

Remuneration Policy 2024

KONECRANES



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Introduction

This Remuneration Policy presents the principles and governance for the remuneration of the Board of Directors (Board), the President and CEO (CEO) and the Deputy CEO at Konecranes Plc (Konecranes).

The shareholders' feedback has been considered when updating the Policy since the first version presented to the Annual General Meeting in March 2020.

In terms of content, the changes compared to the previous Remuneration Policy were kept minimal, but the text has been edited to increase clarity. The possibility to use Board meeting fees has been added to the policy as the meeting fees were introduced as part of Board remuneration since the AGM 2022. Furthermore, a cap for the Performance Share Plan award payments has been introduced in this version. In addition, details of the Restricted Share Unit Plan were added and the graphs for the remuneration governance and the remuneration scenarios were enhanced.

The Policy has been approved by the Board of Konecranes and is subject to advisory vote by the Annual General Meeting (AGM) in March 2024.

Purpose

The ability to attract, retain and drive performance of both employees and management is vital for Konecranes' competitiveness, long-term financial success, and positive development of the shareholder value. The Konecranes remuneration is designed to support and secure the achievement of these objectives.

The Konecranes remuneration principles guide the remuneration of the governing bodies:

- Remuneration is linked to performance and achievements to promote high performance and commitment to strategy and business targets.
- Remuneration reflects the requirements of the position, needed skills, knowledge, and experience.
- Remuneration governance and processes ensure equal and fair treatment along with pay equity.

The process of determining and reviewing the remuneration for the CEO and Deputy CEO aligns with that of the employees, with adjustments made based on the distinct roles and responsibilities of the CEO and Deputy CEO, which impact the remuneration levels.

Scope

The Konecranes Remuneration Policy covers the principles and governance of the remuneration for the Board as well as for the CEO and the Deputy CEO.

Remuneration governance

All Konecranes remuneration related decisions are made by the 'one above' principle. In other words, the remuneration of an employee must always be approved by the manager's manager. Any risks of conflict of interest are mitigated by separated roles and responsibilities within the remuneration governance.

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 Board members.

The Annual General Meeting decides on the remuneration of the Board and the Board's Committees annually.

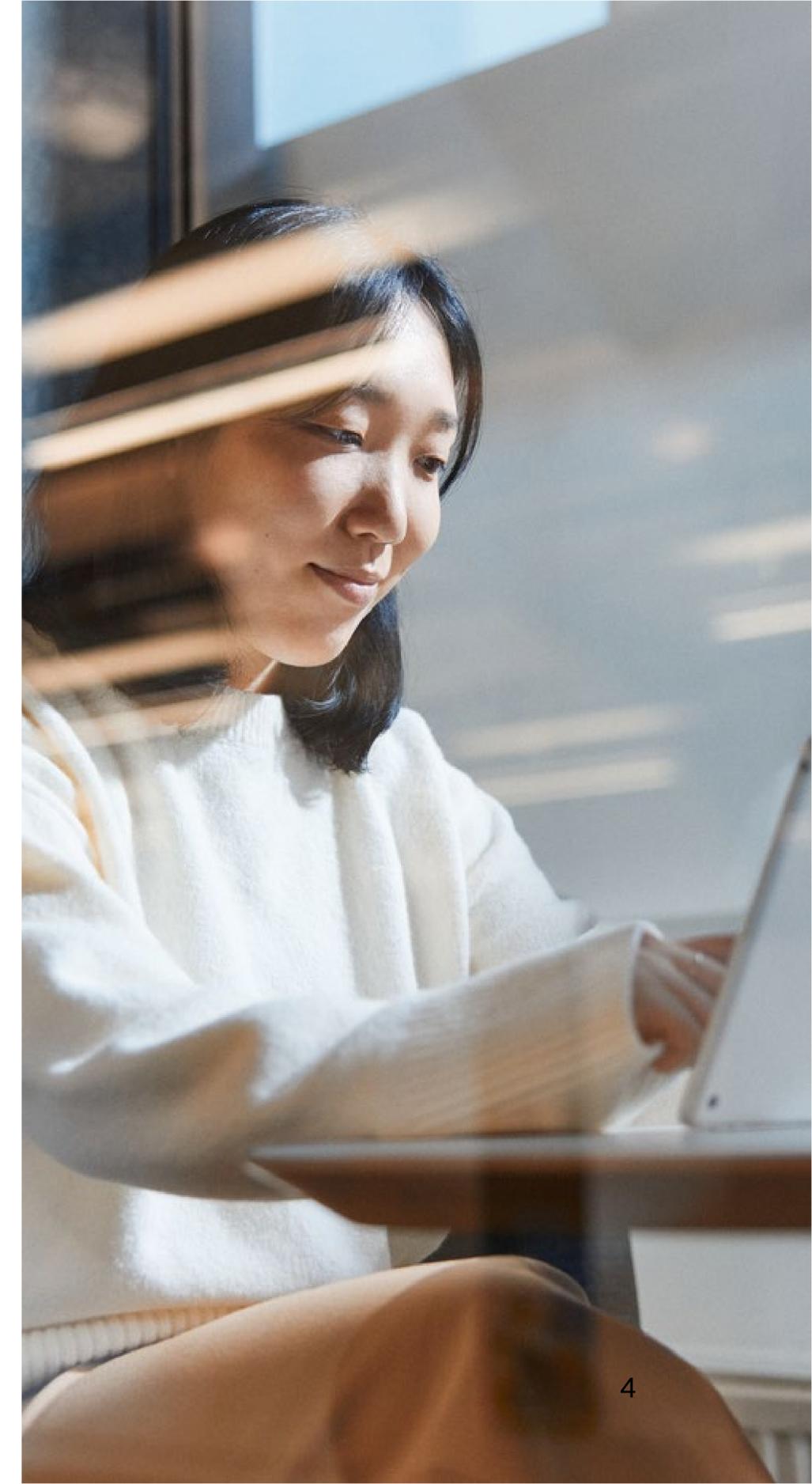
Governance of CEO and Deputy CEO remuneration

The Human Resources Committee (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. To support the proposal preparation, external remuneration benchmarks of peer companies in similar global industry are used.

Furthermore, the HR Committee reviews short-term and long-term incentive plans and assesses whether they provide an appropriate balance of risk and reward, and they are aligned with the company's strategy, expected performance, shareholder value, and market practices. They also oversee compliance with share ownership guidelines.

The HR Committee prepares proposals to the Board on the approval of short-term and long-term incentive targets, achievements and payable awards, and long-term incentive grants for the CEO, Deputy CEO, and the Leadership Team. Based on the HR Committee's proposal, the Board decides about the total remuneration elements for the CEO and Deputy CEO, such as the base salary and pensions, along with the targets, maximum earning opportunities and payable awards in the short-term and long-term incentive plans.

Relevant policies will be reviewed periodically by the HR Committee and adjustments will be proposed to the Board.

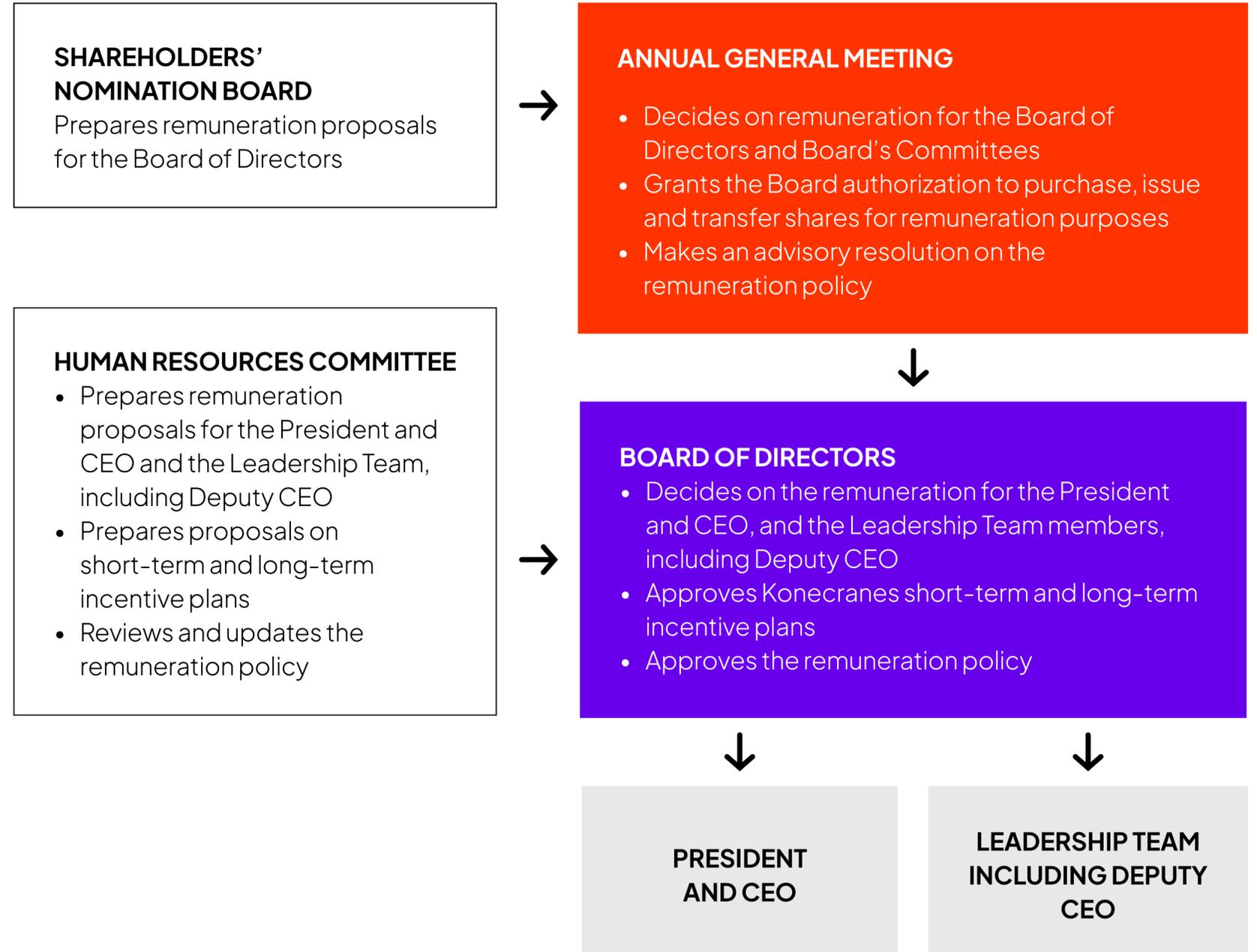


Governance of share-based remuneration

The Annual General Meeting decides on granting the Board authorization to purchase, issue and transfer shares for remuneration purposes.

Governance of remuneration policy

Any new policy or major changes in the Remuneration Policy will be prepared by the HR Committee and will be approved by the Board prior to the presentation at the Annual General Meeting. The Remuneration Policy will be presented to the Annual General Meeting for the advisory vote every 4 years at minimum.



Remuneration of the Board of Directors

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

To support this goal, the Konecranes Board remuneration is to be competitive to attract international professionals representing a diverse and relevant mix of skills and experience and to provide fees which account for relevant market practices and the time commitment and responsibilities of the roles.

The Board remuneration is not linked to the Konecranes' company performance and therefore the remuneration consists of fixed remuneration elements such as Annual Fee, Meeting and Committee Attendance Fee. To align the interests with the shareholders, a portion of the Annual Fee can be paid in shares. Any Meeting or Committee Attendance Fees are paid in cash. Furthermore, travel expenses will be reimbursed.

The Annual General Meeting resolves annually on the remuneration to be paid to the members of the Board 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.
- Annual fees may vary based on position, workload, and responsibility, therefore the fees for the Chair and the Vice Chair can be higher than for the rest of the Board.

MEETING AND COMMITTEE ATTENDANCE FEE

Purpose

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

Operation

- Each Board and Board Committee member may receive an attendance fee per Board and Committee meeting attended.
- Attendance fees are paid in cash.
- Fees may vary based on position, workload, and responsibility.

TRAVEL REIMBURSEMENT

Board members will be reimbursed for necessary travel against the receipt 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.
- 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' 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, 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.
- 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 the actual term of the office.

Remuneration of the CEO and Deputy CEO

Remuneration components

The remuneration of the Konecranes CEO and Deputy CEO consists of a fixed remuneration of base salary, fringe benefits and pension and a variable remuneration with short-term and long-term incentives.

The purpose of the remuneration of the CEO and Deputy CEO is to provide a competitive compensation and reward on both Konecranes' short-term and long-term performance. The shareholding requirements tied to the share-based incentive plans support the alignment of corporate and personal targets. Together all these remuneration components will positively serve the long-term interests of the company and its shareholders.

Fixed remuneration

BASE SALARY

Purpose

To provide a base salary 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 Konecranes Annual Salary Review applies also to the CEO and Deputy CEO and is completed by the Board after the evaluation and proposal by the HR Committee. Industry benchmarks, market trends and average salary increases in Konecranes are considered when reviewing the salary.

FRINGE BENEFITS AND PENSION

Purpose

To provide fringe benefits and pension in line with the company's practices in the prevailing market.

Operation

- The CEO's and Deputy CEO's fringe benefits will mostly follow employment country practices for CEOs and similar job level executives.
- The fringe benefits provided to the CEO and Deputy CEO may include a company car and a phone benefit. Also, a housing benefit or other benefits might be offered if considered appropriate.

- The CEO and Deputy CEO will normally participate in the statutory pension scheme of the relevant country. In addition, Konecranes may provide supplementary contribution-based pension benefits to the CEO and Deputy CEO (Defined Contribution Plan). The retirement age will be defined according to applicable country legislation or may be defined in the service contract.

Variable remuneration

SHORT TERM INCENTIVES

Purpose

To provide a performance-based remuneration tied to the achievement of key business and financial targets in the short-term.

Operation

- 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.
- The short-term incentive criteria may vary but are usually based on the Konecranes Group's key performance areas. Typical performance indicators may be financial, operational, or strategic.
- The annual incentive is based on the comparison of financial performance of the Company against the set targets. The actual award payout amount is based on the HR Committee's evaluation and proposal and approved by the Board.
- The maximum achievement is capped at 100% of the annual base salary.

LONG-TERM INCENTIVES

Purpose

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 in the long-term.

Operation

Performance Share Plan (PSP)

- For key employees, Konecranes provides a Performance Share Plan. After each Performance Share Plan period, the plan participants may earn share rewards for achieving set targets.
- A maximum gross reward in number of shares is defined at the launch of the Performance Share Plan period and at the grant for each plan participant individually.
- The criteria of the Performance Share Plan are set and approved by the Board and are based on the Konecranes Key Performance Indicators supporting long-term shareholder return. If a threshold level for the criteria is not met, rewards will not be awarded.
- A cap for Performance Share Plan awards payments applied at the time of the vesting is 300 % of the average base salary over the performance period and applicable for the new upcoming programs since the AGM in March 2024.

Employee Share Savings Plan (ESSP)

- For all employees, Konecranes offers an Employee Share Savings Plan, except in those countries where the plan could not be offered for legal or administrative reasons. The 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 the participants are still in possession of these shares after an approximate three-year holding period, they will receive matching shares.

Restricted Share Plan (RSU)

- For retention purposes, a Restricted Share Unit Plan (RSU) can be used under special conditions. The vesting periods can last from 12 to 36 months. The prerequisite for reward payment is a continued employment or service until the end of the vesting period.

Konecranes long-term incentive plans enforce ownership requirements that restrict certain participants, including the CEO and Deputy CEO, from selling their reward shares.

OTHER TERMS AND CONDITIONS

- The service contract of the CEO and Deputy CEO defines the length of the notice period, the salary for the notice period and the entitlement to severance pay. These details are disclosed in the annual Remuneration report and on Konecranes website.
- Malus and clawback provisions are applicable to the CEO and Deputy CEO in relation to all variable pay programs.

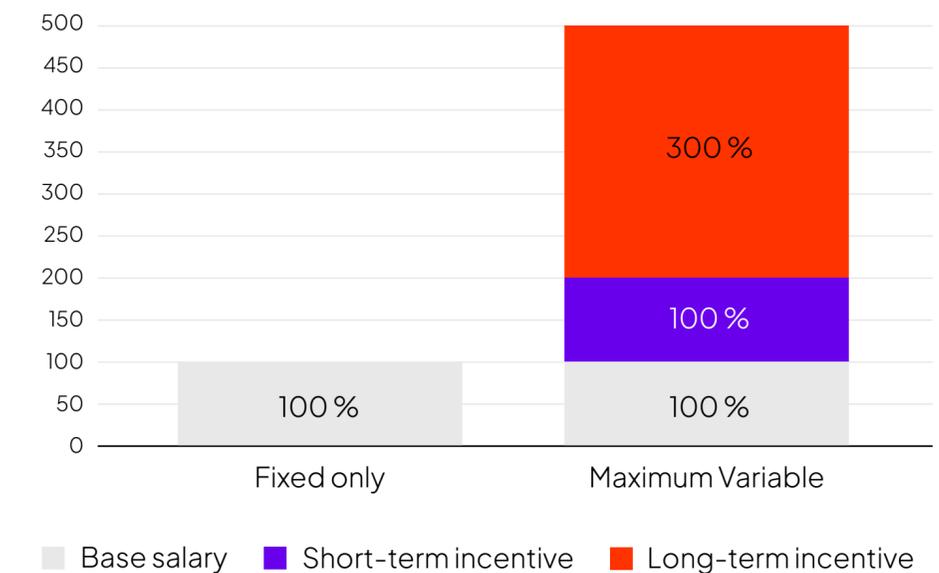
Remuneration scenarios

The below illustration shows the remuneration scenarios for the CEO excluding supplementary pensions. Each scenario describes relative portions of remuneration elements as % of annual base salary. Similar scenarios apply to the Deputy CEO.

When not reaching the variable pay threshold, there will be no short-term and long-term incentive payments and the remuneration consists of the fixed salary only, i.e., base salary and fringe benefits. The minimum level of variable remuneration is paid when the minimum level of KPIs is reached. The possible maximum scenario requires exceptional performance and overachievement of all targets defined in the short-term and long-term incentive plan.

REMUNERATION SCENARIOS

Remuneration elements, % of annual base salary



Temporary deviations & discretionary mandates

To secure the long-term interests of the company, the remuneration policy may be deviated from temporarily in exceptional circumstances. These circumstances may include situations like:

- significant corporate arrangements (for example merger, takeover, demerger, acquisition, or other reorganization)
- material change in the financial position or business strategy
- CEO and Deputy CEO recruitment
- taxation or other regulatory changes, or
- other extraordinary events

Should a deviation need to take place, the Board will approve it upon the proposal of the HR Committee. Any deviation will be reported in the annual remuneration report. Should a deviation be needed regarding the remuneration of the Board, the Annual General Meeting or Extraordinary General Meeting will approve it.

As all terms and conditions in recruiting a CEO or Deputy CEO cannot be anticipated, 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 and commitment are, for instance, participation in on-going short-term incentive plans and long-term share-based incentive plans or other equity vehicles. Those elements will be described on the Konecranes webpages and in the remuneration report.

The remuneration policy will be reworked in case a deviation is not considered as temporary. The HR committee will propose the revised remuneration policy to the Board for approval and it will be discussed during the upcoming Annual General Meeting.

Discretionary mandates

The Board has discretionary mandates regarding the 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. The HR Committee retains the flexibility to define the relevant KPIs for the short-term and long-term incentive plans on an annual basis based on the strategic direction of the Konecranes group and propose those to the Board for approval.

The Board has the right to cancel any short-term and long-term incentive reward, fully or partly, if the Group's financial statements must be amended and those amendments affect the amount of the reward or if the incentive plan's performance criteria and performance requirement have been manipulated. The cancellation of the incentive reward may take place also 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. The Board has also the right to postpone the payment of the incentive rewards.

Any deviations will be explained in the annual remuneration report.

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www.konecranes.com