

**UNOFFICIAL TRANSLATION**

**ANNUAL GENERAL MEETING OF KONECRANES PLC**

**Time:** 11 June 2020 at 10.00 a.m.

**Place:** Konecranes Plc's headquarters, Koneenkatu 8, FI-05830 Hyvinkää, Finland.

**Present:** The Board of Directors of Konecranes has by virtue of Section 2, Subsection 3 of the temporary legislative act 290/2020 to limit the spread of the Covid-19 pandemic ("Temporary Act"), resolved that the company's shareholders and their proxy representatives may participate in the meeting and exercise shareholder rights only through voting in advance as well as by making counterproposals and presenting questions in advance.

The shareholders set out in the attached list of votes (Appendix 1) were represented at the meeting.

Present at the meeting were also Chairman of the Board Christoph Vitzthum (via remote connection), President & CEO Rob Smith, General Counsel Sirpa Poitsalo, Jan-Anders Wik, Attorney-at-Law, who acted as the Chairman of the meeting, Seppo Kymäläinen, Attorney-at-Law, the auditor with principal responsibility from the company's auditing firm Kristina Sandin (via remote connection) and the representative of the company's annual general meeting registration and voting service provider Euroclear Finland Oy, Jarkko Heinonen (via remote connection).

**1 §  
OPENING OF THE MEETING**

The Chairman of the Board of Directors of the company Christoph Vitzthum opened the meeting. It was noted that the presentation by the Chairman of the Board had been made available on the Company's website.

**2 §  
CALLING THE MEETING TO ORDER**

It was noted that the person nominated in the notice to the Annual General Meeting to act as the Chairman of the General Meeting. Mr. Stefan Wikman, Attorney-at-Law, had notified the Company that, due to weighty reasons which have arisen after the publication of the notice, he was unable to act as the Chairman of the General Meeting. On this basis the Board of Directors of the company had, in accordance with the notice to the Annual General Meeting, nominated Mr. Jan-Anders Wik, Attorney-at-Law, to act as the Chairman of the General Meeting. Mr. Jan-Anders Wik called Mr. Seppo Kymäläinen, Attorney-at-Law, to act as secretary.

It was noted that the Board of Directors' and the Shareholders' Nomination Board's proposals to the Annual General Meeting had been published by a stock

**UNOFFICIAL TRANSLATION**

exchange release on 11 May 2020 and published in their entirety on the Company's website on the same day.

The Chairman noted that in order to guarantee the health and safety of the Company's shareholders, personnel and other stakeholders, the company had resolved to arrange the General Meeting in accordance with the procedure described in Section 2, Subsection 3 of the Temporary Act so that the company's shareholders and their proxy representatives may participate in the meeting only through voting in advance as well as by making counterproposals and presenting questions in advance.

It was noted that by the deadline on 15 May 2020 at 10.00 a.m. (EEST) no counterproposals by shareholders had been made. It has been possible to present questions to the company's management as referred to in Chapter 5, Section 25 of the Finnish Companies Act by 28 May 2020, and they have been answered on the company's website by 2 June 2020.

As participation in the Annual General Meeting has been possible only in advance, all agenda items have been subject to voting. The Chairman noted that, in accordance with the Temporary Act, it has been possible to oppose the proposals in all agenda items without making a counterproposal. A summary of the votes cast in the advance voting, delivered by Euroclear Finland Ltd, was attached to the minutes (Appendix 2).

The Chairman noted in addition that a shareholder may have refrained from providing a proper voting instruction in each particular agenda item, in which case such shareholder has not been recorded to have been represented at the General Meeting in that specific agenda item. Therefore, the number of shareholders and shares represented is not necessarily the same in each agenda item.

It was noted that in addition to the Companies Act and the Temporary Act, as well as the government bill thereto, company practice and recommendations of the Advisory Board of Finnish Listed Companies were adhered to in terms of the meeting arrangements. It was noted that, to the company's or Euroclear Finland Ltd's knowledge, no technical or other issues or uncertainties had arisen regarding the advance voting or meeting procedure in general, and that the shareholders' right to participate and the validity of counting of the votes had been able to be clarified in a manner equivalent to the processes complied with in a normal General Meeting.

**3 §**

**ELECTION OF PERSONS TO SCRUTINIZE THE MINUTES AND TO SUPERVISE THE COUNTING OF VOTES**

Sirpa Poitsalo acted as the person to confirm the minutes and to supervise the counting of votes in accordance with the notice to the Annual General Meeting.

UNOFFICIAL TRANSLATION

**4 §  
RECORDING THE LEGALITY OF THE MEETING**

It was recorded that the notice to convene the meeting had been published on the company's website and through a stock exchange release on 11 May 2020. Further, a notice regarding publication of the notice to convene the meeting was published in Helsingin Sanomat and Hufvudstadsbladet on 13 May 2020.

It was noted that no considerations had been presented to the company regarding the legality of the meeting in the procedure concerning the Annual General Meeting.

It was recorded that the Annual General Meeting had been convened in accordance with the provisions of the Articles of Association, the Finnish Companies Act and the Temporary Act and that the meeting therefore was legal and constituted a quorum.

The notice to the meeting was attached to the minutes (Appendix 3).

**5 §  
RECORDING THE ATTENDANCE AT THE MEETING AND ADOPTION OF THE LIST OF VOTES**

A list recording the shareholders who had voted in advance either in person or by proxy, and who had the right to participate in the General Meeting pursuant to Chapter 5, Sections 6 and 6 a of the Finnish Companies Act, was presented. It was recorded that 302 shareholders, representing 41,192,694 shares and votes in total, had participated in the advance voting. The attendance status and list of votes was attached to the minutes (Appendix 1). It was noted that the advance votes delivered to the company will be kept separately from the minutes.

**6 §  
PRESENTATION OF THE ANNUAL ACCOUNTS, THE REPORT OF THE BOARD OF DIRECTORS AND THE AUDITOR'S REPORT FOR THE YEAR 2019**

It was noted that as participation in the Annual General Meeting has been possible only in advance, the company's financial statements and annual report, including the report of the Board of Directors and the auditor's report, which the company had published on 3 March 2020, and which have been available on the company's website, are deemed to have been presented to the General Meeting. Kristina Sandin, the company's auditor with principal responsibility in the financial year 2019, confirmed the content of the auditor's report.

The annual accounts were attached to the minutes (Appendix 4).

It was further noted that a report by President & CEO Rob Smith of the company's activities during the previous and current financial year had been published on the company's website.

**UNOFFICIAL TRANSLATION**

**7 §  
ADOPTION OF THE ANNUAL ACCOUNTS**

It was recorded that 41,150,083 shares and votes, representing approximately 51.94281 percent of all shares and votes in the company, participated in the voting. For the adoption of the annual accounts 41,150,083 votes were cast, representing 100.00 percent of the total votes cast. 0 votes were cast against the adoption of the annual accounts, representing 0.00 percent of the total votes cast. 42,611 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting adopted the annual accounts for the financial year 1 January 2019 – 31 December 2019.

**8 §  
RESOLUTION ON THE USE OF THE PROFIT SHOWN ON THE BALANCE SHEET  
AND THE PAYMENT OF DIVIDEND**

It was recorded that according to the balance sheet of the parent company as at 31 December 2019, the distributable funds of the parent company were EUR 968,361,776.27 of which the profit for the financial year was EUR 95,148,906.32.

It was recorded that the Board of Directors had proposed to the General Meeting that a dividend of EUR 0.65 per share be paid from the distributable assets of the parent company. According to the proposal the dividend will be paid to shareholders who on the record date of the dividend payment on 15 June 2020 are registered as shareholders in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend shall be paid on 23 June 2020.

It was recorded that the Board of Directors had also proposed to the Annual General Meeting that the General Meeting would authorize the Board of Directors, in addition to the resolution above, to further decide, at its discretion, on the distribution of dividend in one or several instalments so that the total amount of the dividend distribution based on this authorization shall not exceed EUR 0.55 per share. The authorization is valid until the opening of the next Annual General Meeting. The total aggregate dividend for the financial period 2019 based on the resolution of the Annual General Meeting and possible decisions by the Board of Directors on the payment of dividend based on the authorization would thus be limited to a maximum of EUR 1.20 per share.

The proposal of the Board of Directors was attached to the minutes ([Appendix 5](#)).

It was recorded that 42,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 40,802,527 votes were cast, representing approximately 99.05 percent of the total votes cast, and against the proposal of the Board of Directors 390,167 votes were cast, representing approximately 0.95 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

**UNOFFICIAL TRANSLATION**

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, that a dividend in the amount of EUR 0.65 per share be paid from the distributable funds of the parent company and that the record date of the dividend payment shall be 15 June 2020 and that the dividend will be paid on 23 June 2020. Based on the voting result the General Meeting also decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide, at its discretion, on the distribution of a dividend in the amount of up to EUR 0.55 per share.

**9 §**

**RESOLUTION ON THE DISCHARGE OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE CEO FROM LIABILITY**

It was recorded that the discharge from liability concerns all persons who have served as Board members or as CEO during the financial year 1 January 2019 – 31 December 2019. These persons are:

Mr. Christoph Vitzthum, Chairman of the Board of Directors  
Mr. Ole Johansson, Vice Chairman of the Board of Directors  
Ms. Janina Kugel, member of the Board of Directors  
Mr. Bertel Langenskiöld, member of the Board of Directors  
Mr. Ulf Liljedahl, member of the Board of Directors  
Mr. Per Vegard Nerseth, member of the Board of Directors  
Mr. Anders Nielsen, member of the Board of Directors  
Ms. Päivi Rekonen, member of the Board of Directors

as well as

Panu Routila, who has acted as President & CEO in the financial year 2019 during the period 1 January 2019 – 7 October 2019, and

Teo Ottola, who has acted as interim CEO in the financial year 2019 from 7 October 2019 onwards.

It was recorded that 41,086,381 shares and votes, representing approximately 51.86240 percent of all shares and votes in the company, participated in the voting. For the discharge from liability 41,086,381 votes were cast, representing approximately 100,00 percent of the total votes cast, and against the discharge from liability 0 votes were cast, representing approximately 0 percent of the total votes cast. 43,193 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided to discharge from liability the persons who have served as Board members or as CEO during the financial year 1 January 2019 – 31 December 2019.

**UNOFFICIAL TRANSLATION**

**10 §  
PRESENTATION OF THE REMUNERATION POLICY**

It was recorded that as participation in the Annual General Meeting has been possible only in advance, the Konecranes Remuneration Policy covering the principles for remuneration of the members of the Board of Directors, President & CEO and Deputy CEO, which has been published through a stock exchange release on 25 February 2020 as an attachment to the Company's previous notice to the Annual General Meeting, is deemed to have been presented to the Annual General Meeting.

The remuneration policy was attached to the minutes ([Appendix 6](#)).

It was recorded that 41,188,006 shares and votes, representing approximately 51.99068 percent of all shares and votes in the company, participated in the voting. 38,629,396 votes were cast in support of the remuneration policy, representing approximately 93.79 percent of the total votes cast, and against the remuneration policy 2,558,610 votes were cast, representing approximately 6.21 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result it was recorded that the Annual General Meeting decided to support the presented remuneration policy.

**11 §  
RESOLUTION ON THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that the Shareholders' Nomination Board had proposed to the General Meeting that the amount of annual remuneration payable to the members of the Board other than the employee representative be unchanged as follows:

the Chairman of the Board of Directors EUR 140,000,  
the Vice Chairman of the Board of Directors EUR 100,000,  
the other members of the Board of Directors EUR 70,000 each

In case the term of office of a Board member ends before the closing of the Annual General Meeting in 2021, he or she is entitled to the prorated amount of the annual remuneration calculated on the basis of his or her actual term in office.

According to the proposal, 40 percent of the annual remuneration will be paid in Konecranes shares to be acquired on behalf of the Board members at a price determined in public trading. The remuneration shares will be purchased in accordance with a trading plan prepared by the company. The company shall pay the transaction costs and transfer tax in connection with the purchase or transfer of remuneration shares.

In case the remuneration cannot be paid in shares due to legal or other regulatory restrictions or due to other reasons related to the company or a Board member, the annual remuneration shall be paid in cash.

**UNOFFICIAL TRANSLATION**

According to the proposal, the Chairmen of the Audit Committee and the Human Resources Committee are proposed to be paid a compensation of EUR 3,000 and the other Board members are proposed to be paid a compensation of EUR 1,500 per each attended committee meeting.

No remuneration will be paid to Board members employed by the Company, in accordance with the agreement on employee representation between Konecranes and its employees.

According to the proposal, the travel expenses for all Board members, including the employee Board member, will be compensated against receipt.

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 7).

It was recorded that 41,191,894 shares and votes, representing approximately 51.99559 percent of all shares and votes in the company, participated in the voting. For the proposal of the Shareholders' Nomination Board 41,191,854 votes were cast, representing approximately 99.999903 percent of the total votes cast, and against the proposal of the Shareholders' Nomination Board 40 votes were cast, representing approximately 0.00009953 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided that remuneration will be paid to the members of the Board of Directors to be elected in accordance with the proposal of the Shareholders' Nomination Board.

**12 §**

**RESOLUTION ON THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that the Shareholders' Nomination Board had proposed to the General Meeting that the number of members of the Board of Directors shall be seven (7).

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 8).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Shareholders' Nomination Board 41,192,694 votes were cast, representing approximately 100.00 percent of the total votes cast, and against the proposal of the Shareholders' Nomination Board 0 votes were cast, representing approximately 0.00 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Shareholders' Nomination Board, that the number of members of the Board of Directors shall be seven (7).

UNOFFICIAL TRANSLATION

**13 §  
ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS**

It was recorded that the Shareholders' Nomination Board had proposed to the General Meeting that the following current Board members be re-elected for a term of office ending at the closing of the Annual General Meeting in 2021.

Ms. Janina Kugel,  
Mr. Ulf Liljedahl,  
Mr. Per Vegard Nerseth,  
Ms. Päivi Rekonen and  
Mr. Christoph Vitzthum

and that Mr. Niko Mokkila and Mr. Janne Martin be elected as new members of the Board of Directors for the same term of office.

It was recorded that Mr. Janne Martin has been selected among the employees of Konecranes and is proposed by the Shareholders' Nomination Board to be elected as a full member of the Board of Directors in accordance with the agreement on employee representation between Konecranes and its employees.

It was recorded that Mr. Ole Johansson, Mr. Bertel Langenskiöld and Mr. Anders Nielsen of the current members of the Board of Directors had announced that they are not available to be elected as Board members in the Annual General Meeting.

The proposal of the Shareholders' Nomination Board was attached to the minutes (Appendix 8).

It was recorded that 41,189,943 shares and votes, representing approximately 51.99312 percent of all shares and votes in the company, participated in the voting. For the proposal of the Shareholders' Nomination Board 40,807,272 votes were cast, representing approximately 99.07 percent of the total votes cast, and against the proposal of the Shareholders' Nomination Board 382,671 votes were cast, representing approximately 0.93 percent of the total votes cast. 2,751 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result, the General Meeting decided, in accordance with the proposal of the Shareholders' Nomination Board, to elect the following individuals as members of the Board of Directors for a term of office ending at the closing of the Annual General Meeting in 2021:

Ms. Janina Kugel,  
Mr. Ulf Liljedahl,  
Mr. Per Vegard Nerseth,  
Ms. Päivi Rekonen,  
Mr. Christoph Vitzthum,  
Mr. Niko Mokkila, and  
Mr. Janne Martin.



UNOFFICIAL TRANSLATION

**14 §  
RESOLUTION ON THE REMUNERATION OF THE AUDITOR**

It was recorded that the Board of Directors had proposed to the General Meeting, upon recommendation of the Audit Committee, that the remuneration of the auditor will be paid according to an invoice approved by the company.

The proposal of the Board of Directors was attached to the minutes (Appendix 9).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,192,694 votes were cast, representing approximately 100.00 percent of the total votes cast, and against the proposal of the Board of Directors 0 votes were cast, representing approximately 0.00 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, that the remuneration of the auditor will be paid according to an invoice approved by the company.

**15 §  
ELECTION OF AUDITOR**

It was recorded that according to the Articles of Association, the auditors are elected to their office for a term expiring at the end of the Annual General Meeting of shareholders following the election.

It was recorded that the Board of Directors had proposed to the General Meeting, upon recommendation of the Audit Committee, that Ernst & Young Oy would continue as the company's auditor.

The proposal of the Board of Directors was attached to the minutes (Appendix 10).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,169,416 votes were cast, representing approximately 99.94 percent of the total votes cast, and against the proposal of the Board of Directors 23,278 votes were cast, representing approximately 0.06 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, to re-elect Ernst & Young Oy as the auditor of the company for the year ending on 31 December 2020. It was recorded that Ernst & Young Oy had notified the company that APA Kristina Sandin will act as the auditor with principal responsibility.

UNOFFICIAL TRANSLATION

**16 §  
AMENDMENT OF THE ARTICLES OF ASSOCIATION**

It was recorded that the Board of Directors had proposed to the Annual General Meeting that § 4 of the Articles of Association of the company be amended to read as follows:

§ 4 Board of directors and term of office

The Company has a board of directors consisting of no less than five (5) and no more than ten (10) director members.

The term of office of the members of the board of directors expires at the end of the first annual general meeting of shareholders following the election.

The managing director may be a member of the board of directors, but he/she cannot be elected to be chairman of the board of directors.

It was noted that as a result of the amendment, the Chairman and, if deemed necessary, the Vice Chairman of the Board of Directors may in the future be elected by the General Meeting.

The proposal of the Board of Directors was attached to the minutes (Appendix 11).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,192,694 votes were cast, representing approximately 100.00 percent of the total votes cast and 100.00 percent of the shares represented in the agenda item, and against the proposal of the Board of Directors 0 votes were cast, representing approximately 0.00 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided to amend the Articles of Association in accordance with the proposal of the Board of Directors.

**17 §  
AMENDMENT OF THE CHARTER OF THE SHAREHOLDERS' NOMINATION BOARD**

It was recorded that the Board of Directors had proposed to the Annual General Meeting that the Charter of the Shareholders' Nomination Board be amended as follows:

§3 Duties of the Nomination Board and remuneration

New section 3 c. would be added as follows, and the numbering of current sections 3 c-e would be changed correspondingly to 3 d-f:

c. the Nomination Board may also prepare and present to the Annual General Meeting, and if necessary, to an Extraordinary General Meeting, a

UNOFFICIAL TRANSLATION

proposal for the Chairman of the Board and, if deemed necessary, the Vice Chairman of the board.

§ 6.1 Preparation of the proposal

The first paragraph of section 6.1 of the Charter would be amended to read as follows:

The Nomination Board shall prepare a proposal to be presented to the General Meeting concerning the composition of the Board of Directors, including the possible employee representative selected in accordance with section 6.2 below. The Nomination Board may also prepare a proposal to the General Meeting regarding the Chairman of the Board of Directors and, if needed, Vice Chairman of the Board of Directors. Any shareholder of the Company may also make proposals directly to the General Meeting in accordance with the Finnish Companies Act.

The proposal of the Board of Directors as well as the charter in the proposed amended form were attached to the minutes ([Appendix 12](#) and [Appendix 13](#)).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,192,694 votes were cast, representing approximately 100.00 percent of the total votes cast, and against the proposal of the Board of Directors 0 votes were cast, representing approximately 0.00 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided to amend the Charter of the Shareholders' Nomination Board in accordance with the proposal of the Board of Directors.

**18 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE AND/OR ON THE ACCEPTANCE AS PLEDGE OF THE COMPANY'S OWN SHARES**

It was recorded that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorized to decide on the repurchase and/or on the acceptance as pledge of the company's own shares in accordance with the proposal attached to the minutes ([Appendix 14](#)).

It was recorded that 41,176,431 shares and votes, representing approximately 51.97607 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 40,782,064 votes were cast, representing approximately 99.04 percent of the total votes cast and 99.00 percent of the shares represented in the agenda item, and against the proposal of the Board of Directors 394,367 votes were cast, representing approximately 0.96 percent of the total votes cast. 16,263 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide

UNOFFICIAL TRANSLATION

on the repurchase and/or on the acceptance as pledge of the company's own shares.

**19 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS ON THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

It was recorded that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorized to decide on the issuance of shares as well as on the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act in accordance with the proposal attached to the minutes ([Appendix 15](#)).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,126,970 votes were cast, representing approximately 99.84 percent of the total votes cast and 99.84 percent of the shares represented in the agenda item, and against the proposal of the Board of Directors 65,724 votes were cast, representing approximately 0.16 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act.

**20 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON THE TRANSFER OF THE COMPANY'S OWN SHARES**

It was recorded that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorized to decide on the transfer of the company's own shares in accordance with the proposal attached to the minutes ([Appendix 16](#)).

It was recorded that 41,176,431 shares and votes, representing approximately 51.97607 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 40,780,914 votes were cast, representing approximately 99.04 percent of the total votes cast and 99.00 percent of the shares represented in the agenda item, and against the proposal of the Board of Directors 395,517 votes were cast, representing approximately 0.96 percent of the total votes cast. 16,263 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on the transfer of the company's own shares.

**UNOFFICIAL TRANSLATION**

**21 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON A DIRECTED SHARE ISSUE WITHOUT PAYMENT FOR AN EMPLOYEE SHARE SAVINGS PLAN**

It was recorded that the Board of Directors had proposed to the General Meeting that the Board of Directors be authorized to decide on a directed issuance of shares without payment needed for the continuation of the Share Savings Plan that the Annual General Meeting 2012 decided to launch in accordance with the proposal attached to the minutes (Appendix 17).

It was recorded that 41,192,694 shares and votes, representing approximately 51.99660 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,136,257 votes were cast, representing approximately 99.86 percent of the total votes cast and 99.86 percent of the shares represented in the agenda item, and against the proposal of the Board of Directors 56,437 votes were cast, representing approximately 0.14 percent of the total votes cast. 0 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on a directed share issue without payment.

**22 §**

**AUTHORIZING THE BOARD OF DIRECTORS TO DECIDE ON DONATIONS**

It was recorded that the Board of Directors had proposed to the General Meeting that the General Meeting authorize the Board of Directors to decide on donations in the aggregate maximum amount of EUR 200,000 to be given to universities, institutions of higher education or to other non-profit or similar purposes in accordance with the proposal attached to the minutes (Appendix 18).

It was recorded that 41,189,324 shares and votes, representing approximately 51.99234 percent of all shares and votes in the company, participated in the voting. For the proposal of the Board of Directors 41,185,084 votes were cast, representing approximately 99.99 percent of the total votes cast, and against the proposal of the Board of Directors 4,240 votes were cast, representing approximately 0.01 percent of the total votes cast. 3,370 shares were represented in the agenda item but abstained from casting a vote.

Based on the voting result the General Meeting decided, in accordance with the proposal of the Board of Directors, to authorize the Board of Directors to decide on donations.

**23 §**

**CLOSING OF THE MEETING**

The chairman noted that the items on the agenda had been attended to and that the minutes of the meeting would be available on the company's website as from 25 June 2020.

**UNOFFICIAL TRANSLATION**

The chairman announced the meeting closed at 10.30 a.m.

*[Signatures on the next page]*

**UNOFFICIAL TRANSLATION**

Chairman of the General Meeting:

\_\_\_\_\_  
Jan-Anders Wik

In fidem:

\_\_\_\_\_  
Seppo Kymäläinen

Minutes scrutinized and approved:

\_\_\_\_\_  
Sirpa Poitsalo

**UNOFFICIAL TRANSLATION**

**APPENDICES**

<u>Appendix 1</u>	Attendance status and list of votes
<u>Appendix 2</u>	Summary of votes cast in in the advance voting
<u>Appendix 3</u>	Notice to the General Meeting
<u>Appendix 4</u>	Annual accounts
<u>Appendix 5</u>	Proposal of the Board of Directors for payment of dividend
<u>Appendix 6</u>	Remuneration Policy
<u>Appendix 7</u>	Shareholders' Nomination Board's proposal for remuneration of the members of the Board of Directors
<u>Appendix 8</u>	Shareholders' Nomination Board's proposal for composition of the Board of Directors
<u>Appendix 9</u>	Proposal by the Board of Directors for the remuneration of the auditor
<u>Appendix 10</u>	Proposal by the Board of Directors for the election of auditor
<u>Appendix 11</u>	Proposal by the Board of Directors for amendment to the Articles of Association
<u>Appendix 12</u>	Proposal by the Board of Directors for amendment of the Charter of the Shareholders' Nomination Board
<u>Appendix 13</u>	Charter of the Shareholders' Nomination Board
<u>Appendix 14</u>	Proposal by the Board of Directors to authorize the Board of Directors to decide on the repurchase and/or on the acceptance as pledge of the Company's own shares
<u>Appendix 15</u>	Proposal by the Board of Directors to authorize the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares
<u>Appendix 16</u>	Proposal by the Board of Directors to authorize the Board of Directors to decide on the transfer of the Company's own shares
<u>Appendix 17</u>	Proposal by the Board of Directors to authorize the Board of Directors to decide on a directed share issue without payment for an employee share savings plan
<u>Appendix 18</u>	Proposal by the Board of Directors to authorize the Board of Directors to decide on donations



## **PROPOSAL BY THE BOARD OF DIRECTORS FOR PAYMENT OF DIVIDEND**

According to the Company's balance sheet of 31 December 2019, the parent Company's non-restricted equity is EUR 968,361,776.27 of which the net income for the year is EUR 95,148,906.32.

The Group's non-restricted equity is EUR 1,109,748,000.

According to the Finnish Companies Act, the distributable funds of the Company are calculated based on the parent Company's non-restricted equity. For the purpose of determining the amount of the dividend the Board of Directors has assessed the liquidity of the parent Company and the economic circumstances subsequent to the financial year-end.

Based on such assessments the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share be paid from the distributable assets of the parent Company. The dividend will be paid to shareholders who on the record date of the dividend payment 15 June 2020 are registered as shareholders in the Company's shareholders' register maintained by Euroclear Finland Ltd. The dividend shall be paid on 23 June 2020.

The Board of Directors also proposes to the Annual General Meeting that the Board of Directors be authorized, in addition to the resolution above, to further decide, at its discretion, on the distribution of dividend in one or several instalments so that the total amount of the dividend distribution based on this authorization shall not exceed EUR 0.55 per share. The authorization is valid until the opening of the next Annual General Meeting. The total aggregate dividend for the financial period 2019 based on the resolution of the Annual General Meeting and possible decisions by the Board of Directors on the payment of dividend based on the authorization would thus be limited to a maximum of EUR 1.20 per share.

The Company will publish the Board's possible decisions on dividend payment separately and will simultaneously confirm the applicable dividend record and payment dates. Dividends paid on the basis of the authorization will be paid to shareholders who on the record date of the dividend payment are registered as shareholders in the Company's shareholders' register maintained by Euroclear Finland Ltd.





# REMUNERATION POLICY

**KONECRANES®**

## TABLE OF CONTENTS

Introduction	3
Purpose and scope	3
Remuneration principles	3
Key changes adopted when formalizing the policy	4
Remuneration governance	5
Remuneration of Board of Directors	7
Remuneration of the CEO and Deputy CEO	9
Remuneration components	9
Remuneration scenarios	12
Discretionary mandates	13



# Introduction

## Purpose and scope

Konecranes is a global company with a global management team. The ability to attract, retain and drive the performance of the management team is one key factor for Konecranes competitiveness, long-term financial success and shareholder value. This remuneration policy has been designed to formalize the Konecranes remuneration strategy and to meet the requirements of the Corporate Governance Code 2020 issued by the Securities Market Association. The requirements of the 2017 EU Shareholders Right Directive as well as Chapter 4, section 3 a and Chapter 6, section 14 a and 20 A of the Finnish Limited Liability Act have been considered while designing the policy. In case of any conflict between this policy and the applicable legislation, the law shall prevail. This policy has been prepared by the Konecranes HR Committee and approved by the Board of Directors. The Policy's validity will be reviewed by the Board of Directors every 4 years, at minimum.

The Konecranes remuneration policy targets the CEO, Deputy CEO and Board remuneration, and wider workforce compensation principles have been considered for the design. The Company's approach to determining and reviewing the remuneration of the CEO and Deputy CEO uses a similar approach as for the employees' remuneration, although the CEO's and Deputy CEO's role and responsibilities affect the amount of compensation. When defining the compensation, Board of Directors considers the average compensation in the company in addition to the market compensation for CEO's and Deputy CEO's role.

Details regarding the remuneration and incentives as well as the contract terms of the CEO and Board can be found on the company website and the remuneration report according to the Finnish Corporate Governance Code.

## Remuneration principles

### **Principles for the remuneration of the wider workforce which guide the remuneration of the governing bodies**

- Remuneration is linked to performance and achievements in all organizational levels to promote high performance and commitment to business targets.
- Konecranes provides an attractive, total remuneration, which reflects the requirements of the position, individual responsibilities as well as needed skills, experience and knowledge.
- Harmonized and structured processes as well as written policies ensure equal and fair treatment and governance of our rewards processes. Following those principles ensures also pay equity.

Konecranes positions itself to the employer market based on the geographical locations and the employee groups. For management, we benchmark ourselves with international industrial companies, however reflecting geographical home base of the management. Regular compensation analysis and benchmarks based on the Konecranes job architecture and grades are conducted to identify needed adjustments and actions.

#### **Principles for the remuneration of the CEO / Deputy CEO**

- The principles listed in the previous section guided the design of the CEO's / Deputy CEO's remuneration. To ensure competitiveness Konecranes benchmarks itself regularly with large Finnish international companies and large international industrial companies.
- The Konecranes **HR Committee** ensures that those principles are followed and prepares the needed proposals for the board.

## Key changes adopted when formalizing the policy

This policy formalizes the existing and continuing practices and illustrate the link between Konecranes business targets and strategy and how those have been considered for existing remuneration principles. Certain rules already defined in separate policies have been summarized and repeated to support shareholders understanding and evaluation.

As the remuneration policy will be presented during the 2020 AGM for the first time, no shareholder statements have been considered for designing the policy. The policy is effective as of 2020 and subsequent years and will be presented to the 2020 Annual General Meeting. Shareholders feedback will be considered for future policy revisions.

# Remuneration governance

All Konecranes remuneration related decisions are made by the 'one above' principle. In other words, the remuneration of an employee is prepared and decided by the Line-Manager and must always be approved by the manager's superior. Konecranes made the decision to have a **Human Resources Committee** instead of a Remuneration Committee to have wider topics reviewed in preparing Board decisions. Members of the committee have different, relevant experience and competency to ensure consistency and rightfulness of the decisions.

This remuneration policy contains practices regarding the remuneration of the Board of Directors, the CEO and Deputy CEO. Any new policy or major changes in this policy will be prepared by the HR Committee and will be approved by the Board of Directors prior to the presentation at the Annual General Meeting.

## **Governance of CEO / Deputy CEO compensation**

The Konecranes HR Committee reviews annually the CEO's and Deputy CEO's performance and prepares the proposal for the CEO's and Deputy CEO's total remuneration. This separation of duties together with the design of the policies and the audit committee mitigates the risk of conflicts of interests.

External benchmarks with peer companies operating in a similar global industry based on the job grades and advisers are used to support the proposal preparation and the performance review. The Human Resources Committee's evaluates and proposes the short-term incentive targets, their achievement and long-term incentive grants for the CEO and Deputy CEO. Based on the HR Committee's proposal the Board decides about the total remuneration elements of the CEO and Deputy CEO, such as the base salary, pensions and max. earning opportunities in the short-term and long-term incentive plan. This approach ensures, that there is no conflict of interest and the plan details for the upcoming year support the achievement of the group's strategic targets without encouraging unnecessary or excessive risk. Relevant policies will be reviewed periodically by the Human Resources Committee and adjustments will be proposed to the Board.

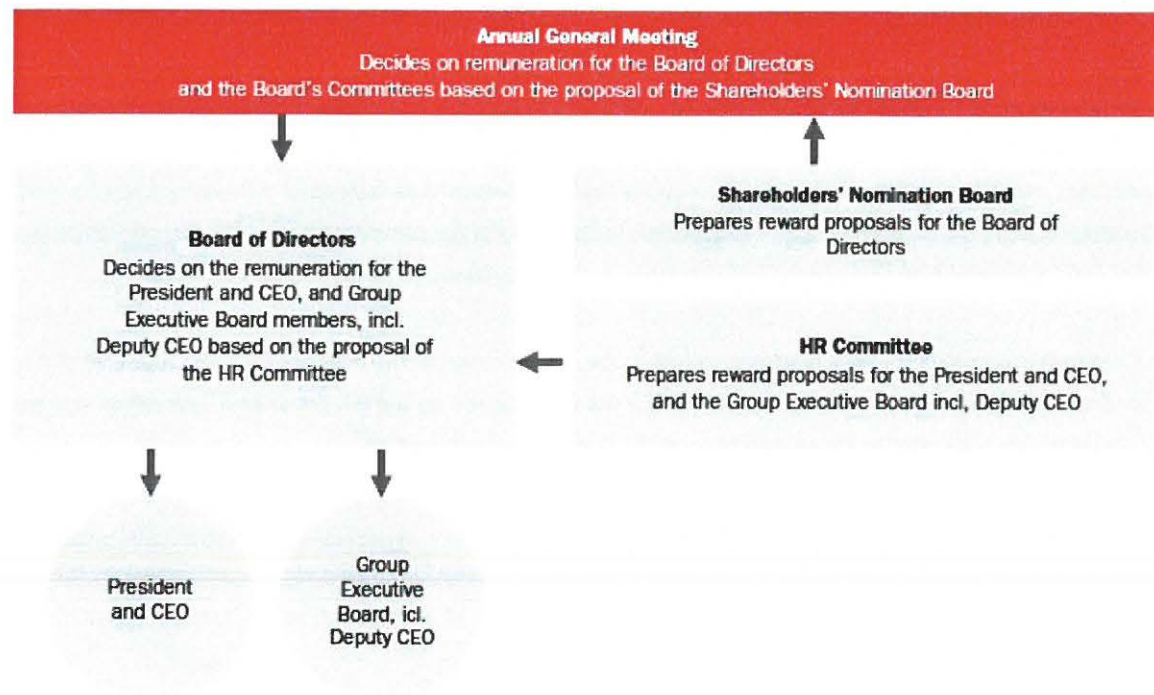
## **Governance of board remuneration**

The Shareholders' Nomination Board prepares proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors. The Annual General Meeting decides on the remuneration of the Board of Directors and the Board's Committees annually.

## **Governance of share-based compensation**

The Annual General Meeting grants the Board authorization to use shares for remuneration purposes.





# Remuneration of Board of Directors

This section sets out the policy for remuneration of the members of the Board of Directors ("The Board").

Shareholders' Nomination Board aims to ensure that the Board of Directors of the Company shall have sufficient expertise, knowledge of and competence in the Company's field of business, technology and industry. Collectively the Board of Directors should have combined experience in different markets, geographies and important topics like digitalization and corporate responsibility. The Board of Directors Remuneration should be designed to support this goal.

The key principles for Konecranes Board Remuneration, is to (1) be competitive to attract international professionals representing a diverse and relevant mix of skills and experience and (2) to provide fees which account for relevant market practices and the time commitment and responsibilities of the roles.

The Annual General Meeting is ultimately responsible for deciding on issues regarding Board remuneration. The Annual General Meeting resolves annually on the fees to be paid to the members of the Board of Directors for one term of office at a time.

## Annual Fee

### Purpose

Align the interests of directors with those of shareholders through payment of the Board remuneration in the form of shares and cash.

### Operation

- Annual fees are paid partly in Konecranes shares and partly in cash. The cash portion of the remuneration is meant to cover withholding tax.
- If payments in shares cannot be carried out due to reasons related to either the Company or a Board member, annual remuneration will be paid entirely in cash.
- Fees may vary based on position, workload and responsibility, i.e. the compensation for the chairperson and vice chairperson are higher than the rest of the board.
- The employee representatives of the Board of Directors is not entitled for any fee for board membership.

## Committee Attendance Fee

### Purpose

To provide a complementary fee to reflect any additional time commitment or duties

### Operation

- Board members may also be members of certain Board Committees and receive an additional attendance fee for the membership.
- Attendance fees are paid in cash.
- Each member will receive an attendance fee per Committee meeting attended.
- Fees may vary based on position, workload and responsibility.



## Travel Reimbursement

Board members will be reimbursed for necessary travel according to the Konecranes travel policy.

## Other terms

- The members of the Board do not participate in Konecranes' incentive schemes and do not receive performance-based remuneration; nor do they have a pension scheme arranged by Konecranes, with the exception of the employee representative of the Board.
- The Board members will not receive any other financial benefits for their Board or committee membership in addition to the fees.
- Annual review of the Board of Directors' fees by the Shareholders' Nomination Board is conducted against relevant Finnish and international industrial companies. The Nomination Board may propose additional elements of Board remuneration to the AGM, e.g. in order to take into account evolving market practices or extraordinary corporate arrangements.
- The fees are proposed to be set at a level that is market aligned and reflects qualifications and competences required in view of Konecranes' size, internationality and complexity, the responsibilities and time commitment the Board members are expected to discharge for their obligations as Board members.
- The suggestion of said levels will be presented to the Annual General Meeting by the Shareholders' Nomination Board.
- In case the term of the office of a Board member ends before the closing of the next Annual General meeting, he or she is entitled to the prorated amount of the annual remuneration calculated based on his or her actual term in office.

# Remuneration of the CEO and Deputy CEO

This section sets out the policy for remuneration of the CEO and Deputy CEO.

## Remuneration components

The compensation packages of the Konecranes CEO and Deputy CEO include a fixed base salary, fringe benefits, a defined contribution scheme in addition to the Finnish statutory pension, performance-related annual variable pay and a long-term, performance-related share plan. The latest remuneration details can be found at the webpages.

### Base Salary

#### Purpose

To provide a fixed remuneration which reflects the nature of the role and the business, the performance and contribution as well as external market trends.

#### Operation

- The base salary of the Konecranes CEO and Deputy CEO reflects the performance and individual job responsibilities, experience, skills and knowledge.
- The Annual Salary Review Process also applies to the CEO and Deputy CEO and is completed by the Board of Directors after the evaluation and proposal by the HR Committee. Industry practices, market trends and average salary increases in Konecranes are considered when reviewing the salary. For this purpose, Konecranes regularly participates market benchmarks.
- Increases for the CEO and Deputy CEO will normally be aligned with the increases for the wider workforce. Increases beyond those granted to the wider workforce may be awarded in certain circumstances such as where there is a change in responsibility or experience, progression in the role, or a significant increase in the scale of the role, size, value or complexity of the Konecranes Group.

### Benefits and Pension

#### Purpose

To provide additional fixed compensation in line with the company's practices in the prevailing market.

#### Operation

- Konecranes benefits are determined on a country level. This ensures that they deliver the desired outcome and meet the needs of the local workforce. The CEO's and Deputy CEO's benefits will mostly follow employment country practices which may include car benefits or pension schemes.
- Additional fringe benefits are provided to the CEO / Deputy CEO of Konecranes. Those could be a company car and a phone benefit.
- Other benefits like housing benefit, might be offered, when (Deputy) CEO has multiple working/home countries if considered appropriate and agreed in the CEO service agreement.
- The CEO / Deputy CEO will normally participate in the statutory pension scheme of the relevant country. In addition to statutory pensions, Konecranes provides supplementary contribution-based pension benefits to the CEO / Deputy CEO (Defined Contribution Plan). The retirement age will be defined according to applicable country legislation or may be defined in the CEO service contract.



## Short Term Incentives

### Purpose

To provide a performance-based, variable remuneration tied to the achievement of key business and financial targets. The target period for the Short-Term Incentive plan is one year.

- The Konecranes Group remuneration structure includes two short-term incentive plans. The general short-term incentive plan available for wide groups of employees and the Senior Management incentive plan which is applicable to the CEO and Deputy CEO. Konecranes short-term incentives are designed to support the Company's financial success and the commitment to achieve set targets on a semi-annual or annual basis, depending on the year. By setting demanding target our incentive plan supports the long-term success of the company and the achievement of our overall targets.
- Incentive criteria may vary but are usually based on the Konecranes Group's key performance areas. The actual annual targets for the CEO and Deputy CEO are decided by the board for the upcoming year considering strategic business priorities. Typical performance indicators may be financial, operational or strategic.
- The amount of the max. incentive opportunity (= max. award) for the CEO / Deputy CEO are defined in the Service Agreement and approved by the Board of Directors. Latest percentages can be found in the webpages.
- The actual pay-out is based on the achievement of the agreed targets and encourages for exceeding normal, good performance, whereas:

### Operation

- There will be no payment if the minimum threshold / target low is not achieved.
- The achievement of the minimum threshold gives 12,5% of the maximum award.
- The achievement at target gives 50% of the maximum award.
- The achievement at target high results in the maximum.
- The CEO's and Deputy CEO's annual incentive is based on the comparison of financial performance of the Company and the expectations set out by the Board of Directors for the applicable year. The actual payout amount is approved by the board of directors based on the HR Committee's evaluation and proposal prior to the payment.

Performance Multiplier (2 decimals)	
Senior Management Incentive Plan	
Target low	12,50 %
Target	50,00 %
Target high	100,00 %
<b>Award Payout = Maximum Award * Performance Multiplier</b>	

## Long-Term Incentives

### Purpose

A Performance Share Plan (PSP) is offered to the CEO and Deputy CEO to link a significant portion of the compensation to the long-term financial performance of Konecranes. The actual grant is directly linked to Key Performance Indicators supporting long-term shareholder return and applies multi-year performance period (programs active during year 2020, 3-year performance period).

### Operation

- The aim of the Konecranes long-term incentive plan is to align the objectives of shareholders and Konecranes' key employees to increase the value of the Company, to commit key employees to the Company and to reward for achieving set targets.
- Konecranes provides a rolling Performance Share Plan with a three- year performance period, after which the plan participants may earn rewards according to the realization of the criteria for the period.
- For each share plan period a maximum reward is defined. For practical reasons part of the earned share reward is paid in cash to ensure that the participants can pay the necessary taxes for the reward. The

actual reward payment is based on the performance of the Company against the pre-set criteria – if a threshold level for the criteria is not met, rewards will not be awarded. The Performance Criteria for the relevant year will be agreed and approved by the Board of Directors, historical details can be found at the webpages.

- Konecranes long-term incentive plans include ownership obligations that pose restrictions to named plan participants selling shares paid as reward. The CEO and Deputy CEO have a shareholding requirement tied to the share-based incentive plans. Restrictions on selling shares earned through the plans are defined in the incentive plans and executive contracts.

Performance Share Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
PSP Year 1				•			
PSP Year 2					•		
PSP Year 3						•	
PSP Year 4							•

Share delivery •

- In 2012, Konecranes launched an Employee Share Savings Plan for all employees, including the Management, except in those countries where the plan could not be offered for legal or administrative reasons. Participants save a monthly sum of up to 5 percent of their gross salary, which is used to buy Konecranes shares from the market on behalf of the participants. If participants are still in possession of these shares after an approximate three-year holding period, they will receive one matching share for every two initially purchased. This plan is also available for the CEO / Deputy CEO.

Employee Share Savings Plan	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
ESSP Year 1					•				
ESSP Year 2						•			
ESSP Year 3							•		
ESSP Year 4								•	
ESSP Year 5									•

Savings period ■ Holding period ■ Share delivery •

## Other Terms and Conditions

- The period of notice for the CEO / Deputy CEO is normally 6 months. Actual details are agreed in the CEO Service Agreement and made available on the company's webpages.
- In addition to the notice period compensation a severance pay is agreed in the CEO Service Contract. Actual details can be found on the company website.
- Malus and Clawbacks are applicable for the senior executives including CEO / Deputy CEO related to all variable pay programs

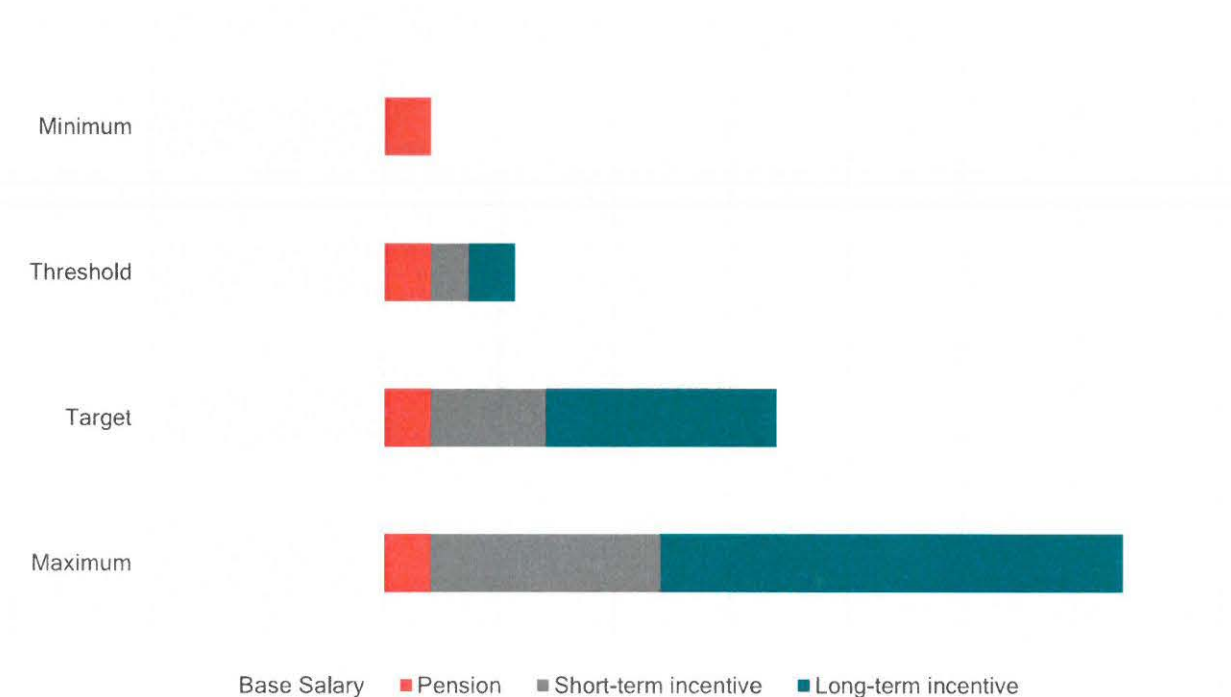
The Konecranes CEO / Deputy CEO remuneration elements aim to provide a competitive compensation and reward short-term as well as long-term performance through the remuneration mix. The short term-incentive plan is based on annual targets, the strategy implementation and the financial performance of the group. The Performance Share Plan is based on longer-term financial performance and shareholder value. Shareholding requirements supports the alignment of corporate and personal targets. Together those elements will positively serve the long-term interest of the company and its shareholders.



## Remuneration scenarios

The below illustration shows possible scenarios for the total remuneration of the CEO, describing the situation at grant date with a share price of 29 EUR. The graph is indicative as it is subject to salary adjustments and share price changes. In addition to the base salary there is a contribution to the Defined Contribution plan.

When not reaching the threshold there will be no Short-Term and Long-Term incentive payments. The possible maximum scenario requires exceptional performance and overachievement of all targets defined in the Short-Term and Long-Term incentive plan.



# Discretionary mandates

In exceptional circumstances, the Policy may be deviated from, in order to secure the long-term interests of the company. These circumstances may include situations like:

- Significant corporate arrangements
- CEO and Deputy CEO recruitment
- Taxation or other regulatory changes
- Other extraordinary events

Should a deviation need to take place, the HR Committee will prepare the manner and the Board will approve it. Should a deviation be needed regarding Board remuneration, the Plan General meeting or Extraordinary General Meeting will approve it. Any deviation will be reported in the Remuneration Report.

In addition, the Board of Directors has discretionary mandates regarding the incentive plans. In terms of the Konecranes's Short-Term and Long-Term incentive plans the board retains the flexibility to adjust plan details in case of events which cause the conditions to be no longer appropriate, e.g. in case of a change in control. Other events include e.g. restatement of financial statements or other manipulation. Incentive awards may be cancelled, postponed or reduced at the Board's discretion. Those deviations will be explained in the annual remuneration report. The HR committee retains furthermore the flexibility to define the relevant KPIs for its long-term and short-term incentive plans on an annual basis based on the strategic direction of the Konecranes group and propose those to the Board of Directors for approval.

The Board shall have the right to cancel any short-term and long-term incentive reward, fully or partly, if the Group's financial statements have to be amended and those amendments affect the amount of the reward, if the Plan's performance criteria and Performance Requirement have been manipulated, or in case of any action against the business interest of the Company or against criminal or employment related law or against the ethical guidance of the Company or any other unethical action, as resolved by the Board in each case.

The remuneration policy will be applied when engaging e.g. a new CEO or an Interim-CEO. However, Konecranes cannot anticipate all conditions under which a new CEO will be engaged. In case of the recruitment of a CEO the board keeps the discretion to offer additional allowances as typically provided in the country of residence and in those circumstances. Additional elements that may be used to secure a successful recruitment are, for instance, participation in on-going incentive plans or other equity vehicles with a multi-year vesting period and a performance condition. Those elements will be described on the Konecranes webpages and in the annual remuneration report.

The remuneration policy will be reworked in case a deviation is not considered as temporary. The HR committee will propose the revised policy to the board for approval and it will be discussed during the upcoming annual general meeting.

## **SHAREHOLDERS' NOMINATION BOARD'S PROPOSAL FOR REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The Shareholders' Nomination Board proposes to the Annual General Meeting that the amount of annual remuneration payable to the members of the Board other than the employee representative be unchanged as follows: the remuneration to the Chairman of the Board is EUR 140,000, the remuneration to the Vice Chairman of the Board is EUR 100,000 in the event that a Vice Chairman is elected by the Board, and the remuneration to the other Board members is EUR 70,000. In case the term of office of a Board member ends before the closing of the Annual General Meeting in 2021, he or she is entitled to the prorated amount of the annual remuneration calculated on the basis of his or her actual term in office.

The Nomination Board proposes that 40 per cent of the annual remuneration be paid in Konecranes shares to be acquired on behalf of the Board members at a price determined in public trading. The remuneration shares will be purchased in accordance with a trading plan prepared by the Company. The Company will pay the transaction costs and transfer tax in connection with the purchase or transfer of remuneration shares. In case the remuneration cannot be paid in shares due to legal or other regulatory restrictions or due to other reasons related to the Company or a Board member, the annual remuneration will be paid fully in cash.

In addition, the Chairmen of the Audit Committee and the Human Resources Committee are proposed to be paid a compensation of EUR 3,000 and the other Board members are proposed to be paid a compensation of EUR 1,500 per each attended committee meeting.

No remuneration will be paid to Board members employed by the Company, in accordance with the agreement on employee representation between Konecranes and its employees.

Travel expenses for all Board members, including the employee Board member, will be compensated against receipt.



## **SHAREHOLDERS' NOMINATION BOARD'S PROPOSAL FOR COMPOSITION OF THE BOARD OF DIRECTORS**

The Shareholders' Nomination Board proposes to the Annual General Meeting that the number of members of the Board of Directors shall be seven (7).

The Shareholders' Nomination Board proposes that of the current Board members Ms. Janina Kugel, Mr. Ulf Liljedahl, Mr. Per Vegard Nerseth, Ms. Päivi Rekonen and Mr. Christoph Vitzthum be re-elected for a term of office ending at the closing of the Annual General Meeting in 2021, and that Mr. Niko Mokka and Mr. Janne Martin be elected as new members of the Board of Directors for the same term of office. Mr. Janne Martin has been selected among the employees of Konecranes and is proposed by the Nomination Board to be elected as a full member of the Board in accordance with the agreement on employee representation between Konecranes and its employees.

Mr. Ole Johansson, Mr. Bertel Langenskiöld and Mr. Anders Nielsen of the current members of the Board of Directors have informed the Nomination Board that they are not available to be elected as Board members in the Annual General Meeting.

The Nomination Board recommends that if the above mentioned candidates are elected Board members by the Annual General Meeting, Mr. Christoph Vitzthum would be elected Chairman of the Board of Directors.

All candidates and the evaluation regarding their independence are presented on the Company's website [www.konecranes.com/agm2020](http://www.konecranes.com/agm2020). All candidates have given their consent to the election.

All candidates with the exception of Janne Martin are deemed to be independent of the Company and all candidates with the exception of Niko Mokka are deemed to be independent of the Company's significant shareholders. Janne Martin is deemed not to be independent of the Company due to his current position as an employee of Konecranes and Niko Mokka is deemed not to be independent of a significant shareholder of the Company based on his current position as Managing Director at Hartwall Capital Oy Ab.



**PROPOSAL BY THE BOARD OF DIRECTORS FOR THE REMUNERATION OF THE AUDITOR**

Upon recommendation of the Audit Committee, the Board of Directors proposes to the Annual General Meeting that the remuneration for the auditor be paid according to an invoice approved by the Company.

Ernst & Young Oy and its affiliated audit companies received EUR 3,301,000 in fees for auditing Konecranes Group Companies in 2019, and fees of EUR 433,000 for non-audit services.

## **PROPOSAL BY THE BOARD OF DIRECTORS FOR THE ELECTION OF AUDITOR**

Upon recommendation of the Audit Committee, the Board of Directors proposes to the Annual General Meeting that Ernst & Young Oy be re-elected as the Company's auditor for the year ending on 31 December 2020. Ernst & Young Oy has informed the Company that APA Kristina Sandin is going to act as the auditor with the principal responsibility.

**PROPOSAL BY THE BOARD OF DIRECTORS FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION**

The Board of Directors proposes to the Annual General Meeting that § 4 of the Articles of Association of the Company be amended to read as follows:

*§ 4 Board of directors and term of office*

*The company has a board of directors consisting of no less than five (5) and no more than ten (10) director members.*

*The term of office of the members of the board of directors expires at the end of the first annual general meeting of shareholders following the election.*

*The managing director may be a member of the board of directors, but he/she cannot be elected to be chairman of the board of directors.*

As a result of the amendment, the Chairman and, if deemed necessary, the Vice Chairman of the Board of Directors may in the future be elected by the General Meeting.

## **PROPOSAL BY THE BOARD OF DIRECTORS FOR AMENDMENT OF THE CHARTER OF THE SHAREHOLDERS' NOMINATION BOARD**

The Board of Directors proposes to the Annual General Meeting that the Charter of the Shareholders' Nomination Board be amended as follows:

### §3 Duties of the Nomination Board and remuneration

New section 3 c. would be added as follows, and the numbering of current sections 3 c-e would be changed correspondingly to 3 d-f:

- c. the Nomination Board may also prepare and present to the Annual General Meeting, and if necessary, to an Extraordinary General Meeting, a proposal for the Chairman of the Board and, if deemed necessary, the Vice Chairman of the board.*

### § 6.1 Preparation of the proposal

The first paragraph of section 6.1 of the Charter would be amended to read as follows:

*The Nomination Board shall prepare a proposal to be presented to the General Meeting concerning the composition of the Board of Directors, including the possible employee representative selected in accordance with section 6.2 below. The Nomination Board may also prepare a proposal to the General Meeting regarding the Chairman of the Board of Directors and, if needed, Vice Chairman of the Board of Directors. Any shareholder of the Company may also make proposals directly to the General Meeting in accordance with the Finnish Companies Act.*

The charter in the proposed amended form is available in its entirety on the Company's website [www.konecranes.com/agm2020](http://www.konecranes.com/agm2020).



~~28 March 2019~~ 26 March 2020

## **The Charter of the Shareholders' Nomination Board**

### **1. Purpose of the Shareholders' Nomination Board**

Konecranes Plc's (hereinafter "Konecranes" or the "Company") Shareholders' Nomination Board (hereinafter the "Nomination Board") is a body of the Company's shareholders, responsible for preparing proposals to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, for the election and remuneration of the members of the Board of Directors and for identifying potential Board member candidates.

The Nomination Board shall ensure that the Board of Directors and its members maintain and represent a sufficient level of expertise, knowledge and competence as well as diversity. In its duties, the Nomination Board shall comply with applicable laws and regulations including the stock exchange rules and the Finnish Corporate Governance Code.

This Charter regulates the nomination and composition of the Nomination Board and defines the tasks and duties of the Nomination Board.

### **2. Nomination and composition of the Nomination Board**

The Nomination Board comprises one member appointed by each of the four largest shareholders of the Company. The Chairman of the Company's Board of Directors shall serve as an expert in the Nomination Board without being a member, and shall not have a vote nor be counted in the quorum of the Nomination Board. The shareholders entitled to appoint a member are determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd. on 31 August each year. The Chairman of the Board of Directors shall request the four largest shareholders of the Company each to appoint one member to the Nomination Board. In case two shareholders hold an equal number of shares and the representatives of both such shareholders cannot be appointed to the Nomination Board, the decision shall be made by drawing lots.

If a shareholder who has an obligation under the Finnish Securities Market Act to take holdings of shares e.g. in several funds or group companies into account when disclosing changes in share ownership or who holds nominee registered shares makes a written request to the Chairman of the Board of Directors no later than on 30 August, such holdings of the shareholder will be taken into account when determining the appointment right.

Should a shareholder not wish to use his/her appointment right, the right transfers to the next largest holder of shares who would otherwise not have an appointment right.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and acts as a Chairman of the Nomination Board until the Nomination Board has elected a Chairman from among its members. The representative of the largest shareholder will be the Chairman of the Nomination Board, unless the Nomination Board decides otherwise. Other meetings are convened by the elected Chairman of the Nomination Board.

The composition of the Nomination Board and any changes to it are published by the Company through a stock exchange release.

The member appointed by a shareholder shall resign from the Nomination Board, if the shareholder concerned later transfers more than half of the shares he/she held on 31 August that entitled him/her to appoint a member and as a result thereof is no longer amongst the Company's ten largest shareholders. The right to appoint a member to replace the resigned member shall be offered to the shareholder who, immediately after the settlement of the relevant share transfer, is the largest holder of shares who has not yet appointed a member to the Nomination Board. If such shareholder does not wish to use his/her appointment right, the right transfers to the next largest holder of shares who would otherwise not have an appointment right.

An eligible shareholder who has appointed a representative to the Nomination Board has the right to replace its representative at any time.

The Nomination Board is established until the General Meeting of the Company decides otherwise. The members shall be appointed annually and their term of office shall end when new members are appointed to replace them.

### 3. Duties of the Nomination Board and remuneration

The duties of the Nomination Board are:

- a. to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the number of the members of the Board of Directors;
- b. to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the election of the members of the Board of Directors taking into account the possible employee representative election described in section 6.2 below;
- c. the Nomination Board may also prepare and present to the Annual General Meeting, and if necessary, to an Extraordinary General Meeting, a proposal for the Chairman of the Board and, if deemed necessary, the Vice Chairman of the board;
- ed. to prepare and present to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the remuneration of the members of the Board of Directors;
- de. to seek prospective successors for the members of the Board of Directors; and
- ef. to participate in the future development of the Board diversity policy.



The members of the Nomination Board shall not be entitled to any remuneration from the Company on the basis of their membership. The travel expenses of the members will be compensated against receipt.

#### 4. Duties of the Chairman of the Nomination Board

The Chairman of the Nomination Board shall direct the activities of the Nomination Board in order for the Nomination Board to achieve its objectives efficiently and take duly into account the expectations of the shareholders and the interests of the Company.

The Chairman of the Nomination Board shall convene meetings of the Nomination Board when the duties of the Nomination Board so require and within 14 days from a request by another member of the Nomination Board.

#### 5. Decision-making

The Nomination Board constitutes a quorum when more than half of its members are present. No decision may be made unless all members have been reserved the possibility to consider the matter and to participate in the meeting.

Decisions of the Nomination Board shall be unanimous. If consensus cannot be reached, the Nomination Board shall inform the Board of Directors that it is not able to make a proposal to the General Meeting.

Minutes shall be held of all decisions of the Nomination Board, and the minutes shall be dated, numbered and retained by the Company. The minutes shall be signed by the Chairman of the Nomination Board together with at least one member of the Nomination Board.

#### 6. Preparation of the proposal concerning the composition of the Board of Directors

##### 6.1 Preparation of the proposal

The Nomination Board shall prepare a proposal to be presented to the General Meeting concerning the composition of the Board of Directors, including the possible employee representative selected in accordance with section 6.2 below. The Nomination Board may also prepare a proposal to the General Meeting regarding the Chairman of the Board of Directors and, if needed, Vice Chairman of the Board of Directors. However, any Any shareholder of the Company may also make a proposal directly to the General Meeting in accordance with the Finnish Companies Act.

When preparing its proposal concerning the composition of the Board of Directors, the Nomination Board shall take into account also the independence requirements under the Finnish Corporate Governance Code, the results of the annual performance assessment of

the Board of Directors conducted in accordance with the Finnish Corporate Governance Code, the Board diversity policy and any other applicable rules and regulations. The Nomination Board may, at the Company's approved expense, make use of outside experts to identify and evaluate potential new candidates to the Board of Directors.

The Nomination Board is entitled to receive from the Company and the Board member candidates the results of the annual performance assessment of the Board of Directors, information relevant to the evaluation of the Board candidates' independence, and other information reasonably required by the Nomination Board in preparing its proposals.

## 6.2 Employee representative election

If the Company has an agreement concerning employee participation in force with its relevant employee representative body or bodies concerning the election of an employee representative to the Board of Directors as full member or otherwise, the proposal of the Nomination Board concerning the composition of the Board of Directors made to the General Meeting shall take into account such agreement.

If an employee representative needs to be included in the Nomination Board's proposal in accordance with the above, he/she shall be selected by the Nomination Board from the candidates put forward by the Finnish employee representative body or bodies of the Company in accordance with the Company's employee participation agreement, provided that the Nomination Board is informed of such candidates in good time before making its proposals and is provided such information concerning the candidates as is reasonably required by the Nomination Board in preparing its proposals.

The Nomination Board may only deviate from the requirements set out in this section 6.2, including the obligation to include an employee representative in its proposal, or request that the employee representative body or bodies put forward new candidates, if there are weighty reasons to do so taking into account the overall interest of the Company.

The proposal of the Nomination Board does not limit the power of the General Meeting to ultimately decide on the election or non-election of any candidate put forward by the Nomination Board, including the proposed employee representative. The employee representative shall not be entitled to remuneration payable to the other members of the Board of Directors unless the General Meeting decides otherwise but the Nomination Board shall propose that the expenses of the employee representative are to be compensated in accordance with the same principles as for the other members of the Board of Directors.

## 7. Competence of the members of the Board of Directors

The Board of Directors of the Company shall have sufficient expertise, knowledge of and competence in the Company's field of business, technology and industry. In particular, the Board of Directors as a whole shall have sufficient knowledge of and competence in:

- a. the Company's business activities, technology and industry;



- b. the management of a public limited company of corresponding size;
- c. group and financial management;
- d. strategy and corporate acquisitions and restructurings;
- e. internal control and risk management; and
- f. corporate governance.

Board selections are based on candidates' background and competence to understand Konecranes' current and future markets, strategy, employees and customers, including sound understanding of financials and business dynamic. Collectively the Board of Directors should have combined experience in different markets, geographies and important topics like digitalization and corporate responsibility. The most important nomination criteria for the Board candidates is competency, knowledge, personal qualities and integrity. Both genders shall be represented on the Board of Directors.

#### 8. Proposals to the General Meeting

The Nomination Board submits its proposals concerning Annual General Meetings to the Board of Directors at the latest on 31 January preceding the relevant Annual General Meeting. Proposals concerning Extraordinary General Meetings shall be presented when needed and in sufficient time to enable the Company to comply with applicable rules and regulations. The proposals of the Nomination Board shall be published through a stock exchange release and included in the notice to the Annual General Meeting. The Nomination Board shall also present its proposals and the reasoning for the proposals to the General Meeting.

#### 9. Confidentiality

The members of the Nomination Board and the shareholders they represent shall keep the information regarding the proposals to the Annual General Meeting confidential until the Nomination Board has made the final proposals and said proposals have been published by the Company. The duty of confidentiality of the members of the Nomination Board and of the shareholders represented by them encompasses also other confidential information received in connection with the work of the Nomination Board. The duty of confidentiality remains in force with respect to each piece of information until the Company has published it. The Chairman of the Nomination Board or the Chairman of the Board of Directors may, when he/she considers it necessary, propose to the Board of Directors of the Company that the Company should enter into separate non-disclosure agreements with the shareholders or their representatives in the Nomination Board.

#### 10. Amending the Charter

The Nomination Board shall review this Charter annually and, when necessary, the Nomination Board or the Board of Directors shall propose possible amendments to the next General Meeting for

adoption. The Nomination Board is authorized to execute necessary technical updates to this Charter.

In case any fixed date prescribed in this Charter does not fall on a business day, the Charter shall be construed to refer to the business day immediately preceding such fixed date.

This Charter has been prepared in Finnish, Swedish and English.

**PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE AND/OR ON THE ACCEPTANCE AS PLEDGE OF THE COMPANY'S OWN SHARES**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows.

The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 7,500,000 shares in total, which corresponds to approximately 9.5 per cent of all of the shares in the Company. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company. Only the unrestricted equity of the Company can be used to repurchase own shares on the basis of the authorization.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.

The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

Own shares can be repurchased and/or accepted as pledge to limit the dilutive effects of share issues carried out in connection with possible acquisitions, to develop the Company's capital structure, to be transferred for financing or realization of possible acquisitions, investments or other arrangements belonging to the Company's business, to pay remuneration to Board members, to be used in incentive arrangements or to be cancelled, provided that the repurchase and/or acceptance as pledge is in the interest of the Company and its shareholders.

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 11 December 2021.



**PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES AS WELL AS ON THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES**

The Board of Directors proposes 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 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 7,500,000 shares, which corresponds to approximately 9.5 per cent of all of the shares in the Company.

The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization can also be used for incentive arrangements, however, not more than 1,350,000 shares in total together with the authorization in item 20.

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 11 December 2021. However, the authorization for incentive arrangements is valid until 11 June 2025. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2019.

**PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO DECIDE ON THE TRANSFER OF THE COMPANY'S OWN SHARES**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on the transfer of the Company's own shares as follows.

The authorization is limited to a maximum of 7,500,000 shares, which corresponds to approximately 9.5 per cent of all the shares in the Company.

The Board of Directors decides on all the conditions of the transfer of own shares. The transfer of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The Board of Directors can also use this authorization to grant special rights concerning the Company's own shares, referred to in Chapter 10 of the Companies Act. The authorization can also be used for incentive arrangements, however, not more than 1,350,000 shares in total together with the authorization in item 19.

This authorization is effective until the next Annual General Meeting of Shareholders, however no longer than until 11 December 2021. However, the authorization for incentive arrangements is valid until 11 June 2025. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2019.

**PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO DECIDE ON A DIRECTED SHARE ISSUE WITHOUT PAYMENT FOR AN EMPLOYEE SHARE SAVINGS PLAN**

The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to decide on a directed share issue without payment needed for the continuation of the Share Savings Plan that the Annual General Meeting 2012 decided to launch.

The Board of Directors proposes that the Annual General Meeting authorize the Board to decide on the issue of new shares or on the transfer of own shares held by the Company to such participants of the Share Savings Plan who, according to the terms and conditions of the Plan, are entitled to receive free shares, as well as to decide on the share issue without payment also to the Company itself. The Board of Directors proposes that the proposed authorization includes a right, within the scope of this Share Savings Plan, to transfer own shares currently held by the Company, which have earlier been limited to other purposes than incentive plans. The number of new shares to be issued or own shares held by the Company to be transferred may in the aggregate amount to a maximum total of 500,000 shares, which corresponds to approximately 0.6 per cent of all of the Company's shares.

The Board of Directors considers that there is an especially weighty financial reason for the directed share issue without payment, both for the Company and in regard to the interests of all shareholders, since the Share Savings Plan is intended to form part of the incentive and commitment program for the Group personnel.

The Board of Directors is entitled to decide on other matters concerning the share issue. The authorization concerning the share issue is valid until 11 June 2025. This authorization is in addition to the authorizations in items 19 and 20 above. This authorization replaces the authorization for the Share Savings Plan given by the Annual General Meeting 2019.

**PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO DECIDE ON DONATIONS**

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide on donations in the aggregate maximum amount of EUR 200,000 to be given to universities, institutions of higher education or to other non-profit or similar purposes. The donations can be made in one or more instalments. The Board of Directors may decide on the beneficiaries and the amount of each donation. The authorization shall be in force until the closing of the next Annual General Meeting.