

YIT Remuneration Policy 2020-2023

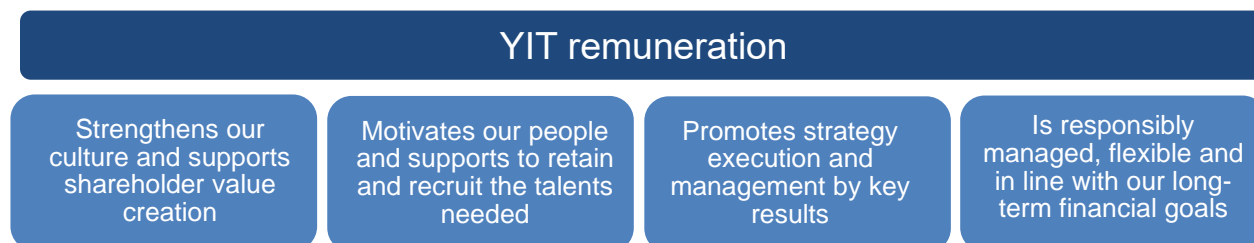
The Remuneration Policy was presented to the shareholders at the Annual General Meeting to be held on March 12th, 2020.

The Remuneration Policy describes the main principles of YIT's remuneration, remuneration for company's governing bodies, i.e. Board of Directors and the President and CEO, as well as the decision-making process complied with when approving, assessing and implementing the Remuneration Policy.

This Remuneration Policy complies with the recommendations of the Finnish Corporate Governance Code (2020) and the Shareholders' Rights Directive legislation.

1 Overview of the Remuneration at YIT

The aim of YIT's Remuneration Policy is to support YIT's ability to create better living environments and accelerate strategic transformation to become the leader in sustainable urban development.



The remuneration of the President and CEO is based on YIT's similar employee remuneration policy framework. The President and CEO's role and responsibilities affect the elements and amount of compensation. The remuneration of employees across the company is reviewed regularly to secure its competitiveness in the context of market and to attract and retain talent.

2 Decision-making regarding Remuneration

The Remuneration Policy is prepared by the Personnel Committee, approved by the Board of Directors and presented at the Annual General Meeting every four years or when changed substantially. The Remuneration Policy will be applied to the Board of Directors' and the President and CEO's remuneration. The Remuneration Policy is published on the company's website.

The Shareholders' Nomination Board prepares proposals on the election and remuneration of the members of the Board of Directors for the Annual General Meeting. YIT's Annual General

Meeting decides on the remuneration payable for the Board of Directors.

The Annual General Meeting decides on the authorizations to the Board of Directors to decide on repurchase of own shares and the issuance of shares or special rights entitling to shares that can be used e.g. as part of YIT's incentive schemes.

The Board of Directors decides on the remuneration and other terms of the service contract of the President and CEO. The task of the Personnel Committee is to assist and prepare the Board in matters related to rewarding of the President and CEO.

3 Remuneration of the Board of Directors

The Annual General Meeting decides on annual remuneration of the Board of Directors and members of Board Committees. The amount of the annual fee set varies based on the position in the Board and Committees. In addition, a meeting fee is paid for each Board and committee meeting. Per diems and travel expenses are reimbursed. Board of Directors annual remuneration can be paid out in cash, shares or combination of those.

Remuneration of the Board of Directors is separate from the share-based remuneration scheme applicable to the company's President and CEO, management team, or personnel.


4 Remuneration of the President and CEO

The main components of the President and CEO's total remuneration are base salary, short- and long-term incentives and a supplementary pension plan.

At the maximum level more than half of the total remuneration is based on variable remuneration with emphasis on the long-term incentive. The President and CEO's current remuneration and detailed pay mix description is given on the YIT's Remuneration website.

Elements	Description and purpose
Fixed salary	Paying salaries at a competitive level enables the company to recruit and retain talent. A fixed salary is the basis of the President and CEO's remuneration.
Fringe benefits	The President and CEO is offered the customary taxable and non-taxable benefits as are available to employees in the country, where

	<p>he/she is located.</p>
Supplementary pension	<p>The pension scheme for President and CEO is a defined contribution (DC) pension scheme.</p>
Short-term incentives (STI)	<p>The purpose of the short-term incentive plan (STI) is to motivate and compensate employees based on the achievement of business and individual performance targets. The STI aims to drive efficient operation of the day-to-day business according to the company's annual plan. It promotes strategy execution, strengthens the company culture and compensates clear achievements related to our customers, projects and business.</p> <p>The Board of Directors confirms the financial and non-financial criteria for the payment of STI annually. The incentives paid are determined based on the achievement of these criteria. The maximum earning from the STI is capped.</p>
Long-term incentives (LTI)	<p>The purpose of the long-term incentive plan (LTI) is to inspire, engage and empower key people to execute the strategy and create higher shareholder returns and align the interests of employees with shareholders' interests.</p> <p>Long-term incentives aim to accelerate the transformation to be the leader in sustainable urban development, boost performance and profitability of current operations, create more and new profitable business with effective use of capital, drive positive flow on the market of future expectations and develop outstanding customer insight and experience as well as partner cooperation.</p> <p>YIT has a long-term share-based incentive scheme in which the President and CEO may participate. The program consists of earning periods at least three-year long.</p> <p>The Board of Directors decides on the terms and conditions for the plans and on the earning criteria of the schemes separately for each earning period. The criteria are based on targets critical for strategy execution. The criteria are evaluated after each earning period and the amount of the incentive is determined based on the extent to which the targets have been reached during the earning period.</p> <p>The potential incentive can be paid out in shares, cash or combination</p>



of those after the end of the earning period.

Other terms of the President and CEO's Service Contract

The terms of the President and CEO's service shall be specified in writing in the President and CEO's service contract, which shall be approved by the Board of Directors. The President and CEO's service contract shall also specify the financial benefits of the service, including the President and CEO's severance package and any other compensation.

Malus and clawback

If the President and CEO receives incentives based on the short- and long-term remuneration schemes that subsequently turns out to be incorrectly paid due to intent or negligence by the President and CEO, YIT has the right to retroactively amend the amount of the incentives and demand the President and CEO to repay the part pursuant to decrees on unjust enrichment.

The short- and long-term remuneration schemes and related incentives paid are not part of the terms and conditions of contractual relationship or remuneration, and the Board of Directors is entitled to decide on the use of the schemes or amend their terms and conditions at any time.

5 Deviations from the Remuneration Policy

Temporary deviation should cover situations where the deviation is necessary to serve the long-term interests and sustainability of the company as a whole or assure its viability.

The Board of Directors may temporarily deviate from the Remuneration Policy in special circumstances such as essential changes to the operating conditions of the company; for example, in case of appointment of new President and CEO, or Deputy CEO begins to act as a CEO, or execution of strategic corporate transactions or in case there are changes to the regulative environment affecting the remuneration.

Temporary deviations from the policy will be reported in the Remuneration Report. Respectively, significant and permanent changes in composition of total remuneration of the President and CEO will be included in the agenda of Annual General Meeting. The Personnel Committee prepares the remuneration matters to be updated and proposes them to the Board of Directors for approval. After the changes have been approved the revised Remuneration Policy is presented to the Annual General Meeting.