

YIT CORPORATION REMUNERATION STATEMENT 2019

The aim of YIT's remuneration systems is to reward good performance, increase the personnel's motivation and commit the company's management and its employees to the company's objectives in the long term.

Decision-making regarding remuneration

YIT Corporation's Annual General Meeting decides on the fees for the Board of Directors. The Board of Directors decides on the salary and fees and other terms of employment of the CEO and other key Group employees, such as the members of the Group's Management Team. In addition, the Board of Directors decides annually both short and long-term indicators for management remuneration and the target values for the indicators which are designed to support the achievement of the strategic goals. On the basis of the President and CEO's proposal, the Board of Directors also decides on the amount of fees and whether the indicator-based goals have been reached.

The task of the Personnel Committee is to assist the Board in matters related to appointing and rewarding key personnel. Among other things, the Personnel Committee prepares proposals for the development of the Group's corporate culture and HR policy, remuneration and incentive schemes, the rules for performance-based bonuses and the proposals for performance-based bonuses paid to the management. In addition, identifying talents, the development of key personnel and planning for management successors fall under the preparation responsibility of the Committee.

The Shareholders' Nomination Board of YIT Corporation is a body comprised of the company's shareholders or their representatives, the duty of which is to prepare proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting. The primary purpose of the Nomination Board is to ensure that the Board of Directors and its members have sufficient expertise, competence and experience in view of the Company's needs, and to prepare proposals, with justifications, on the election and remuneration of members of the Board of Directors to the General Meeting for this purpose.

Remuneration of Board members

The Annual General Meeting 2019 decided that the Board of Directors be paid fixed annual remuneration for the term ending at the close of the next Annual General Meeting. The remuneration of the Chairman of the Board is EUR 100,000 per year (2018: EUR 100,000), the remuneration of the Vice Chairman of the Board and the Chairman of the Audit Committee is EUR 70,000 per year (2018: Vice Chairman of the Board EUR 70,000 and the Chairman of the Audit Committee EUR 50,000) and the remuneration of the other members of the Board is EUR 50,000 per year (2018: EUR 50,000).

The award and payment of the fixed annual fee be contingent on the Board members committing to purchasing directly, based on the resolution of the Annual General Meeting, YIT Corporation shares

amounting to 40% of the fixed annual fee from a regulated market (Nasdaq Helsinki Ltd) at a price determined by public trading, and that the shares in question be purchased directly on behalf of the Board members. The shares shall be purchased within two weeks of the publication of the interim report for the period January 1–March 31, 2019.

In addition, a meeting fee of EUR 800 is paid for each Board and committee meeting for Board member living in Finland (2018: EUR 550) and EUR 1600 for Board member living elsewhere in Europe. Per diems for trips in Finland and abroad are paid in accordance with the state's travel compensation regulations. No other fees or benefits were paid to Board members.

Proposal for fees for 2020

The Nomination Board proposes that the members of the Board of Directors be paid the following fixed annual fees for the term of office ending at the conclusion of the next Annual General Meeting:

- Chairman of the Board: EUR 100,000,
- Vice Chairman and Chairmen of the permanent Committees: EUR 70,000, unless the same person is Chairman of the Board or Vice Chairman of the Board and
- Members: EUR 50,000.

In addition, the Nomination Board proposes that the award and payment of the fixed annual fee be contingent on the Board members committing to purchasing directly, based on the resolution of the Annual General Meeting, YIT Corporation shares amounting to 40% of the fixed annual fee from a regulated market (Nasdaq Helsinki Ltd) at a price determined by public trading, and that the shares in question be purchased directly on behalf of the Board members. The shares shall be purchased within two weeks of the publication of the interim report for the period January 1–March 31, 2020.

It is the recommendation of the Nomination Board that members of the Board of Directors not transfer the shares awarded to them as a fixed annual fee until their term on the Board expires.

In the view of the Nomination Board, long-term oriented and increasing share ownership by the members of the Board of Directors benefits all shareholders.

The Nomination Board further proposes that in addition to the fixed annual fee Board member living in Finland be paid a meeting fee of EUR 800 per meeting and a member living elsewhere in Europe be paid EUR 2,000. It is also proposed that EUR 800 be paid per committee meeting to a committee member living in Finland and to a committee member living elsewhere in Europe be paid

EUR 2,000. Per diems are proposed to be paid for trips in Finland and abroad in accordance with YIT Corporation's and tax authorities travelling compensation regulations.

In addition, the Nomination Board proposes that the members of the Shareholders' Nomination Board, including the expert member, be paid a meeting fee of EUR 800 per a Board meeting and the Chairman be paid EUR 1,600 per a Board meeting

Remuneration paid to the Board 2019, EUR

Board member	Time line	Board Annual fee	Board meeting fee	Audit Committee meeting fee	Personnel Committee meeting fee	Investment and Project Committee meeting fee	Shareholder's Nomination Board meeting fee	TOTAL 2019	TOTAL 2018	TOTAL 2017
Kaukonen Harri-Pekka	since 1.2.2018	100 000	12 350		5 100	8 050	2 400	127 900	117 750	
Brunow Berndt	1.2.2018-16.3.2018								11 150	
Ehrnrooth Alexander	since 12.3.2019	50 000	9 600	3 200		6 400	2 400	71 600		
Heliövaara Eero	since 16.3.2018	70 000	12 350	1 100	4 000	8 050		95 500	78 800	
Huber Satu	11.3.2009 - 1.2.2018								1 650	66 200
Hylmar Frank	since 12.3.2019	50 000	20 000	8 000				78 000		
Järvinen Erkki	15.3.2013-12.3.2019		2 750	1 100				3 850	81 550	80 500
Lehtinen Olli-Petteri	since 16.3.2018	70 000	12 350	4 300				86 650	58 800	
Mero Inka	15.3.2016-12.3.2019		2 750		1 100			3 850	61 550	66 200
Mäkinen Juhani	1.2.2018-16.3.2018								9 500	
Pentti-von Walzel Kristina	since 1.2.2018	50 000	12 350	4 300		1 650		68 300	68 800	
Pitkäkoski Juhani	18.3.2014-1.2.2018								1 650	83 800
Topolska Barbara	since 12.3.2019	50 000	22 000			16 000		88 000		
Tuomela Tiina	since 16.3.2017	50 000	11 550		5 100			66 650	61 550	54 500
Vuoria Matti	15.3.2016-16.3.2018								3 300	106 700
Yhteensä		490 000	118 050	22 000	15 300	40 150	4 800	690 300	556 050	457 900

Management remuneration

The remuneration paid to the Group's Management Team is comprised of:

- Fixed salary
- Fringe benefits, such as company car, phone and meal benefit
- Annual performance-based bonus, and
- Long-term incentive schemes, such as share-based incentive scheme and pension benefits

Performance-based bonuses

The basis of remuneration is a fixed salary, in addition to which most of the Group's salaried employees are included in a short-term performance-based bonus scheme. The Board of Directors confirms the criteria for the payment of performance-based bonuses annually.

The bonuses paid are determined on the basis of the realization of personal profit objectives, the Group's financial result, and the attainment of profitability, growth and development objectives. Performance and development discussions are an essential part of the management by key results system. In these discussions, employees and their superiors agree on the key objectives and their relative weighting and review the fulfilment of the previously agreed objectives. The achievement of key objectives is monitored regularly by the Group Management Team. The key principles and objectives for the result period influencing the personal performance-based bonuses are specified at the business division and unit level.

The maximum annual performance-based bonus paid to the CEO and the Group Management Team may equal 50–60 per cent of their annual remuneration (salary and fringe benefits).

Share-based incentive schemes

YIT has implemented a long-term share-based incentive scheme to support the company's strategy of profitable growth and supplement the already available incentive schemes. The scheme aims at encouraging employees to engage in goal-oriented work, rewarding good performance and committing employees to long-term persistent work. Members of YIT's Board of Directors are not included in the share-based incentive scheme.

Plan of 2014 – 2016

The earnings periods of the 2014 – 2016 incentive scheme are the years 2014, 2015 and 2016. Any bonus will be determined on the basis of the indicators decided annually by YIT's Board of Directors for each earnings period and their target levels. Return on investment is the key indicator in the scheme. An additional target related to the Group's cash flow was set for 2014. The targets for 2015 were Return on investment and Net debt and for 2016 were return on investment and Earnings per share. YIT's Board of Directors also decides on the approximately 200 key persons from different YIT countries to be included in the incentive scheme for each earnings period. The same employees are not automatically covered by the scheme during all earnings period. In the case of shares granted for 2014, 2015 and 2016, the commitment period has ended.

Plan of 2017 - 2019

The earnings periods of the 2017–2019 incentive scheme are the calendar years 2017, 2018 and 2019. Any bonus will be determined on the basis of the indicators decided annually by YIT's Board of Directors for each earnings period and their target levels. Return on investment is the key indicator in the scheme (2017: ROI, 2018: ROCE. 2019: ROCE). An additional target related to the Group's net promoter score (NPS) was set for 2017, 2018 and 2019. A maximum of 700,000 shares from year 2017 and maximum of 1,150,000 shares from years 2018 and 2019 can be distributed annually.

In 2019, a maximum of 45,000 shares can be distributed to the President and CEO and a maximum of 20,000 shares to the Deputy to the President and CEO and the other members of the Group Management Team. The shares to be granted are already held by YIT as a rule. There is a two-year commitment period associated with each earnings period, after which the shares are transferred to key persons still employed by YIT Group. YIT's Board of Directors may, for justified reasons, decide to provide key employees with a monetary amount corresponding to the market price of the shares determined on the basis of the time of the transfer instead of the shares themselves. The employer will cover the taxes and tax-like fees charged to the key employees covered by the scheme in connection with the handing over of the shares. Under all circumstances, the Board has the right to amend the bonuses in a reasonable manner.

Plan of 2016 – 2018 (transferred from Lemminkäinen)

Those members of YIT's Group Management Team who transferred from Lemminkäinen Corporation in connection with the merger on February 1, 2018, and who were previously covered by Lemminkäinen Group's share-based incentive scheme, were paid share rewards for the 2016 earnings period. At the end of 2015, Lemminkäinen Corporation's Board of Directors decided to introduce a new share-based incentive scheme for key personnel. The incentive scheme consisted of three earnings periods: the calendar years 2016, 2017 and 2018. At the beginning of each earnings period, the company's Board of Directors decided on the scheme's earning criteria, the targets set for them, the number of shares to be allocated and the participants. The potential reward for each earnings period is paid in four instalments, each of them corresponding to 25 per cent of the total reward. The payments are made during the four years following the earnings period. If a participant's employment or service contract ends during the earnings

or payment period, they will not, as a rule, be entitled to any unpaid rewards.

The reward is paid as a combination of shares and cash. The aim is that the cash portion will cover any taxes and tax-related costs arising from the reward. In 2016, the maximum share reward for the members of the Group Management Team was 12,500 gross shares.

Pension, retirement age and termination compensation

The President and CEO's and the Group Management Team's pension scheme is defined contribution-based and the amount of the payment is 20 per cent of the fixed annual base salary. Members of the management are entitled to retire at the age of 63. The President and CEO and the Group Management Team are entitled to a paid-up policy.

The period of notice for the President and CEO is 6 months. If the company terminates the contract, the President and CEO shall also be paid separate compensation amounting to twelve months' salary.

The period of notice for the other members of the Group Management Team is 6–12 months. Some members of the Group Management Team also have the contractual right to be paid separate compensation amounting to six months' salary if the company terminates their contract.

Remuneration paid to the CEO and Group Management Team in 2019

In 2019 according to share-based incentive scheme Kari Kauniskangas was granted 2,250 shares and the members of the Group Management Team who are still at the Group Management Team the end of the year 2019 were granted 9,000 shares based on the result of the earning period 2018. These shares and thereto related monetary bonus (monetary bonus cover the taxes and tax-like fees) will be handed over and paid in 2021 by the rules of share-based incentive scheme. By the rules of share-based incentive scheme, instead of shares, can also be handed over the amount of money which is equivalent to the market price of hand-over time.

Remuneration paid to the CEO and Group Management Team in 2019 is presented in the table. The figures are calculated on an accrual basis and the performance and share-based rewards included in the figures are based on a year-end estimate.

Remuneration paid to the CEO and Group Management Team in 2019, EUR

	Fixed salary	Fringe benefits	Bonuses	Share-based incentive plan	Total 2019	Total 2018
President and CEO	594 722	18 200	54 608	76 586	744 116	815 723
Total Group Management Team, excl. CEO	2 382 354	99 633	418 599	225 437	3 126 023	3 247 833

Kauniskangas Kari, Chairman of the Group Management Team, President and CEO of YIT Corporation

Other members of Group Management Team:

Salonen Ilkka, Chief Financial Officer and Deputy to the President and CEO
 Helppolainen Teemu, Executive Vice President, Housing Russia segment
 Inkilä Antti, Executive Vice President, Housing Finland and CEE segment
 Kailasalo Harri, Executive Vice President, Infrastructure projects segment
 Kostainen Juha, Executive Vice President, Urban Development
 Neuvonen Esa, Executive Vice President, Business Premises segment and Partnership properties segment
 Nummi Juhani, Executive Vice President, Strategy and Development, Integration
 Raulo Pii, Executive Vice President, Human Resources
 Vuorenmaa Heikki, Executive Vice President, Paving segment