotio

The minutes have been scrutinised 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 Nordea Bank Finland plc
- Appendix 3 Summary list of the voting instructions provided by Svenska Handelsbanken AB (publ)
- Appendix 4 The summons to the Annual General Meeting published in Helsingin Sanomat on January 28, 2011
- Appendix 5 The summons to the Annual General Meeting published in Kauppalehti on January 28, 2011
- Appendix 6 The summons to the Annual General Meeting published in Hufvudstadsbladet on January 28, 2011
- 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 2010
- Appendix 10 The Auditor's Report of Pricewaterhouse Coopers Oy dated January 26, 2011
- Appendix 11 The Board of Director's proposal concerning the resolution on the use of the profit shown on the balance sheet and the payment of dividend
- Appendix 12 The proposal of the Nomination and Compensation Committee of the Board concerning the resolution on the remuneration of the Members and Deputy Members of the Board of Directors
- Appendix 13 The proposal of the Nomination and Compensation Committee of the Board concerning the resolution on the number of Members and Deputy Members of the Board of Directors
- Appendix 14 The proposal of the Nomination and Compensation Committee of the Board concerning the election of Members and Deputy Members of the Board of Directors
- Appendix 15 The Board's Audit Committee's proposal concerning the remuneration of the Auditors
- Appendix 16 The Board's Audit Committee's proposal concerning the decision on the number of Auditors
- Appendix 17 The Board's Audit Committee's proposal concerning the election of the Auditors
- Appendix 18 The Board of Director's proposal concerning the authorization of the Board of Directors to decide on the repurchase of the Company's own shares