

Remuneration

Sampo plc's Board of Directors has established the Sampo Group Remuneration Principles, which apply to all Sampo Group companies. The Remuneration Principles are available at www.sampo.com/remuneration.

Sampo Group's remuneration strategy shall be responsible towards employees and shareholders. This means that the long-term financial stability and value creation of Sampo Group shall guide the remuneration design.

The different forms of remuneration used in Sampo Group are the following:

- (a) Fixed Compensation
- (b) Variable Compensation
- (c) Pension
- (d) Other Benefits

The starting point of any compensation mechanism shall be to encourage and stimulate employees to do their best and surpass their targets. Remuneration packages shall be designed to reward fairly for prudent and successful performance. At the same time, however, in order to safeguard the interest of other stakeholders, compensation mechanisms shall not generate conflicts of interest and shall not entice or encourage employees to excessive or unwanted risk taking. Thus, compensation mechanisms cannot be separated from risk management objectives and practices.

The relative proportions of fixed and variable compensation reflect the responsibilities of individual executives and employees. Fixed salaries shall represent a sufficiently high share of the total remuneration. Variable compensation may be based on the contribution to the company's profitability and on individual performance or linked to committing employees to Sampo Group.

The decision on payout of variable compensation shall be based on the assessment of the incurred risk exposure and the fulfillment of solvency capital requirements. Furthermore, the payment of a certain portion of the variable compensation payable to the Senior Executive Management and to certain key persons shall be deferred for a defined period of time as required in the regulatory framework applicable to each Sampo Group company. After the deferral period, a retrospective risk adjustment review shall be carried out and the Board of Directors of each Sampo Group company shall decide whether the deferred variable compensation shall be paid/released in full, partly or cancelled in whole. In 2017, altogether EUR 6.4 million (10.4) of short-term and long-term incentives has been deferred.

On 14 September 2017 Sampo plc's Board of Directors decided to adopt a new long-term incentive scheme 2017:1 for the management of Sampo Group (including the Group CEO) and

other key employees of Sampo Group. The Sampo Board Members are not included in the scheme. The total number of participants in the long-term incentive scheme is 117.

In the 2017:1 scheme, 4,092,000 incentive units were allocated in September to October 2017, out of a maximum of 4,500,000 units. The remaining incentive units may be allocated during September to October 2018 and may be directed to new recruits or to current employees with materially changed circumstances. The scheme will vest in three annual instalments starting from three years from the allocation of the units.

In the 2014:1 scheme, 2,935,350 allocated incentive units remain and will vest in 2018 and 2019.

The value of one incentive unit is calculated as the difference between the trade-weighted average price of the Sampo A share at the time of payment and the dividend-adjusted starting price. In addition to the share price development, the calculation of the value of one incentive unit takes into account the performance of the insurance margin of If P&C and the return on capital at risk as further specified in the terms of the respective incentive scheme. Both schemes contain a cap for maximum payout. The terms of the incentive schemes are available at www.sampo.com/incentiveterms.

A deferral rule applies to incentive rewards paid to key employees who are subject to the deferral rule in accordance with the remuneration policies of the relevant Sampo Group companies in force at the launch of the incentive schemes. At payout from the schemes, the identified staff shall acquire Sampo A shares with a certain part of the installment after deducting income tax and other comparable charges. The shares are subject to disposal restrictions for three years, after which the Board of Directors shall decide on the possible release.

In 2017 EUR 19 million (37), including social costs, was paid on the basis of the long-term incentive schemes. EUR 37 million (38), including social costs, was paid as short-term incentives during the same period. The result impact of the long-term incentive schemes in force in 2017 was EUR 28 million (15).

Sampo Group will publish in March 2018 a Remuneration Report 2017 at www.sampo.com/remunerationreport. The Remuneration Report 2017 is part of the Remuneration Statement, which is available at www.sampo.com/remunerationstatement. The statement has been prepared in accordance with the Corporate Governance Code issued by the Securities Market Association and effective as of 1 January 2016.