

# Remuneration

Fair and rewarding remuneration to all employees is an important factor in Sampo Group's ability to enhance shareholder value in a competitive business environment. Remuneration is an equally important determinant of success in the competition for talent. Sampo's remuneration strategy is responsible both towards the employees and the shareholders and, consequently, long-term financial stability and value creation of Sampo Group guides the design of

remuneration systems.

Sampo plc's Board of Directors has established the Sampo Group Remuneration Principles, which apply to all companies within Sampo Group.

[Remuneration Principles \(www.sampo.com/remuneration\)](http://www.sampo.com/remuneration)

## Remuneration Statement

Sampo has published a Remuneration Statement on its website in accordance with the Corporate Governance Code.

[www.sampo.com/remunerationstatement](http://www.sampo.com/remunerationstatement)

## Remuneration of the Members of the Board of Directors

According to Sampo's Articles of Association, the Annual General Meeting decides on the remuneration of the members of the Board of Directors.

In accordance with the decision of the Annual General Meeting in 2017, the following annual fees were paid to the members of the Board of Directors for their Board and committee work until the close of the Annual General Meeting in 2018: EUR 175,000 to the Chairman, EUR 115,000 to the Vice Chairperson and to the Chairperson of the Audit Committee, EUR 96,000 to the members of the Audit Committee and EUR 90,000 to the other members of the Board. In accordance with the decision of the Annual General

Meeting, the members of the Board were obliged to acquire Sampo A shares at the price paid in public trading for 50 per cent of his/her annual fee excluding taxes and similar payments. The remaining part of the fee was paid in cash. Sampo plc paid the transfer tax related to the acquisition of the shares. In addition, statutory social and pension costs incurring to non-Finnish members according to applicable national legislation were borne by Sampo plc.

The members of the Board of Directors have not received any other benefits, nor do they participate in Sampo's incentive schemes.

## Remuneration of the Group CEO and Other Group Executive Committee Members

The Board of Directors decides on the terms of employment and remuneration of the Group CEO and other Group Executive Committee members, on the basis of a proposal by the Nomination and Compensation Committee. However, the Nomination and Compensation Committee decides, upon authorization by the Board of Directors, on the fixed remuneration of the Group Executive Committee members, excluding the Group CEO.

The remuneration of the Group CEO, Mr. Kari Stadigh, includes fixed salary, fringe benefits and a defined contribution pension contract, and may also include payments from short-term incentive programs and long-term incentive schemes.

The Group CEO is a participant in a short-term incentive program, which is decided upon separately each year. The maximum amount that can be paid to the Group CEO from the program corresponds to nine months' fixed salary.

During 2017, the Group CEO was a participant in long-term incentive schemes 2014 I and 2017 I for Sampo Group's key employees. The terms of the incentive schemes are available on Sampo's website.

[Terms of the incentive schemes \(www.sampo.com/incentiveterms\)](http://www.sampo.com/incentiveterms)

In 2017, the Group CEO was paid EUR 1,124,176 as fixed salary and benefits and EUR 597,599 as short-term incentives (including deferred compensation pertaining to the operative year 2013 and excluding compensation deferred in 2017) and EUR 1,968,000 as long-term incentives, together totaling EUR 3,689,776.

As part of the Group CEO contract, which became effective on 1 January 2016, Sampo has agreed on a supplementary defined contribution pension contract with the Group CEO. The annual cost of the agreement to Sampo is EUR 400,000.

The remuneration of the Group Executive Committee members includes fixed salary, fringe benefits and a pension contract, and may also include payments from short-term incentive programs and long-term incentive schemes.

The Group Executive Committee members are participants in company-specific short-term incentive programs, which are decided upon separately each year. Short-term incentives are determined on the basis of the Group result, business area result and individual performance. The maximum amount that can be paid to the members of the Group Executive Committee corresponds to nine months' fixed salary.

During 2017, the Group Executive Committee members were participants in the long-term incentive schemes 2011 I/2, 2014 I and 2017 I for Sampo Group's key employees.

Part of the variable compensation payable to the Group CEO and to the members of the Group Executive Committee is

deferred as required in the regulatory framework applicable to each Group company. After the deferral period, a retrospective risk adjustment review shall be carried out and the Board of Directors decides whether the deferred variable compensations shall be paid out in full, partly or cancelled in whole.

Under the terms of their employment contracts, the Group Executive Committee members are covered by supplementary pension schemes. The retirement age for the Group Executive Committee members, as set out in their contracts, is 60, 65 or the age laid down in the employment pension system of their country of residence.

More detailed information on remuneration in Sampo Group during 2017 is available in the Remuneration Report published by Sampo at [www.sampo.com/remunerationreport](http://www.sampo.com/remunerationreport).