

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

The Board of Directors proposes to the General Meeting that an Employee Share Savings Plan be launched in the Konecranes Group and that the Board of Directors be authorized to decide on a directed share issue without payment needed for the implementation of the Plan as follows:

**1. Employee Share Savings Plan**

The Board of Directors proposes that an Employee Share Savings Plan (the Plan) be launched in the Group, as described below in Section 1.1 in more detail. The intention is to offer the Plan to all eligible Konecranes employees except in countries where there are legal, administrative or taxation restraints on participation. Where appropriate, an equivalent cash plan will be offered in these countries. The Konecranes Group has approximately 11,600 employees in 46 countries.

**1.1 General**

The purpose of the Plan is to offer all Group employees an opportunity to save a proportion of their regular salary to be used for the acquisition of the Company's shares (Savings Shares). By encouraging the employees to acquire and hold the Company's shares, the Company aims to strengthen the tie between the Konecranes shareholders and employees. The objective is to increase employees' motivation and involvement in Konecranes business. The Board of Directors considers that the Plan will have a positive impact on the Group's global future development and therefore the Plan is in both the shareholders' and the employees' interests.

Participation in the Plan is voluntary for each employee. An employee will decide whether or not to participate and on the amount he or she is willing to save, within the limits set by the Board of Directors. If an employee possesses insider information on any decision date, the acquisition of his or her Savings Shares will be postponed.

Employees are encouraged to save for the Savings Shares by being offered free shares for Savings Shares (Matching Shares). Matching Shares will be delivered to a participant if the participant holds the Savings Shares for a designated holding period. Matching Shares will not be delivered to participants whose employment has terminated, unless the Board of Directors decides otherwise. The number of Matching Shares will be decreased pro rata, if a participant has sold any Savings Shares before the end of the holding period.

In order to participate, participants will have to agree to abide by the terms of the Plan rules. The intention is that an employee will participate in the Plan for one year at a time (Plan Period) and that Savings Shares will be acquired with the accrued savings quarterly.

The number of Savings Shares to be acquired is determined on the basis of the amount of accrued savings during the quarter. Savings Shares will be acquired at the market price, after the end of each quarter on the date determined by the Board of Directors (Acquisition Date), and they will be delivered to the participant within 14 days from the Acquisition Date. Savings Shares will be acquired from the market through a broker, and they will be transferred directly to the participant's book-entry account, or to the Company to be further transferred to the participant. As Savings Shares will be acquired with each participant's own funds, the share acquisition is not considered as an acquisition of the Company's treasury shares.

Matching Shares will be transferred to each participant in accordance with the Plan rules. This Matching Share transfer requires an authorization granted to the Board of Directors by the General Meeting and a decision on a directed share issue without payment by the Board of Directors.

A participant may suspend his or her savings during the Plan Period. Savings Shares will then be acquired with the accrued savings. The participant will retain his or her right to Matching Shares in relation to those Savings Shares.

The Company may decide to pay the Matching Shares either wholly or partly in cash; in particular to enable the payment of taxes and tax-related payments arising from the receipt of Matching Shares.

The Company may terminate the Plan at the end of any Plan Period.

### **1.2. Detailed Terms for Plan Period 2012—2013**

The intention is that the first Plan Period of the Plan will begin on 1 July 2012 and end on 30 June 2013. The maximum amount which can be saved to acquire Savings Shares is 5 per cent of each participant's monthly gross salary. The total amount of all savings from the first Plan Period may not exceed EUR 8.5 million. The intention is that the holding period for the Savings Shares will end on 15 February 2016. Matching Shares will be delivered to participants if they have not disposed of the Savings Shares and if their employment with a company belonging to the Group has not been terminated on the last day of the holding period. The participant is entitled to receive one free Matching Share for every two acquired Savings Shares.

### **2. Directed Share Issue without Payment**

The prerequisite for the implementation of the Plan is that new shares in the Company may be issued or own shares held by the Company may be transferred to the participants without payment. Therefore, the Board of Directors proposes that the General Meeting would

authorize the Board of Directors to decide on a share issue without payment directed to the participants of the Plan.

### **3. Proposal by the Board of Directors**

The Board of Directors proposes that the General Meeting approve the Plan to be launched in the Group and authorize the Board of Directors to decide on the detailed terms and conditions of the Plan, on Plan Periods and on their detailed terms and conditions, and to implement the Plan at its discretion, considering especially the legislation and other regulations applied to the Plan in each country where the Group operates.

Furthermore, the Board of Directors proposes that it be authorized to decide on the issue of new shares or on the transfer of own shares held by the Company to such participants of the 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 in this Plan to transfer own shares held by the Company, the use of which has 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 be a maximum total of 500,000 shares, which corresponds to 0.8 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 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 1 March 2017.

Hyvinkää, 2 February, 2012

Board of Directors