

YIT Corporation remuneration statement 2012

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 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 CEO's deputy and members of the Group's Management Board.

The Personnel Committee of the Board of Directors prepares matters related to the appointment and remuneration of the 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 the Board members, President and 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 pay policy.

REMUNERATION OF BOARD MEMBERS

The Annual General Meeting 2012 decided that the Board of Directors be paid remuneration as follows in 2012:

- 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 travel compensation regulations.

Proposal for fees for 2013

The Board of Directors proposes on recommendation of The Board's Personnel Committee that the fees be paid to the Board of Directors remain the same as in 2012.

Share-based incentive schemes

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

FEES PAID TO BOARD OF DIRECTORS, EUR

	Board membership	Board meetings	Audit Committee meetings	Personnel Committee** meetings	Working Committee meetings	Total 2012	Total 2011
Henrik Ehrmrooth	79,200	6,600		3,300	4,950	94,050	87,200
Eino Halonen*	11,700					11,700	56,450
Reino Hanhinen	60,000	6,600	1,650	3,300	4,400	75,950	68,850
Antti Herlin	46,800	4,950		2,750		54,500	53,750
Kim Gran	46,800	4,950				51,750	49,950
Satu Huber	46,800	6,600	2,200			55,600	53,250
Michael Rosenlew	46,800	6,600	2,200		4,400	60,000	45,850
Board of Directors total	338,100	36,300	6,050	9,350	13,750	403,550	425,050

* Eino Halonen was a member of the Board of Directors, Audit Committee and Nomination and Rewards Committee until March 13, 2012.

**The Board decided to change the name of the Nomination and Rewards Committee to the Personnel Committee in its organisational and first meeting on March 13, 2012.

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 realization of personal profit objectives, the Group's financial result and the attainment 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 fulfillment 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 for 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, the taxes and other charges ordered by the authorities caused by the share rewards are covered by a monetary bonus. 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. throughout the duration of 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 scope of the incentive scheme.

In 2011, the share bonus criteria included return on investment and revenue growth. YIT Corporation's Board of Directors confirmed the rewards for the 2011 earning period under the share-based incentive scheme for YIT's management on April 26, 2012, which have been conveyed as a directed share issue without consideration. A total of 130,976 shares were conveyed to 250 key employees. The cost effect in January–December was approximately EUR 5.1 million (1–12/2011: EUR 3.4 million). In 2011, the share bonus criteria included return on investment and revenue growth. By the end of 2012 18,139 shares had been returned to YIT.

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 statutory retirement ages apply to the other members of the Management Board. The pension of the CEO and his deputy amounts to 60% of salary accounted according to Finnish employment pension law. The contractual period of notice for 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 2012

In addition to salary, the fringe benefits for CEO Juhani Pitkääkoski included a company car and meal benefit. In 2012, the CEO's fixed salary and fringe benefits decreased in value by a total of 3 percent. The performance bonus paid in 2012

corresponded to the monthly salary of approximately 2.5 months. The performance bonus paid is based on the Group's financial performance and personal key results set by the Board of Directors. The bonuses paid to the CEO in 2012 totalled EUR 81,423. Of this amount, EUR 19,989 was paid according to 2011 results and EUR 61,434 according to 2012 results. The bonuses paid to other members of the Group Management Board in 2012 totalled EUR 269,852. Of this amount, EUR 135,873 was paid according to 2011 results and EUR 133,979 according to 2012 results. The CEO was granted 4,060 shares in 2012 under the share-based incentive scheme for 2011 results. The combined value of the shares and the related monetary bonus was EUR 117,740. The other members of the Group Management Board were granted a total of 15,092 shares, and the total value of these shares and the related monetary bonus was EUR 430,535.

REMUNERATION PAID TO CEO AND MANAGEMENT BOARD, EUR

	Fixed salary	Fringe benefits	Bonuses paid	Option income	Total 2012	Total 2011
President and CEO	538,912	12,200	81,423	117,740	750,276	903,408
Other members of the Group Management Board, total	1,667,352	98,790	269,852	430,535	2,466,529	2,746,690

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