



REMUNERATION REPORT

1. Introduction

This report has been prepared by the Konecranes' Board of Directors Human Resources Committee. It is based on the Remuneration policy presented at the Annual General Meeting (AGM) 2020 and has been prepared in accordance with the requirements set forth by the amended EU Shareholders' Rights Directive, which was implemented in Finland in 2019, and the Finnish Corporate Governance Code 2020. The report will be presented at Konecranes 2022 AGM, and the resolution of the AGM on the matter will be advisory.

The Konecranes remuneration policy was implemented in 2020 to formalize 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.

The remuneration policy was first presented at the 2020 AGM. The AGM 2020 gave an advisory resolution to support the Konecranes Remuneration Policy, covering the principles for remuneration of the members of the Board of Directors, President and CEO and Deputy CEO. The remuneration policy's validity is regularly reviewed by the Board of Directors and presented to the general meeting at least every four years or whenever substantial changes are made to it.

Konecranes remuneration policy is available at <https://investors.konecranes.com/remuneration-policy>. In 2021, the remuneration decisions were made within the frame of the remuneration policy, and there were no deviations to the remuneration policy. In 2020,

two deviations were made: implementation of the CEO Retention Plan and Restricted Share Unit Plan 2020 due to the planned merger with Cargotec Corporation to align the objectives of the shareholders and the key employees, to secure business continuity during the transition period, and to retain key employees at Konecranes. Both plans were still ongoing in 2021.

While providing a competitive and motivating compensation, the primary target of Konecranes management remuneration is to align the interests of Board members, executives and shareholders and to enhance commitment to achieve strategic targets and to promote the long-term financial success of the company, as well as to contribute to the positive development of shareholder value. The

executive shareholding requirements in place support the alignment of corporate aims and executive interests.

At Konecranes, remuneration is linked to performance and achievements on all organizational levels. The short term-incentive plan is based on annual targets related to the financial performance of the group. The long-term Performance Share Plan is based on longer-term financial performance and shareholder value creation.

For the long-term financial success of the company and its shareholders, in recent years, the continued focus at Konecranes has been on the profitability improvement. This has been reflected in the financial measures of the short-term and long-term incentive plans presented in this Report.

Development of the fees of the Board of Directors and CEO compared to the development of the average remuneration of employees and to the company's financial development over the preceding five financial years:

Financial Performance / Remuneration in €	2017	2018	2018 vs. 2017	2019	2019 vs. 2018	2020	2020 vs. 2019	2021	2021 vs. 2020
Net sales, MEUR	3,137.2	3,156.1	0.6%	3,326.9	5.4%	3,178.95	-4.4%	3,185.7	0.2%
Adjusted EBITA, MEUR	216.6	257.1	18.7%	275.1	7.0%	260.8	-5.2%	312.2	19.7 %
Chairman of the Board	140,000	140,000	0.0%	140,000	0.0%	140,000	0.0%	140,000	0.0%
Other Board members	70,000	70,000	0.0%	70,000	0.0%	70,000	0.0%	70,000	0.0%
President and CEO*	622,200	617,700	-0.7%	515,976	-16.5%	698,677	35.4%	901,303	29.0%
Average KC employees**	46,379	48,059	3.6%	50,931	6.0%	46,913	-7.9%	49,089	4.6%

* The compensation of the President and CEO reflects the remuneration of Panu Routila from 2017 to 2019 and Rob Smith starting from 2020. The remuneration details contain the base salary as well as the car and phone benefit, pension is not included in this amount. The decrease in the remuneration of Panu Routila from 2017 to 2018 results from changes in the car benefit.

** Excluding restructuring costs. The lower remuneration in 2020 compared to the previous years is due to COVID-19 related temporary lay-offs and other temporary measures (e.g., shorter work weeks and utilization of holiday banks).

2. Remuneration of Board of Directors

The Board the Directors' remuneration consists of Annual Fee, Committee Attendance Fee, and travel reimbursements.

According to the decision made at the AGM 2021, 40 percent of the annual remuneration was paid in Konecranes shares acquired on behalf of the Board members at a price determined in public trading on Nasdaq Helsinki. According to the trading plan of the Company, the purchase of shares has been carried out in four equal instalments; each instalment having been purchased within a two-week period following each of the Company's interim report announcements and the Company's financial statement release. The Company pays transaction costs and transfer tax in connection with the purchase of remuneration shares.

In case the remuneration could not 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 would be paid fully in cash. For example, when the proposed merger of Konecranes and Cargotec will be completed, any remaining unpaid remuneration would be paid in cash prorated on the basis of the Board of Directors' actual term in office.

In addition to the Annual Fee, a Committee Attendance Fee was paid to the committee members to reflect any additional time commitment or duties. Travel expenses for all Board members, including the employee representative, were compensated against receipt.

Konecranes' Board members are not in an employment relationship or service contract with Konecranes with the exception of Janne Martin, who had been selected among the employees. With the exception of him, the other Board members do not participate in Konecranes' incentive programs or have a pension scheme arranged by Konecranes.

In accordance with the agreement on employee representation between Konecranes and its employees,

no Board remuneration was paid to Board members employed by the Company. Therefore, Janne Martin did not receive remuneration on his Board membership and meeting attendance.

The members of the Shareholders' Nomination Board are not entitled to any remuneration from Konecranes on the basis of their membership.

Fees payable to the Board members as confirmed by the latest Annual General Meeting on March 30, 2021

Annual fee 2021	Total EUR
Chairman of the Board	140,000
Vice Chairman	100,000
Board member	70,000
Fee per Board Committee meeting	1,500
Chairman of the Audit and HR Committee per committee meeting	3,000

Board members are also reimbursed for their travel expenses.

Board meeting attendance and total remuneration paid to the Board of Directors in 2021

Board meeting attendance 2021

Member	Board meetings attended	Audit Committee meetings attended	HR Committee meetings attended
Chairman			
Christoph Vitzthum	25/25	–	6/6
Other Board Members			
Janina Kugel	25/25	–	6/6
Janne Martin	11/12	–	–
Niko Morkkila	25/25	6/6	–
Päivi Rekonen	24/25	6/6	–
Per Vegard Nerseth	24/25	–	6/6
Ulf Liljedahl	25/25	6/6	–

Janne Martin, the employee representative, resigned on July 27, 2021

Board Remuneration 2021

Member	EUR Cash portion as part of Total Annual Remuneration	Nr of shares as part of Total Annual Remuneration	EUR value of shares as part of Total Annual Remuneration	EUR Committee Meetings	Total EUR
Chairman					
Christoph Vitzthum	84,092	1,508	55,908	12,000	152,000
Other Board Members					
Janina Kugel	42,046	754	27,954	24,000	94,000
Niko Morkkila	42,046	754	27,954	10,500	80,500
Päivi Rekonen	42,046	754	27,954	10,500	80,500
Per Vegard Nerseth	42,046	754	27,954	12,000	82,000
Ulf Liljedahl	42,046	754	27,954	21,000	91,000
Other Board Members	210,229	3,770	139,771	78,000	428,000
Total Board Compensation	294,320	5,278	195,680	90,000	580,000

Due to the payment cycle, Board remuneration from January 1, 2021 until AGM 2021 was based on the decision made by the AGM 2020. From AGM 2021 until December 31, 2021 the partial remuneration was based on the AGM 2021 decision.

3. Remuneration of the President and CEO and the Deputy CEO

Remuneration of the Konecranes President and CEO and Deputy CEO includes a fixed salary with fringe benefits, performance based annual variable pay and a long-term, performance based share plan.

In addition to the Finnish statutory pension, the CEO and Deputy CEO have a supplementary contribution pension benefit provided by the company. The pension scheme for the President and CEO sets his defined contribution at 20 percent of his annual base salary including fringe benefits and excluding performance-based compensation (annual or long-term incentives). The contribution level for the Deputy CEO is set at 1 percent of the annual base salary. The retirement age in this supplementary pension plan is 63 years.

Remuneration paid to the President and CEO and the Deputy CEO in 2021

In 2021, the fixed salary including salaries and fringe benefits paid to the President and CEO amounted to EUR 901,303 and for the Deputy CEO to EUR 311,174.

The short-term incentive payments for 2020 were paid in 2021 and amounted to EUR 256,284 for the President & CEO and EUR 87,125 for the Deputy CEO. The short-term incentive plan 2020 for the President and CEO and Deputy CEO was based on the achievement of the following measures: 70 percent weighting on Group-adjusted EBITA margin and 30 percent weighting on Group Orders' Growth percentage. The actual outcome was between target low (12.5 percent) and target (50 percent).

The short-term incentive plan for 2021 for the President and CEO and Deputy CEO was based on the achievement of the same measures as in 2020: 70 percent weighting

Remuneration elements and terms of employment of the President and CEO and Deputy CEO

	President and CEO (from February 1, 2020 until December 31, 2021)	Deputy CEO (Interim CEO from October 7, 2019 to January 31, 2020 and from January 1, 2022)
Base salary	Fixed salary with fringe benefits Monthly salary: EUR 66,667.00	Fixed salary with fringe benefits Monthly salary: EUR 23,223.75
Short-term incentives	Based on financial performance Max. 100% of annual base salary	Max. 100% of annual base salary
Long-term incentives	Performance Share Plans and RSU 2020 plan	Performance Share Plans and RSU 2020 plan
Proportion of fixed and variable pay (as % of total target remuneration)	41% base salary 21% STI* 38% LTI* * target opportunity, long-term incentive is excluding RSU 2020	43% base salary 22% STI* 35% LTI*
Pensions	Finnish Statutory pension Defined contribution plan at 20% of annual salary	Finnish Statutory pension Defined contribution plan at 1% of salary
Additional elements	Cash based retention incentive	
Shareholding requirements	Performance Share Plan 2017 or Performance Share Plan 2017–2021 for the CEO • Must hold until he owns shares worth EUR 750,000 in total Previous plans • Must hold min. 50% of any net shares given based on reward plans, until the value of shareholding equals annual salary	Must hold min. 50% of any net shares given based on reward plans • Until the value of shareholding equals annual salary, and • Membership in the Konecranes Leadership Team continues
Period of notice	6 months' notice by the President and CEO and by the company	6 months' notice by the Deputy CEO or 9 months' notice by the company
Severance pay	Equals to 12 months' salary and fringe benefits in case of termination prior to the age of 63, in addition to the salary for the notice period	Equals to 9 months' salary and fringe benefits, in addition to the salary for the notice period
Retirement age	63 years	65 years 6 months

on Group-adjusted EBITA margin and 30 percent weighting on Group Orders' Growth percentage. The short-term incentive payments for 2021 due to be paid in 2022 amount to EUR 659,999 for the President & CEO and EUR 245,062 for the Deputy CEO, and the outcome was between target (50 percent) and target high (100 percent).

Potential rewards based on the long-term Performance Share Plan (PSP) 2018 were due to be paid in 2021. As the minimum target of the Plan was not reached, no

remuneration based on long-term incentive plans was paid to the President and CEO nor the Deputy CEO in 2021.

Rewards based on the long-term Performance Share Plan (PSP) 2019 are due to be paid in 2022. The plan has two criteria: 40 percent weighting on sales growth compound annual growth rate (CAGR) of 2019–2021 and adjusted cumulative earnings per share (EPS) 2019–2021, excluding defined restructuring costs, purchase price allocation amortization and certain other unusual items, and the

outcome for the PSP was between target low (10 percent) and target (50 percent).

The Performance Share Plans 2020 and 2021 both consist of a three-year long performance period including three one-year long measurement periods with separate targets decided by the Board of Directors. The criterion for the measurement period 2020 for PSP 2020 was adjusted earnings per share (EPS), and the outcome for the measurement period 2020 was between target

Remuneration of the President and CEO and Deputy CEO in 2021 and 2020

	2021 Rob Smith	2021 Teo Ottola	2020 Rob Smith	2020 Teo Ottola	2020 Panu Routila
	President & CEO	Deputy CEO	President & CEO	Deputy CEO (Interim CEO, from October 7, 2019 to January 31, 2020)	Former President & CEO
Fixed Salary (Salaries and fringe benefits)	901,303	311,174	698,677	299,781	
Short-term incentives paid (based on previous year performance)	256,284	87,125		120,315	125,422
Value of long-term incentive rewards paid		4,691		336,185	
Variable Pay	256,284	91,816		456,500	
Total Remuneration paid	1,157,587	402,990	698,677	756,281	125,422
Proportion of fixed and variable pay (as % of total target remuneration)	78% / 22%	77% / 23%	100% / 0%	40% / 60%	
Short-term incentives due payment (based on 2021 performance)	659,999	245,062	256,284	87,125	
Gross shares delivered		127		15,840	31,680
Performance share rights allocated (# of share rights)		51,000	110,000	54,000	
Restricted share rights allocated (# of share rights) *)		9,889	12,922	3,889	
Shareholding in Konecranes Plc (# of shares)		43,308		43,244	
Expense of statutory/voluntary pension plans	290,836	66,481	211,815	72,524	
Benefits related to termination of employment					632,880

*) Number of 2020 restricted share rights are reported as net share amounts. In addition, a cash part is included in the reward.

(50 percent) and target high (100 percent) of the maximum. The criterion for the measurement period 2021 for both PSP 2020 and PSP 2021 was adjusted earnings per share (EPS) and the outcome for the measurement period 2021 was between target (50 percent) and target high (100 percent) of the maximum. The PSP 2020 related rewards are due to be paid in 2023 and the PSP 2021 related rewards in 2024, in case plan conditions are met.

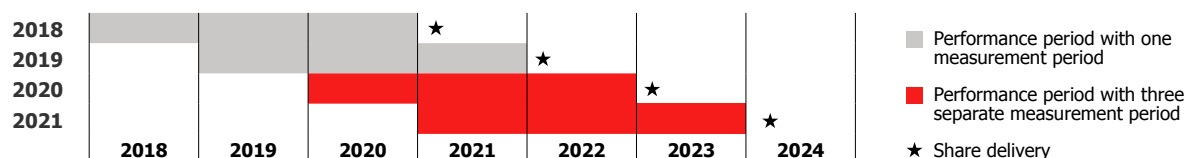
In 2021, the total remuneration paid to the President and CEO amounted to EUR 1,157,587 and for the Deputy CEO and Interim CEO to EUR 402,990.

Konecranes President and CEO Rob Smith participated in the PSP 2020 and PSP 2021 Plans. As he left the Company on December 31, 2021, he is not entitled to any share-based compensation based on these plans.

uncertainty caused by the COVID-19 pandemic in 2020 and 2021, as well as the planned merger announcement made in 2020, the Board of Directors decided to apply one-year long measurement periods instead of three-year long periods for the Plans started in 2020 and 2021 to enable efficient and relevant target-setting.

The potential rewards from the PSP plans will be paid partly in shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the plan participants. As a rule, no reward will be paid if plan participant's employment or service ends before the reward payment.

Performance Share Plan



Long-term Incentives

Performance Share Plan (PSP)

The aim of Konecranes' Performance Share Plans 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 employees for achieving set targets. The actual grant is directly linked to Key Performance Indicators supporting long-term shareholder return and applies multi-year performance period.

All the currently active PSP plans have three-year performance periods, but the measurement periods vary. The PSP plans launched before 2020 have a measurement period of three years, whereas the recent PSP plans launched in 2020 and 2021 have three separate one-year long measurement periods within the three-year performance period. Despite the one-year long measurement periods, remuneration is paid only after the three-year long performance period. Due to the

Performance Share Plan (year)	PSP 2018	PSP 2019	PSP 2020	PSP 2021
Performance period	2018–2020	2019–2021	2020–2022	2021–2023
Measure	Adjusted Cumulative EPS	Adjusted Cumulative EPS and Sales Growth CAGR %	Adjusted EPS for years 2020 and 2021 *	Adjusted EPS for year 2021 *
Performance share rights allocated (# of share rights)	670,433	584,000	522,500	564,300
Grant date share value, €/Share	32.91	32.16	22.60	32.20
Total share value, based on the grant date value	€ 22,063,950	€ 18,781,440	€ 11,808,500	€ 18,170,460
Total gross shares delivered	0	106,677	N/A	N/A
Gross shares delivered to CEO & Deputy CEO				
Rob Smith, CEO since February 1, 2020	0	0	N/A	N/A
Teo Ottola, Deputy CEO (Interim CEO, from October 7, 2019 to January 31, 2020 and from January 1, 2022)	0	3,471	N/A	N/A

* PSP 2020 and PSP 2021 have three separate 1-year measurement periods with separate targets for each 1-year period. Measure for years 2020 and 2021 was adjusted EPS.

2018–2020 Performance Share Plan (would have been paid in 2021, in case target had been met)

The 2018–2020 PSP plan had one criterion: adjusted cumulative EPS of the financial years 2018–2020.

The adjustments included defined restructuring costs, purchase price allocation amortization and certain other unusual items. The plan was directed to approximately 280 Konecranes key employees, with maximum 710,000 allocated shares, including the proportion to be paid in cash. The minimum target of the plan was not met, and thus no remuneration was paid to Konecranes key employees on the basis of the 2018–2020 plan.

2019–2021 Performance Share Plan (payable in 2022)

The 2019–2021 PSP plan has two criteria: 40 percent weighting on sales growth compound annual growth rate (CAGR) of 2019–2021 and adjusted cumulative earnings per share (EPS) 2019–2021, excluding defined restructuring costs, purchase price allocation amortization and certain other unusual items. The plan is directed to approximately 200 key employees, with maximum 670,000 allocated Konecranes shares, including the proportion to be paid in cash. There is one cap on the value of total reward: if the share price has grown 75 percent from granting to vesting, the exceeding reward will be cut. The payment of the total reward from the 2019–2021 plan takes place in 2022. The outcome of the PSP plan was between target low (10 percent) and target (50 percent) of the maximum.

2020–2022 Performance Share Plan (payable in 2023)

The 2020–2022 PSP plan has a three-year long performance period with three separate one-year long measurement periods. The Board of Directors has annually resolved the criterion and separate targets for each measurement period, and the criterion for 2020 and 2021 was adjusted EPS. Adjustments to the EPS include defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the plan for the performance period 2020–2022 consists of a maximum of

160 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 600,000 Konecranes' shares, including the proportion to be paid in cash. The outcome for both measurement periods 2020 and 2021 was between target (50 percent) and target high (100 percent) of the maximum. The payment of the total reward from the three-year performance period takes place in 2023, if the plan term conditions are met.

2021–2023 Performance Share Plan (payable in 2024)

The 2021–2023 PSP plan has a three-year performance period with three separate one-year long measurement periods with separate targets for 2021, 2022 and 2023. The Board of Directors has annually resolved the criterion and targets for each measurement period, and the criterion for 2021 was adjusted EPS. Adjustments to the EPS include defined restructuring costs, mergers and acquisitions related transaction costs and other unusual items. The target group of the plan for the performance period 2021–2023 consists of a maximum of 170 key employees of the Konecranes Group. The rewards to be paid on the basis of the performance period correspond to the value of a maximum total of 634,921 Konecranes' shares, including the proportion to be paid in cash. The outcome for the measurement period

2021 was between target (50 percent) and target high (100 percent) of the maximum. The payment of the total reward from the three-year performance period takes place in 2024, if the plan term conditions are met.

Restricted Share Unit Plan (RSU 2020)

On October 27, 2020 the Board of Directors decided to establish a new share-based incentive plan for the Konecranes Group key employees following the announcement of the planned merger with Cargotec Corporation. The Restricted Share Unit Plan 2020 is intended to function as a bridge plan for the transition period before the closing of the contemplated Merger of Konecranes and Cargotec and forming the Future Company in the Merger. The aim of the plan is to align the objectives of the shareholders and the key employees, to secure business continuity during the transition period, and to retain key employees at Konecranes. The reward from the plan is conditional to the closing of the Merger. In addition, the reward is based on a valid employment or service and the continuity of the employment or service during the waiting period. The reward is paid partly in shares and partly in cash after the waiting period, ending on the closing date of the Merger. Shares received as a reward in the plan may not be sold, transferred, pledged

Restricted Share Unit Plan (year)		RSU 2020
Transfer restriction and lock-up period		12-month lock-up period after the Merger completion
Total net shares allocated (# of share rights)		119,246
Net shares allocated to CEO and Deputy CEO		
Rob Smith, CEO (from February 1, 2020 until December 31, 2021)		12,922
Teo Ottola, Deputy CEO (Interim CEO, from October 7, 2019 to January 31, 2020 and from January 1, 2022)		3,889

or otherwise assigned during the 12-month lock-up period, beginning on the date following the closing date of the Merger.

The plan is intended for selected key employees only, approximately 100 employees, including the Konecranes Leadership Team members. The rewards to be allocated in Konecranes shares on the basis of the plan will amount up to an approximate maximum total of 120,000 Konecranes shares. In addition, a cash proportion will be paid to cover taxes and tax-related costs arising from the share reward. The cash proportion is not included in the maximum number of shares.

The share allocation for President and CEO was 12,922 net shares and for the Deputy CEO 3,889 net shares. As the Konecranes President and CEO Rob Smith left the Company on December 31, 2021, he is not entitled to any remuneration on the basis of the RSU 2020 plan.

Employee Share Savings Plan (ESSP)

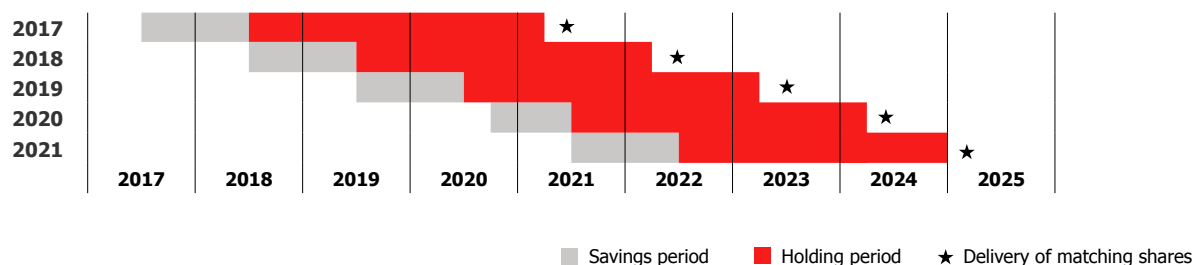
In 2012, Konecranes launched an Employee Share Savings Plan for all employees, including the Management, except in those countries where the plan could not be offered for legal or administrative reasons. Participants can save a monthly sum of up to 5 percent of their gross salary, which is used to buy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

This plan is also available for the President and CEO as well as Deputy CEO, but they have not participated in the plan in 2021.

Retention incentive plan for the President and CEO

To ensure Konecranes' business performance, successful execution of the merger transaction, and shareholder

Employee Share Savings Plan



Employee Share Savings Plan (year)	ESSP 2017	ESSP 2018	ESSP 2019	ESSP 2020	ESSP 2021
Savings period	July 1, 2017– June 30, 2018	July 1, 2018– June 30, 2019	July 1, 2019– June 30, 2020	October 1, 2020– June 30, 2021	July 1, 2021– June 30, 2022
Amount of participants *)	1,758	1,634	1,856	2,242	2,357
Amount of shares acquired	93,764	114,924	165,837	98,034	30,455 (ongoing)
Delivered or expected matching shares to be delivered *)	45,751	53,042	75,668	46,699	15,030 (ongoing)
Share price by delivery date or by the end of December 2021 (for non-vested plans), €/share	36.79	35.16	35.16	35.16	35.16
Value of the delivered or expected matching shares **)	€ 1,683,179	€ 1,864,957	€ 2,660,487	€ 1,641,937	€ 528,455 (ongoing)

*) By the end of December 2021

**) Share value by delivery date or by the end of December 2021 (for non-vested plans)

value creation in 2021, Konecranes extended a cash-based retention incentive program to the President and CEO. The value of the retention program was EUR 1,500,000 payable after the closing of the merger. The retention incentive payment was subject to the following preconditions: closing of the merger, President and CEO continues in service of the company, has not served

a notice of termination and has performed his duties according to his contract prior to merger transaction being completed.

As the Konecranes President and CEO Rob Smith left the Company on December 31, 2021, he is not entitled to any remuneration based on the Retention incentive plan.