

## THE PROPOSALS OF THE BOARD OF DIRECTORS AND NOMINATION BOARD TO YIT CORPORATION'S ANNUAL GENERAL MEETING 2023

### Distribution of profits

The Board of Directors proposes that a dividend of EUR 0.18 per share be paid based on the balance sheet to be adopted for the year 2022 and that the dividend shall be paid in two equal instalments.

The first instalment of the dividend shall be paid to the shareholders who are registered in the shareholders' register maintained by Euroclear Finland Oy on the dividend record date of 21 March 2023. The Board of Directors proposes that dividend for this instalment be paid on 5 April 2023.

The second instalment of the dividend shall be paid in October 2023. The second instalment of the dividend shall be paid to shareholders who are registered in the shareholders' register maintained by Euroclear Finland Oy on the dividend record date, which, together with the payment date, shall be decided by the Board of Directors in its meeting scheduled for September 2023. The dividend record date for the second instalment as per the rules of the Finnish book-entry system in force at the date of this notice would be 3 October 2023 at the earliest and the dividend payment date 11 October 2023 at the earliest.

### Fees to the members of the Board of Directors and the Nomination Board

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 105,000,
- Vice Chairman of the Board and Chairmen of the permanent Committees: EUR 73,500, unless the same person is Chairman of the Board or Vice Chairman of the Board and
- Members: EUR 52,500.

In addition, the Shareholders' Nomination Board proposes that the annual remuneration for the members of the Board of Directors shall be paid in Company shares so that 40 per cent of the annual fee is paid in YIT Corporation shares to be purchased on the Board members' behalf from the market at a price determined in public trading from a regulated market (Nasdaq Helsinki Ltd). The shares will be purchased within two weeks of the publication of the interim report for the period 1 January – 31 March 2023. The Company will pay any costs related to the purchase of Company shares.

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

The Nomination Board views that 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, the members of the Board and its permanently and temporarily appointed committees living in Finland be paid a meeting fee of EUR 800 per meeting and members living elsewhere in Europe be paid EUR 2,000, also for meetings of the Board and its committees held via electronic remote connections or by telephone.

It is also proposed that the chairman of the Board and the chairmen of the permanent and temporarily appointed committees be paid a meeting fee of EUR 1,600 per meeting. 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.

### **The number of members and the members of the Board of Directors**

The Shareholders' Nomination Board proposes that a Chairman, a Vice Chairman and five (5) ordinary members be elected to the Board of Directors.

The Shareholders' Nomination Board proposes that Harri-Pekka Kaukonen be re-elected as Chairman, Jyri Luomakoski as Vice Chairman and Sami Laine, Casimir Lindholm, Keith Silverang, Barbara Topolska and Kerttu Tuomas be re-elected as members for a term ending at the close of the next Annual General Meeting following their election.

The shareholders take a position on the proposal as a whole. In preparing its proposals the Shareholders' Nomination Board, in addition to ensuring that individual nominees for membership of the Board of Directors possess the required competences, has determined that the proposed Board of Directors as a whole also has the best possible expertise for the Company and that the composition of the Board of Directors meets other requirements of the Finnish Corporate Governance Code for listed companies.

Of the present members of the Board, Eero Heliövaara, Frank Hyldmar and Olli-Petteri Lehtinen have announced that they are not available for re-election to the Board of Directors of YIT Corporation for a new term.

### **Amending the Articles of Association**

The Board of Directors proposes that the General Meeting resolve on amending provisions in the Articles of Association which relate to the auditor's term and matters to be decided by the Annual General Meeting (Articles 7 and 9). Said amendments of the Articles of Association relate to the proposals concerning the appointment of the auditor set forth in item 15 of this notice. The Board of Directors' proposal to amend the Articles 7 and 9 has been enclosed to the notice as Schedule 1.

### **Decisions concerning the auditor**

YIT Corporation is obligated to organise an audit firm selection procedure in accordance with the EU Audit Regulation for the appointment of an auditor for the financial year 2024 due to the obligation to rotate auditors laid down in the Regulation. For this reason, and as the EU Audit Regulation requires at least two choices to be included in the recommendation of the Audit Committee of the Board of Directors, the Audit Committee of the Board of Directors has evaluated the schedule for electing an auditor and recommends an auditor also for the financial year 2024 be elected already in this Annual General Meeting 2023. This would be justified, among other things, to allow the elected audit firm sufficient time to prepare for the task properly.

Pursuant to the EU Audit Regulation, the Audit Committee of the Board of Directors has organised a statutory audit firm selection procedure and prepared its recommendation for the election of auditor to the Board of Directors in accordance with the Audit Regulation. The Audit Committee of the Board of Directors set the selection criteria which included, among others, audit and transition plans as well as methods related thereto, the competence and experience of the audit team and pricing. The selection process included comprehensive written supplier profiles and several phases such as reference reviews, interviews, discussions and presentations. After careful consideration based on the selection criteria, the Audit Committee's primary recommendation for audit firm for the financial year 2024 is Ernst & Young Oy and the secondary recommendation is KPMG Oy Ab.

The Audit Committee states that its recommendation is free from influence by a third party and that no clause of a contract of the kind referred to in Article 16(6) of the EU Audit Regulation restricting the choice of the auditor by the General Meeting has been imposed upon it.

Based on the above, the Board of Directors proposes on recommendation of the Audit Committee the following three items 15. a) to 15. c) in relation to the auditors' fees and the election of the auditor for financial years 2023 and 2024. The shareholders take a position on each of the items separately.

**a) Decision on the remuneration of the auditor for financial years 2023 and 2024**

The Board of Directors proposes on recommendation of the Audit Committee that the fees of each of the auditors to be appointed for financial years 2023 and 2024 be paid according to their invoices approved by the Company.

**b) Election of the auditor for financial year 2023**

The Board of Directors proposes on recommendation of the Audit Committee that PricewaterhouseCoopers Oy, Authorised Public Accountants, be elected as the Company's auditor for financial year 2023. PricewaterhouseCoopers Oy has nominated Samuli Perälä, Authorised Public Accountant, as the chief auditor. The auditor's term shall begin upon the closing of this Annual General Meeting 2023 and end upon the closing of the following Annual General Meeting 2024.

**c) Election of the auditor for financial year 2024**

The Board of Directors proposes on recommendation of the Audit Committee that based on the audit firm selection procedure, Ernst & Young Oy, Authorised Public Accountants, be elected as the Company's auditor for financial year 2024. Ernst & Young Oy has nominated Mikko Ryttilahti, Authorised Public Accountant, as the chief auditor. The auditor's term shall begin upon the closing of the Annual General Meeting 2024 and end upon the closing of the following Annual General Meeting 2025.

The proposal concerning the election of the auditor for financial year 2024 (item 15. c)) is conditional on the General Meeting resolving to approve the changes to Articles 7 and 9 in the Articles of Association as proposed in item 14. above and that said changes will be registered with the Trade Register.

**Authorisation of the Board of Directors to decide on the repurchase of own shares**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on the repurchase of the Company's own shares using the Company's unrestricted equity under the following terms and conditions:

A maximum of 21,000,000 Company shares may be purchased, corresponding to about 10% of all Company shares. However, the number of shares held by the Company may not represent more than 10% of all shares in the Company. This number includes all the treasury shares held by the Company and its subsidiaries pursuant to Chapter 15, Section 11(1) of the Limited Liability Companies Act.

The Board of Directors is authorised to decide how Company shares are purchased. Company shares may be purchased at a price determined by public trading on the day of purchase or at a price otherwise determined at the market. Shares may be purchased in a proportion other than that of the shares held by the shareholders.

The Board of Directors proposes that the authorisation shall revoke the authorisation to repurchase the Company's own shares issued by the Annual General Meeting on 17 March 2022. The Board of Directors proposes that the authorisation be valid until 30 June 2024.

**Authorisation of the Board of Directors to decide on share issues**

The Board of Directors proposes that the Annual General Meeting authorise the Board of Directors to decide on share issues under the following terms and conditions:

The authorisation may be used in full or in part by issuing shares in the company in one or more tranches so that the maximum number of shares issued is a total of 21,000,000, corresponding to about 10% of all Company shares.

The Board of Directors is authorised to decide all the terms and conditions of issuing shares. The Board of Directors may also decide on the conveyance of the shares issued in deviation from the shareholders' pre-emptive subscription rights. Shares can be issued for subscription with or without consideration.

Based on the authorisation, the Board of Directors may also decide on a free share issue to the Company itself so that the number of shares held by the Company after the share issue represents a maximum of 10% of all shares in the Company. This number includes all the treasury shares held by the Company and its subsidiaries pursuant to Chapter 15, Section 11(1) of the Limited Liability Companies Act.

The Board of Directors proposes that the authorisation shall revoke the authorisation to decide on share issues by the Annual General Meeting on 17 March 2022. The Board of Directors proposes that the authorisation be valid until 30 June 2024.

**NOTICE CONVENING THE GENERAL MEETING, SCHEDULE 1**

*Notice convening the Annual General Meeting of YIT Corporation on 16 March 2023, item 14. Amending the Articles of Association*

The Board of Directors proposes that the General Meeting resolve on amending provisions in the Articles of Association which relate to the auditor's term and matters to be decided by the Annual General Meeting (Articles 7 and 9). Said amendments of the Articles of Association relate to the proposals concerning the appointment of the auditor set forth in item 15 of the notice. The Board of Directors proposes that Articles 7 and 9 be amended to read as presented below. Proposed deletions to the current Articles of association have been presented with strikethrough and additions with underline.

**7 §**

The Company's accounting period shall be one calendar year.

The Company shall have one Auditor that shall be an approved auditing firm. The Auditor's term shall ~~cover the current financial year at the time of election and~~ expire at the end of the next Annual General Meeting of Shareholders following ~~election~~ the beginning of the term.

**9 §**

The Annual General Meeting of Shareholders shall be presented with:

- the financial statements and the annual report
- Auditor's report and

pass resolutions on:

- adoption of the financial statement;
- any measures called for by the profit shown on the balance sheet;
- discharge from liability for the Managing Director and the members of the Board of Directors;
- the number of members on the Board of Directors
- remuneration of the Chairman and Vice Chairman and members of the Board of Directors
- remuneration of the Auditor, if necessary; and

elect:

- the Chairman and Vice Chairman and members of the Board of Directors, and
- the Auditor, if necessary, and

address:

- all the other issues indicated in the notice of the meeting.