



## YIT CORPORATION REMUNERATION STATEMENT 2011

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

### Decision-making regarding remuneration

YIT Corporation's Annual General Meeting decides on the fees of 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 CEO's deputy and members of the Group's Management Board.

The Board of Directors' Nomination and Rewards Committee prepares matters related to the appointment and remuneration of Board members and the Group's key personnel as well as the Group's HR policy. Among other things, the Committee prepares proposals for the appointment of Board members, CEO and other Group key personnel as well as their remuneration and other terms of employment. In addition, its tasks include preparing the Group's bonus rules and other issues related to remuneration policy.

### Remuneration of Board members

The Annual General Meeting 2011 decided that the Board of Directors' be paid remuneration as follows in 2011:

- Chairman EUR 6,600 per month (EUR 79,200 per year)
- Vice Chairman EUR 5,000 per month (EUR 60,000 per year)
- Members EUR 3,900 per month (EUR 46,800 per year)

In addition, a meeting fee of EUR 550 is paid for each Board and committee meeting. Per diems for trips in Finland and abroad are paid in accordance with the State's travelling compensation regulations.

### Remuneration of the Board, EUR

	Board members hip	Board meetings	Audit Committee meetings	Nomination and Rewards Committee meetings	Working committee meetings	Total 2011	Total 2010
Henrik Ehrnrooth	77,400	4,900	-	2,700	2,200	87,200	80,500
Eino Halonen	45,600	5,450	2,700	2,700		56,450	55,500
Reino Hanhinen	58,500	5,450	-	2,700	2,200	68,850	60,500
Antti Herlin	45,600	5,450	-	2,700	-	53,750	49,500
Kim Gran	45,600	4,350	-	-	-	49,950	47,000
Satu Huber	45,600	4,950	2,700	-	-	53,250	51,500
Lauri Ratia*	8,750	500	500	-	-	9,750	51,500
Michael Rosenlew*	37,050	4,400	2,200	-	2,200	45,850	-
Board of Directors total	364,100	35,450	8,100	10,800	6,600	425,050	396,000

\*) Lauri Ratia was member of the Board of Directors and the Audit Committee until March 11, 2011, and Michael Rosenlew from March 11, 2011.

### Proposal for fees for 2012

The Board of Directors proposes on recommendation of The Board's Nomination and Rewards Committee that the following fees be paid to the Board of Directors: Chairman EUR 6,600/month (EUR 79,200/year), Vice Chairman EUR 5,000 month (EUR 60,000/year), member EUR 3,900/month (EUR 46.800/year) and a meeting fee of EUR



550 per meeting. In addition, it is proposed that similarly EUR 550 be paid to the members of the committees of the Board of Directors for each committee meeting. Per diems are proposed to be paid for trips in Finland and abroad in accordance with the State's travelling compensation regulations.

### **Share-based incentive schemes**

Members of YIT Corporation's Board of Directors are not included in the share-based incentive scheme.

### **Management remuneration**

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

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

### **Performance bonuses**

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

The bonuses paid are determined on the basis of the fulfilment of personal profit objectives, the Group's financial result and fulfilment of profitability, growth and development objectives, such as occupational safety 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 realisation of the previously agreed objectives. The key principles and objectives for the result period influencing the personal performance bonuses are specified at the business group and unit level.

The maximum annual performance bonus paid to the CEO and the Management Board may equal 40%–60% of their annual taxable pay excluding the performance bonus.

Other monetary rewards in use at YIT include new-initiative bonuses and years-of-service bonuses.

### **Share-based incentive scheme**

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

The scheme consists of three earnings periods, i.e. the calendar years 2010, 2011 and 2012. Shares will be handed over in 2011, 2012 and 2013 based on the performance the previous year. A total of approximately 700,000 shares may be rewarded annually, of which a maximum of 20,000 to the President and CEO. Furthermore, employees included in the scope of the incentive scheme will receive part of their reward in cash to cover the deferred taxes and other charges ordered by the authorities caused by the share rewards. Employees included in the incentive scheme are obligated to not transfer their shares within two years of having obtained them for the shares based on performance in 2010 and three years for the shares based on performance in 2011 and 2012, i.e. during the commitment period. If the employment of an employee is terminated during the commitment period, the employee must return any shares obtained as rewards to the company free of charge. Under all circumstances, the Board has the right to amend the bonuses in a reasonable manner. The Board of the company annually decides on the performance criteria and the employees included in the incentive scheme.



In 2010, the share bonus criteria included return on investment and revenue growth. YIT Corporation's Board of Directors confirmed the rewards for the 2010 earning period under the share-based incentive scheme for YIT's management on April 28, 2011, which were conveyed as a directed share issue without consideration during the review period. In the share issue, 196,910 YIT Corporation shares were issued and conveyed without consideration to the key persons participating in the Share Ownership Plan according to the terms and conditions of the plan. The incentive scheme covered about 260 people in 2011, and its cost effect was about EUR 3.4 million in January–December (1–12/2010: EUR 3.9 million).

By the end of 2011, 4,324 shares had been returned to YIT.

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### **Pension, retirement age and termination compensation**

The contractual retirement age of the CEO and his deputy is 62. In addition, the contractual retirement age of one of the members of the Group Management Board is 62. The pension amounts to 60% of salary accounted according to Finnish employment pension law. The statutory retirement ages apply to the other members of the Management Board. The contractual period of notice for the CEO and his deputy is six months. If the company terminates the contract, the CEO or his deputy shall also be paid separate compensation amounting to 12 months' salary.

### **Remuneration paid to the CEO and Management Board in 2011**

In addition to salary, the fringe benefits of CEO Juhani Pitkääkoski included a company car and meal benefit. In 2011, the CEO's fixed salary and fringe benefits decreased by a total of 5 per cent. The performance bonus paid is based on the Group's financial performance and personal key results set by the Board of Directors. The performance bonus paid in 2011 corresponded to the monthly salary of approximately 2.5 months.

### **Remuneration paid to the CEO and Management Board in 2011, EUR**

	Fixed salary	Fringe benefits	Bonuses paid	Incentive scheme	2011 total	2010 total
President and CEO	522,628	11,541	104,434	264,806	903,408	668,747
Other members of the Management Board, total	1,550,881	89,129	298,023	808,657	2,746,690	1,642,877

Includes the members' total remuneration from the period that they were members of the Group Management Board.

The bonuses paid to the CEO in 2011 totalled EUR 104,434. Of this amount, EUR 50,776 was paid according to 2010 results and EUR 53,658 according to 2011 results. The bonuses paid to other members of the Group Management Board in 2011 totalled EUR 298,023. Of this amount, EUR 143,124 was paid according to 2010 results and EUR 154,899 according to 2011 results.

Based on 2010 results, the CEO was granted 6,570 shares in 2011 under the share-based incentive scheme. The total value of the shares and the cash bonus related to them amounted to EUR 264,806. A total of 22,790 shares were distributed to other members of the Group Management Board. The total value of these shares and the cash bonus related to them amounted to EUR 808,657.