

CAVERION CORPORATION REMUNERATION STATEMENT

The aim of Caverion's remuneration systems is to drive top performance, to attract, develop and retain the best talent and to align shareholder and employee interest in the long run.

Decision-making procedure regarding remuneration

Caverion Corporation's Annual General Meeting decides on the remuneration for the Board of Directors. The Human Resources Committee of the Board of Directors is responsible for preparing the remuneration for the Board of Directors. The Human Resources Committee also prepares general remuneration principles, bonus plans, long-term incentive schemes and the compensation policy of Caverion Group which the Board of Directors approve.

The Board of Directors appoints the President and CEO and approves his/her terms of employment and remuneration. The Board of Directors also appoints the members of the Group Management Board. According to Caverion guidelines all individual remuneration decisions have to be approved by applying the manager's manager principle. Regarding Group Management Board members, the Chairman of the Board approves Group Management Board members' remuneration decisions.

Remuneration of the Board of Directors in 2014

Based on the decisions of the Caverion Corporation's Annual General Meeting on March 17, 2014, the members of the Board of Directors are entitled to the following fees:

- Chairman of the Board of Directors: EUR 6 600 per month (EUR 79 200 per year)
- Vice Chairman of the Board of Directors: EUR 5 000 per month (EUR 60 000 per year)
- Members of the Board of Directors: EUR 3 900 per month (EUR 46 800 per year)

A meeting fee of EUR 550 is paid for each Board and Committee meeting attended in addition to travel costs associated.

The remuneration paid to the members of the Board of Directors totalled EUR 324 700 in 2014. None of the Board members have an employment relationship or service contract with Caverion Group and they are not covered by any of Caverion Group's bonus plans, share-based incentive schemes or pension plans.

Fees paid to the members of the Board of Directors in 2014:

Member of the Board of Directors	Board membership	Audit Committee meetings	Human Resources Committee meetings	Board meetings	Total 2014
Henrik Ehrnrooth	79 200		1 650	6 050	86 900
Anna Hyvönen	46 800	3 850		5 500	56 150
Ari Lehtoranta	57 250		1 650	5 500	64 400
Eva Lindqvist	46 800	3 850		5 500	56 150
Michael Rosenlew	49 550	3 850	1 650	6 050	61 100
Total	279 600	11 550	4 950	28 600	324 700

Remuneration principles at Caverion

The basis of remuneration at Caverion is a fixed base salary, in addition to which Group's management and most of the salaried employees are included in a performance bonus scheme. The aim of the annual performance bonus scheme is to reward the management and selected employees based on the achievement of pre-defined and measurable strategic targets. The Board of Directors ratifies the rules of the annual performance bonus scheme every year, according to which possible bonuses are paid. Performance of the Group, the President and CEO as well as Group Management Board members is evaluated by the Board of Directors. The amount of possible bonuses is approved by the Board of Directors after the financial statements have been prepared.

The amount of the possible bonus payment is based on the achievement of the set financial performance targets, such as the Group's and/or division's financial result, strategic targets and/or development objectives set separately. Individual target bonus opportunity and maximum bonus opportunity are based on role responsibilities. Possible bonus payments can vary from zero payment to the pre-defined maximum bonus payment based on the achievement of targets set.

Performance and development discussions are an essential part of the performance bonus scheme and performance management at Caverion. In these discussions individual targets, their relative weighting and realization of the previously agreed targets are reviewed.

Share-based incentive schemes

The performance share plan is a part of the management remuneration at Caverion Group. The key aim is to align the interests of the shareholders and the executives in order to promote shareholder value creation and to support Caverion in becoming a leading European provider of advanced and sustainable lifecycle solutions for buildings and industries. In addition, the aim is to commit the key executives to the company and its strategic targets and to offer them a competitive reward plan based on the ownership of the company's shares.

The Board of Directors approved a share based incentive plan in its May 2014 meeting. The plan consists of one three-year performance period in 2014–2016. It is followed by a one-year vesting period, after which the potential rewards will be paid in spring 2018. A person participating in the plan has the possibility to earn a reward only if his/her employment continues until the payment of the reward. After the shares have been allocated, they will be freely transferrable.

The potential reward is based on the targets set for Group revenue and EBITDA margin until the end of 2016. The reward is to be paid in Caverion shares and as cash payment, which is intended to cover the taxes and tax-related costs arising from the reward. If all targets will be reached, the share award will in total correspond to a maximum of 500,000 Caverion shares. Any shares to be potentially rewarded are acquired through public trading, and therefore the plan will have no diluting effect on the share value. In total, the plan covers approximately 40 persons. Expenditures related to share-based incentive plan have been EUR 217 600 in 2014.

Remuneration paid to the President and CEO

The remuneration paid to Mr. Fredrik Strand as Caverion's President and CEO consists of salary, fringe benefits, annual performance bonus, share-based incentive scheme and voluntary pension scheme. The President and CEO's annual performance bonus can be up to 60 % of the annual taxable base salary. In 2014, 50 % of the total bonus opportunity was tied to Group's EBITDA and 50 % in Group's cash flow. These measures are in line with Caverion's strategic targets.

During 1.1.2014-31.3.2014 Mr. Juhani Pitkääkoski's total remuneration including base salary, fringe benefits and performance bonuses as the President and CEO totalled EUR 350 223.

During 1.4.2014-31.12.2014 Mr. Fredrik Strand's total remuneration including base salary, fringe benefits, voluntary pension scheme and expenditures of the share-based incentive scheme totalled EUR 506 644.

Remuneration paid to the President and CEO in 2014 (EUR)

	Base Salary	Fringe benefits	Performance bonuses	Voluntary pension scheme	Share-based incentive scheme	Total
Juhani Pitkääkoski	135 000	3 806	211 417			350 223
Fredrik Strand	349 812	15 341		122 842	18 649	506 644

Pension, retirement age and termination compensation

The contractual retirement age of the President and CEO Fredrik Strand is 65 years. His pension scheme is determined according to a defined contribution based system. In 2014 the total cost of his defined contribution pension scheme was EUR 122 842. Other members of the Group Management Board do not have supplementary executive pension schemes.

The President and CEO's contractual notice period is six months. If the company terminates the contract, he shall also be paid separate compensation amounting to 12 months' base salary.

Remuneration paid to the Group Management Board

The members of the Group Management Board are eligible for an annual performance bonus program. In 2014, the maximum bonus opportunity for the members of the Group Management Board was 50% of the annual base salary. The financial targets of the performance bonus were connected to the Group's EBITDA and cash flow. The remuneration paid to Group's Management Board members (excluding the President and CEO) including base salaries, fringe benefits and performance bonuses totalled EUR 3 619 421 in 2014. The share of fixed base salaries was EUR 2 727 865, fringe benefits amounted to EUR 181 849 and performance bonuses totalled EUR 709 707.