

YIT Remuneration Policy 2024-2027

The Remuneration Policy is presented to the shareholders at the Annual General Meeting held on 14 March, 2024.

The Remuneration Policy describes the main principles of YIT's remuneration, remuneration for company's governing bodies, such as 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 Remuneration principles and engagement at YIT

The aim of the Remuneration policy is to promote YIT's competitiveness, long-term financial success and sustainable shareholder value creation by attracting, retaining and motivating top talent to drive YIT's strategy. The remuneration policy sets the main principles and goals for remuneration and provides at the same time appropriate flexibility for the company to react to changing circumstances.

YIT follows pay for performance approach. This means that remuneration elements are selected and designed to enhance performance and encourage exceeding targets, both on short- and long-term.

Total remuneration package is competitive and the level and structure of which are in line with the market practice. The incentive plans are simple and transparent by their structure, they are understandable, fair and well-communicated.

Remuneration and engagement at YIT promote and enhance the behaviors aligned with the desired company culture. In addition to compensation and benefits, total reward includes career and competence development possibilities, work life-balance and recognition.

The remuneration of the President and CEO is based on the same values and principles as the remuneration of the personnel. The President and CEO's role and responsibilities are recognized in the elements and the level of remuneration.

The principles of remuneration and the used remuneration elements are reviewed regularly to ensure their functionality and competitiveness.

2 Remuneration of the Board of Directors

The Annual General Meeting decides annually on the remuneration of the Board of Directors and the members of the Board Committees.

The fixed annual reward varies based on the position in the Board and the Committees. In addition, a meeting fee is paid for each Board and committee meeting. Daily allowances are paid and travel expenses are reimbursed according to respective regulations. The annual reward of Board members can be paid out in cash, as YIT shares or by a combination of the two.

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

3 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.

The remuneration of the President and CEO is based on the pay for performance approach and accordingly short- and especially long-term incentives constitute a large proportion of the President and CEO's target pay

mix. When reaching their maximum level, incentive payments add up to more than half of the President and CEO's total remuneration. The President and CEO's current remuneration and detailed pay mix is described on the YIT's Remuneration website.

Remuneration 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 same customary taxable and non-taxable benefits as what are available for the employees in the country where he/she is located.
Supplementary pension	The President and CEO can be offered a defined contribution (DC) pension scheme.
Short-term Incentives (STI)	<p>The purpose of the short-term incentive plan (STI) is to motivate and rewards 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 rewards clear achievements related to our customers, projects and business.</p> <p>The Board of Directors confirms the financial and non-financial criteria and metrics for the payment of STI annually. The incentives paid are determined based on the achievement of these criteria.</p> <p>The maximum earnings from the STI are capped.</p>
Long-term Incentives (LTI)	<p>The purpose of the long-term incentive plan (LTI) is to engage the key employees, promote the strategy execution and increase shareholder returns. The LTI aligns the interests of the key employees and the shareholders in growing the company value.</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 that may be two or three year long. The Board of Directors decides annually on the terms and conditions applied for the new earning period. The performance criteria and the metrics are defined in accordance with the critical strategic goals.</p> <p>The potential incentive is determined based on the extent to which the targets have been reached during the earning period. The potential incentive can be paid out as YIT shares, in cash or as a combination of them.</p> <p>The maximum earnings from the LTI are capped.</p>
Other remuneration and retention schemes	<p>YIT may implement restricted share plan or matching share plan for the nominated key personnel, Employee Share Purchase Program for entire personnel, Personnel Fund or other long-term remuneration and engagement plans of similar nature.</p> <p>Should YIT proceed with the implementation of such a plan, the President and CEO may participate in the plan under same criteria that is applied to employees in the country where he/she is located.</p>

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 turn 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 that the President and CEO 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. The same principle applies to other long-term remuneration and retention schemes should YIT implement any new plans.

4 Deviations from the Remuneration Policy

Temporary deviation should cover situations where the deviation is needed 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 a new President and CEO, or if the Deputy CEO begins to act as a CEO, or execution of strategic corporate transactions or in case there are changes to the regulatory environment affecting remuneration.

Temporary deviations from the policy will be reported in the Remuneration Report. Respectively, significant and permanent changes in the composition of the total remuneration of the President and CEO will be included in the agenda of the 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.

5 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.

