

# YIT Corporation remuneration statement 2013

The aim of YIT's remuneration systems is to reward good performance, increase the personnel's motivation, and commit the company's management and its 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 2013 decided that the Board of Directors be paid remuneration as follows:

- 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.

## Proroposal for fees for 2014

The Board of Directors proposes to the Annual General Meeting on recommendation of the Board's Personnel Committee that the fees to be paid to the Board of Directors remain the same as in 2013.

## REMUNERATION OF BOARD DIRECTORS 1 JANUARY–31 DECEMBER 2013

	Board membership	Board meetings	Audit Committee meetings	Personnel Committee meetings	Working Committee meetings	Total 2013	Total 2012	Member of the Board 2013
Henrik Ehrnrooth	79,200	8,250		4,950	2,200	94,600	94,050	1 Jan–31 Dec
Kim Gran	46,800	7,150		3,850		57,800	51,750	1 Jan–31 Dec
Eino Halonen <sup>*)</sup>							11,700	
Reino Hanhinen	60,000	8,250	1,650	4,950	2,200	77,050	75,950	1 Jan–31 Dec
Antti Herlin	11,700	1,100		1,100		13,900	54,500	1 Jan–15 Mar
Satu Huber	46,800	8,250	3,300			58,350	55,600	1 Jan–31 Dec
Erkki Järvinen	37,050	6,600	2,750			46,400		15 Mar–31 Dec
Ari Lehtoranta	13,650	2,750				16,400		15 Mar–30 Jun
Michael Rosenlew	23,400	5,500	1,650		2,200	32,750	60,000	1 Jan–30 Jun
<b>Board of Directors, total</b>	<b>318,600</b>	<b>47,850</b>	<b>9,350</b>	<b>14,850</b>	<b>6,600</b>	<b>397,250</b>	<b>403,550</b>	

<sup>\*)</sup> Eino Halonen was a member of the Board, Audit Committee and Personnel Committee until 13 March 2012.

## 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-based bonus, and
- Long-term incentive schemes, such as the share-based incentive scheme and pension benefits.

## Performance-based 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-based bonus scheme. The Board of Directors confirms the criteria for the payment of performance-based bonuses every six months.

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

The maximum annual performance-based bonus paid to the CEO and the Management Board may equal 50–60 per cent of their annual taxable pay excluding the performance-based 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 consists of three earnings periods, i.e. the calendar years 2010, 2011 and 2012. Shares were handed over in 2011, 2012 and 2013 based on the performance the previous year. A total of approximately 700,000 shares could be rewarded annually, of which a maximum of 20,000 to the President and CEO.

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 included within the scope of the scheme is terminated during the commitment period, the employee must return any shares obtained as rewards to the company free of charge. In the case of shares granted for 2010, the commitment period has ended.

According to the terms and conditions of the share-based incentive scheme, YIT Corporation's Board of Directors ratified the numbers of shares to be granted by key person on 25 April 2013 on the basis of the objectives and results set for 2012. The handing over was implemented as a directed, gratuitous share issue using the company's own shares possessed by the company. The number of shares handed over was 224,743, and 247 key persons of the Group were entitled to them.

After the registration of the implementation of the partial demerger of YIT Corporation on 30 June 2013, persons in the employ of YIT Group had a total of 164,405 shares granted as bonuses in 2013.

During 2013, a total of 18,452 shares were returned to the company in accordance with the terms and conditions.

### Pension, retirement age and termination compensation

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

### Remuneration paid to the CEO and Management Board in 2013

Between 1 January and 30 June 2013, Juhani Pitkääkoski served as the President and CEO of YIT Corporation. He was paid a performance-based bonus of EUR 91,523 in March 2013 according to the results of July–December 2012. In 2013, Juhani Pitkääkoski was granted 6,340 shares through the share-based incentive scheme on the basis of the 2012 results. The aggregate value of the shares and the related monetary bonus was EUR 214,260.

As of 30 June 2013, Kari Kauniskangas, who was previously YIT Corporation's Executive Vice President, has served as YIT Corporation's President and CEO. In 2013, he was paid a total of EUR 120,629 in performance-based bonuses. Of this amount, EUR 60,629 was paid according to 2012 results and EUR 60,000 according to the results of January–June 2013.

In 2013, Kari Kauniskangas was granted 3,804 shares through the share-based incentive scheme on the basis of the 2012 results. The aggregate value of the shares and the related monetary bonus was EUR 125,850.

## REMUNERATION PAID TO THE CEO AND MANAGEMENT BOARD IN 2013

### 1 January–30 June 2013

Juhani Pitkääkoski, President and CEO

Other Management Board:

- Kari Kauniskangas, Executive Vice President and deputy to the CEO, head of the International Construction Services business segment
- Tero Kiviniemi, head of the Construction Services Finland business segment
- Juha Kostainen, Senior Vice President, Urban Development and Corporate Relations
- Timo Lehtinen, Chief Financial Officer
- Matti Malmberg, head of the Building Services Northern Europe business segment
- Pii Raulo, Senior Vice President, Human Resources
- Karl-Walter Schuster, head of the Building Services Central Europe business segment
- Sakari Toikkanen, Secretary to the Management Board, Senior Vice President, Business Development

## REMUNERATION PAID TO THE CEO AND MANAGEMENT BOARD 1 JANUARY–30 JUNE, EUR

	Fixed salary	Fringe benefits	Bonuses paid	Option income	Total 1 January– 30 June 2013	Total whole year 2012
President and CEO	274,211	9,320	91,523	214,260	<b>589,314</b>	750,276
Total other Management Board	956,740	58,821	216,207	817,310	<b>2,049,078</b>	2,466,529

### 30 June–31 December 2013

Kari Kauniskangas, President and CEO

Other Management Board:

- Tero Kiviniemi, Executive Vice President, deputy to the President and CEO
- Yuri Belomestnov, head of Moskovia business division (Moscow Region)
- Jouni Forsman, head of Infraservices business division
- Teemu Helppolainen, head of business area Moscow and Russia
- Harri Isoviita, head of Residential Construction business division
- Matti Koskela, head of Building Construction business division
- Timo Lehmus, head Business Premises business division
- Timo Lehtinen, Chief Financial Officer
- Juhani Nummi, Senior Vice President, Business Development
- Pii Raulo, Senior Vice President, Human Resources
- Tom Sandvik, head of Central and Eastern Europe business division
- Mikhail Voziyanov, head of St. Petersburg business division

#### REMUNERATION PAID TO THE CEO AND MANAGEMENT BOARD 1 JUNE–31 DECEMBER, EUR

	Fixed salary	Fringe benefits	Bonuses paid	Option income	Total 1 July– 31 December 2013	Total whole year 2012
President and CEO	201,913	7,458	60,000		<b>269,371</b>	750,276
Total other Management Board	1,322,629	57,319	327,460		<b>1,707,408</b>	2,466,529