

# Large-Scale Project to Safeguard the Share Rights

Sampo launched a large-scale project in late 2016 to reach the shareholders who had not transferred their shares into the book entry system. The project was related to seven million Sampo shares representing one per cent of the total shares. The project aimed at informing shareholders about the need to transfer their shares into book entry account before the Annual General Meeting of April 2017 in order to safeguard their share rights.

According to Chapter 4, Section 10(2) of the Finnish Limited Liability Companies Act, Sampo's AGM of 2017 had the opportunity to resolve that the rights to Sampo plc shares registered in the joint account will be forfeited unless the shareholder has requested that the shares be registered in the book-entry system. The Act did not require Sampo to inform the holders of shares outside the book-entry system of the possible forfeiture of shares registered in the joint account. However, the Audit Committee of Sampo plc's Board of Directors decided that the company would still try to reach the holders of paper share certificates, so that they do not forfeit their shareholder rights.

In November 2016, Sampo launched a project to reach the holders of shares that had not been transferred to the book-entry system. The scale of the project was exceptional. Nearly seven million shares had not been transferred to the book-entry system, which corresponded to approximately one per cent of the total number of shares.

On 3 November 2016, Sampo plc sent a reminder letter to around 75,000 private persons who had been registered, in accordance with the shareholders' register dated 12 September 1997, as holders of the shares in the joint account who had not yet transferred their shares to their own book-entry account. The letter asked these persons to take their Sampo plc paper share certificates to a bank and register them in a book-entry account, in case Sampo's AGM of April 2017 decided on the forfeiture of shareholder rights attaching to shares that had not been transferred to the book-entry system.

This paper share certificate project was Sampo's last attempt to reach those shareholders whose shares had not been transferred to the book-entry system. The company had already tried to reach them through letters and newspaper ads in 1997, when the company transferred to the book-entry system. The matter was also extensively covered by the media.

In January 2017, two shareholders submitted written proposals to Sampo plc, which were added to the agenda of the AGM.

The first proposal suggested that rights to shares in the book-entry system and the rights carried by the shares be forfeited with regard to the shares in the joint account. On the basis of

the proposal, the company's Board of Directors should cancel the treasury shares to be held by the company as a result of the forfeiture.

The second proposal suggested that the decision on the cancellation of unregistered shares be made at the earliest on 1 February 2020 and that, before that date, the company will actively seek to reach out to all shareholders of the company who have not transferred their holdings to the book-entry system.

On 27 April 2017, Sampo plc's AGM decided, with a 98.9 per cent majority of the shareholders' votes, that the shareholder rights carried by unregistered shares will be forfeited.

## Media Coverage Helped Sampo to Reach Shareholders

Within six months, Sampo attempted to reach as many as possible of those persons who had not transferred their paper share certificates to a book-entry account. Another aim was to activate those persons in good time before the AGM date, 27 April 2017, which was the last possible day to request conversion after the conversion period, based on the assumption that the AGM would decide on the forfeiture of shareholder rights.

The media helped to activate the general public by highlighting the current value of Sampo paper share certificates. The coverage on Yle's main news broadcast and articles published in national newspapers were immediately reflected in the number of inquiries to Sampo's Shareholder Services. On the busiest days, Shareholder Services received more than 5,000 email messages per day concerning the share certificates. Between October 2016 and October 2017, Sampo received approximately 100,000 inquiries related to the share certificates. During a period of less than six months, more than 150 articles were published in newspapers and magazines on Sampo's attempt to reach the holders of its share certificates.

Over a dozen Sampo employees participated in the search for the holders of paper share certificates. Furthermore, Sampo hired dozens of law students in its Shareholder Services to handle shareholder inquiries. The Helsinki District Court also received an exceptionally high number of inquiries

concerning the invalidation of lost share certificates. Meanwhile, Danske Bank and other banks that were in charge of share conversions after the conversion period were busy with these requests.

The deadline for the finalisation of conversions with banks expired on 31 October 2017. Since November 2016, the number of shares registered in the joint account decreased by 2,154,710 shares. Compared to 1 November 2016, the number of Sampo plc shareholders increased by approximately 20,000 to slightly over 108,000.

In December 2017, Sampo plc announced that its Board of

Directors had decided, according to the authorisation by the Annual General Meeting, to cancel 4,648,150 Sampo shares that were in the joint account on 1 December 2017. This corresponded to 0.8 per cent of Sampo plc's total number of shares and votes.

The cancellation of shares became effective on 22 December 2017. Sampo plc's total amount of shares is 555,351,850, which are divided into 554,151,850 A shares and 1,200,000 B shares. The total number of votes attached to the shares is 560,151,850.

## Sampo's Paper Share Certificate Project in Figures

### **2.2 million**

Of the seven million paper share certificates, nearly 2.2 million were registered in book-entry accounts within the set time limit. 0.8 per cent of Sampo shares remained to be cancelled.

### **993**

In January 2017, the invalidation applications submitted to the District Court were published in the year's first issue of the Official Journal of Finland. Due to this, the issue had 993 pages, compared to the average 20 pages.

### **7,800**

Between November 2016 and April 2017, the Helsinki District Court received a total of 7,800 applications for the invalidation of Sampo share certificates. Normally, the Helsinki District Court processes around 3,400 petition cases a year. These applications were also processed by other district courts.

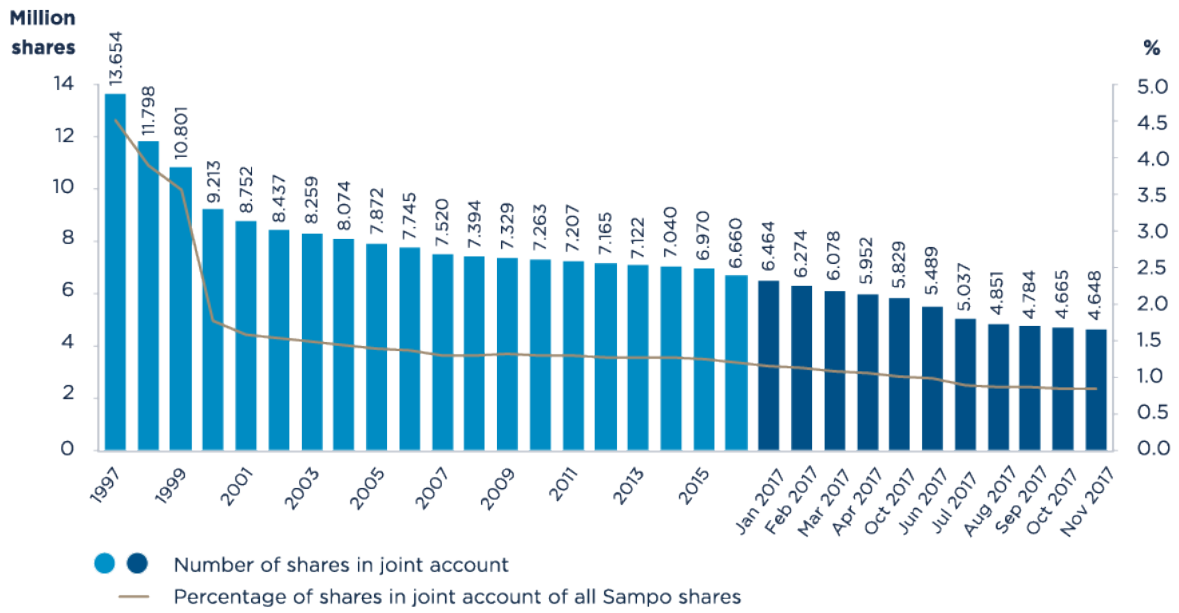
### **100,000**

Sampo received more than 100,000 inquiries concerning the paper share certificates.

### **15,000**

Over a period of slightly over six months, Sampo issued more than 15,000 register extracts to the shareholders requesting them.

**Number of Shares on the Joint Book-Entry Account since 1997**



Sampo plc's A share was split into five shares in 2001. Numbers of shares between 1997 and 2000 have been multiplied by five in order to facilitate comparison.

