



SAMPO  GROUP

2021

REMUNERATION REPORT
FOR GOVERNING BODIES

Remuneration Report for Governing Bodies

Introduction

This Remuneration Report for Governing Bodies 2021 has been prepared in accordance with the section titled 'Remuneration Reporting' of the Corporate Governance (CG) Code 2020. The CG Code 2020 can be viewed in full on the website of the Securities Market Association at www.cgfinland.fi.

The Remuneration Report for Governing Bodies provides information on the remuneration of the Board of Directors and the Group CEO, and it also describes how the Remuneration Policy for Governing Bodies has been implemented. The remuneration and other financial benefits are reported on a cash basis, excluding social costs.

The Remuneration Report for Governing Bodies was presented to the Annual General Meeting (AGM) for the first time in 2021. Out of all given votes, 65.00 per cent

were given in favor of the proposal. The Annual General Meeting resolved, in accordance with the voting result, to accept the presented Remuneration Report. The resolution was advisory.

Based on the voting result at the AGM 2021, the section on remuneration of the Group CEO has been revised. More detailed information on the Group CEO's short-term incentive (STI) target setting and target fulfillment has been added, and a separate table describing the main terms and conditions of the long-term incentive (LTI) schemes has been included in the report. In addition, the Group CEO's holding of Sampo A shares in relation to base salary is presented in the report.

In 2021, Sampo Group's result was well ahead of the 2021–2023 annual financial targets of mid-single digit

per cent growth on average in underwriting profits and a combined ratio below 86 per cent. There has been no COVID-19 related lay-offs among Sampo Group personnel and none of the group companies have required any government funding support during the COVID-19 pandemic. There were no COVID-19 related changes in remuneration practices. Variable compensation programs were offered to both executives and other employees and payouts were based on company-specific triggers and targets.

The remuneration of the Board of Directors and the Group CEO complied with the Remuneration Policy for Governing Bodies in force during 2021. Neither deviations from the Remuneration Policy nor clawbacks of the remuneration paid to the Board of Directors or the Group CEO were made.

Remuneration and long-term financial development

Sampo Group's remuneration strategy is responsible towards both employees and shareholders. Remuneration has been designed to enhance the company's long-term financial stability and value creation to shareholders and other stakeholders.

The measures taken in 2021 to ensure long-term results for Sampo Group are considered in the Remuneration Policy for Governing Bodies and in the Sampo Group Remuneration Principles and are:

- The remuneration package of the Group CEO comprises different remuneration elements, mainly consisting of: (i) fixed compensation; (ii) short-term incentives, and (iii) long-term incentives.
- In 2021, the short-term incentives represented 16 per cent of the Group CEO's total remuneration (including supplementary pension). 40 per cent of the payout has been deferred in cash for three years as required in the regulatory framework applicable to Sampo plc.
- Long-term incentive schemes are part of a multiannual framework to ensure that the payout is based on long-term results and that the underlying economic cycle of the company is considered. 50 per cent of the cash payout (net after tax) is used to purchase Sampo A shares which are subject to disposal restrictions (holding period) for three years, so that the interests of the Group CEO are aligned with shareholders' interests.
- In 2021, the long-term incentives represented 35 per cent of the Group CEO's total remuneration (including supplementary pension).
- The Board members shall acquire Sampo A shares for 50 per cent of their annual fee after the deduction of taxes, payments, and potential statutory social and pension costs. The shares shall be retained for two years from the purchasing date. This creates an alignment of the interests of the members of the Board with those of the shareholders.

The table below describes the development of the Group CEO's remuneration, the average remuneration of Sampo Group employees, the CEO pay ratio and the development of the Sampo A share price over the preceding five financial years. Pension contributions are not included in the calculations.

	Magnusson				Stadigh				
	2021	Change %	2020	Change %	2019	Change %	2018	Change %	2017
Remuneration of the Group CEO, excluding pension (EUR) ¹	2,511,459	91.2%	1,313,694	-66.2%	3,891,196	-6.1%	4,143,132	12.3%	3,689,776
Sampo Group average employee remuneration, excluding pension (EUR) ²	66,915	-3.8%	69,580	-1.7%	70,781	-0.3%	70,994	-1.3%	71,948
Pay ratio between remuneration of the Group CEO and average employee remuneration	38:1	98.8%	19:1	-65.7%	55:1	-5.8%	58:1	13.8%	51:1
Sampo A share price 31 Dec (EUR) ³	44.06	27.5%	34.57	-11.2%	38.91	2.8%	37.84	-16.2%	45.13

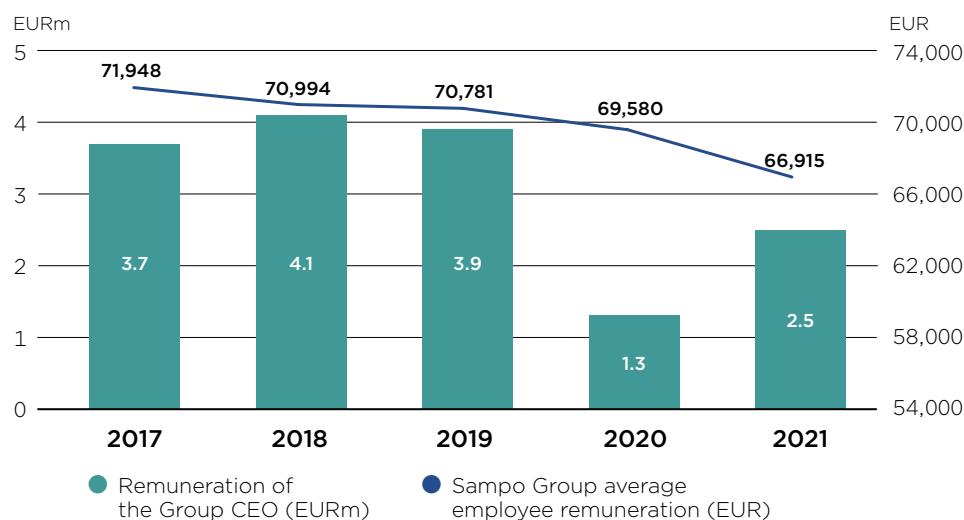
¹ The former Group CEO, Kari Stadigh, retired on 31 December 2019 and he was succeeded by Torbjörn Magnusson with effect from 1 January 2020.

² The average employee remuneration is presented on the Group level since it more appropriately reflects the average employee remuneration as compared to reporting the average remuneration of employees in Sampo plc only. The Sampo Group average employee remuneration has been calculated by dividing total remuneration, including fixed salary, fringe benefits and variable compensation, by the average FTE of the year. Currency rate fluctuations affect the reported numbers. Topdanmark is included in Sampo Group figures starting from 2017. Hastings is included in the figures starting from 2021.

³ The Sampo A share price is used as a financial key indicator since it is the main performance metric of the long-term incentive schemes and one of the core elements of value creation for Sampo plc's shareholders.

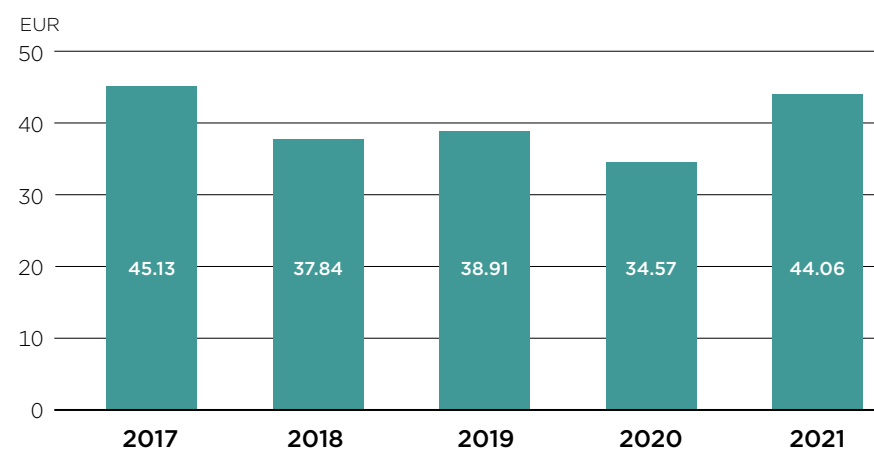
Remuneration

Sampo Group 2017–2021



Sampo A share price

31 December



Remuneration of the Board of Directors

The members of the Board are not in an employment or service relationship with Sampo plc or any other Sampo Group company, and they do not participate in any short-term incentive programs or long-term incentive schemes. Furthermore, they do not act as advisors for the company.

The Annual General Meeting 2021 decided that the Board of Directors would consist of eight (8) members until the close of the Annual General Meeting to be held in 2022. It was noted that out of the Board members at the time, Antti Mäkinen was not available for re-election. Meanwhile, Markus Rauramo was elected as a new member of the Board of Directors. Besides that, no other changes were made in the composition of the Board.

The Nomination and Remuneration Committee of Sampo plc's Board of Directors prepares and presents the proposal for the remuneration of the Board of Directors to the Annual General Meeting. When preparing the proposal, the committee may consult the company's largest shareholders and shall, in addition to the Remuneration Policy, consider the developments in remuneration in the relevant markets and benchmark companies. The Annual General Meeting 2021 accepted the proposal to increase

the annual fees of the Board members by approximately 2 per cent. In determining the proposed fees, the Nomination and Remuneration Committee considered the effect of financial regulation on the demanding nature of the Board's work and the annual fees paid to the Boards of businesses that are similar to Sampo Group. The remuneration of the Board is annually benchmarked against a peer group consisting of Nordic and European insurance companies and banks.

The Nomination and Remuneration Committee of Sampo plc's Board of Directors proposed to the Annual General Meeting 2021 that each member of the Board of Directors be paid an annual fee of EUR 95,000 until the close of the next Annual General Meeting, and that the Chair of the Board be paid an annual fee of EUR 184,000. Furthermore, the Nomination and Remuneration Committee proposed that the members of the Board of Directors and its Committees be paid the following additional annual fees: (i) the Vice Chair of the Board be paid EUR 26,000; (ii) the Chair of the Audit Committee be paid EUR 26,000; and, (iii) each member of the Audit Committee be paid EUR 6,000.

Incurred travel and accommodation costs were reimbursed to the Board members. Any potential statutory social and pension costs incurring to Board members having permanent residence outside Finland were, according to applicable national legislation, borne by Sampo plc. No other financial benefits were paid to the members of the Board. The Board members did not receive separate meeting fees. The meeting attendance of the members of the Board and its Committees was 100 per cent during 2021.

A Board member shall, in accordance with the resolution of the Annual General Meeting, acquire Sampo A shares at the price paid in public trading for 50 per cent of his/her annual fee after the deduction of taxes, payments, and potential statutory social and pension costs. Sampo plc pays any possible transfer tax related to the acquisition of the shares. A Board member shall be obliged to retain the Sampo A shares under his/her ownership for two years from the purchasing date. However, the disposal restriction (holding period) on the Sampo A shares shall become unbinding if the term of the Board membership ends prior to the two-year period.

The table below describes the remuneration paid to the members of the Board and the number of Sampo A shares acquired by the Board members in accordance with the resolutions of the Annual General Meetings from 2017 to 2021. The fee is paid annually, and it covers the full term of office from the election to the close of the following Annual General Meeting.

Board member	2021		2020		2019		2018		2017	
	Annual Fee, EUR	Acquired shares, pcs ¹	Annual Fee, EUR	Acquired shares, pcs ¹	Annual Fee, EUR	Acquired shares, pcs ¹	Annual Fee, EUR	Acquired shares, pcs ¹	Annual Fee, EUR	Acquired shares, pcs ¹
Björn Wahlroos Chair	184,000	1,298	180,000	1,595	175,000	1,533	175,000	1,377	175,000	1,265
Jannica Fagerholm ² Vice Chair and Chair of the Audit Committee	147,000	869	145,000	1,077	140,000	1,103	115,000	772	115,000	659
Christian Clausen ³ Member	95,000	520	93,000	650	96,000	650	96,000	550	96,000	481
Risto Murto Member	95,000	561	93,000	697	90,000	673	90,000	549	90,000	490
Fiona Clutterbuck Member of the Audit Committee	101,000	640	99,000	792	96,000	753	-	-	-	-
Johanna Lamminen Member of the Audit Committee	101,000	602	99,000	742	96,000	711	-	-	-	-
Georg Ehrnrooth Member of the Audit Committee	101,000	675	99,000	787	-	-	-	-	-	-
Markus Rauramo Member of the Audit Committee	101,000	592	-	-	-	-	-	-	-	-
Antti Mäkinen ⁴ Member of the Board up until 19 May 2021	-	-	93,000	697	90,000	667	96,000	464	-	-
Veli-Matti Mattila Member of the Board up until 2 June 2020	-	-	-	-	90,000	667	90,000	523	90,000	525
Eira Palin-Lehtinen Vice Chair up until 9 April 2019	-	-	-	-	-	-	115,000	676	115,000	607
Adine Grate Axén Member of the Audit Committee up until 9 April 2019	-	-	-	-	-	-	96,000	682	96,000	628
Per Arthur Sørlie Member of the Audit Committee up until 19 April 2018	-	-	-	-	-	-	-	-	96,000	569
Total	925,000	5,757	901,000	7,037	873,000	6,757	873,000	5,593	873,000	5,224

¹ Transfer tax of 1.6 per cent related to the acquisition of Sampo A shares has been reimbursed to the Board members, in accordance with the resolution of the Annual General Meeting.

² Jannica Fagerholm took up the position as Vice Chair in April 2019.

³ Christian Clausen was a member of the Audit Committee until June 2020, after which he became a member of the Nomination and Remuneration Committee.

⁴ Antti Mäkinen was a member of the Audit Committee until April 2019, after which he became a member of the Nomination and Remuneration Committee.

Remuneration of the Group CEO

The remuneration of the Group CEO is reviewed annually and is based on the Sampo Group Remuneration Principles and Sampo plc's Remuneration Policy for Governing Bodies. The remuneration includes fixed salary, fringe benefits, and a supplementary defined contribution pension contract, and it may also include payments from short-term incentive programs and long-term incentive schemes. In addition, the Group CEO is, based on the policy and the service contract, entitled to compensation related to the termination of the service contract.

The remuneration of the Group CEO is annually benchmarked against individual peer group companies and general market data for similar position grades and/or jobs based on external surveys.

Remuneration mechanisms that are supportive and pay based on the achievement of targets will create a link between the performance of the Group CEO and the company's success. In order to emphasise the importance of the pay-for-performance principle, a significant part

of the Group CEO's total remuneration is based on the performance-linked variable compensation.

The table below describes the remuneration elements of the Group CEO, Torbjörn Magnusson, in 2021.

Remuneration element	Summary of the Remuneration policy approved by shareholders at 2020 AGM	Implementation in 2021
Fixed compensation	<ul style="list-style-type: none"> Fixed salary shall: <ul style="list-style-type: none"> Represent a sufficiently high share of the total remuneration; Be competitive but not leading in the market; Be reviewed annually. <p><i>The objective is to attract and commit the best CEO to the company.</i></p>	<ul style="list-style-type: none"> The annual fixed base salary of the Group CEO amounted to SEK 9,701,000 in 2021. The Group CEO received a salary adjustment of 9.0% in January 2021. The adjustment took into account the fact that he was appointed at a lower salary level than his predecessor and that the market data analyses showed that the Group CEO's annual fixed salary was below the market median of comparable positions. In spite of the salary increase, the salary of the Group CEO remained at a level below the median. The annual salary review was conducted in December 2021. The remuneration of the Group CEO was benchmarked against individual peer group companies and general market data. The salary increase was 6.0% and the new salary, SEK 10,283,060, took effect on 1 January 2022. After the salary increase, the salary of the Group CEO is still at a level below median. At the same time Sampo Group is delivering excellent results. The next annual salary review will be conducted in Q4 and the decision on a possible salary increase for 2023 is planned to be made in December 2022.

Remuneration element	Summary of the Remuneration policy approved by shareholders at 2020 AGM	Implementation in 2021
Short-term incentives	<ul style="list-style-type: none"> The rewards shall be paid in cash, based on the outcome of the performance criteria after the performance period. The quantitative and qualitative performance criteria along with their proportional weightings shall be determined before the performance period. The reward shall not be paid if the minimum level of performance criteria has not been met. The maximum amount that can be paid to the Group CEO from the program is equivalent to nine months' fixed salary. Part of the payout shall be deferred as required in the regulatory framework that is applicable to Sampo plc. <p><i>The objective is to reward and encourage to surpass the quantitative and qualitative performance criteria.</i></p>	<ul style="list-style-type: none"> 2020 short-term incentive program (payout in 2021): <ul style="list-style-type: none"> Performance targets and their relative weights: Sampo Group targets (67%) and individual targets (33%). Target fulfillment was 89% out of 100%. 40% of the earned incentive was deferred in cash and may be paid out earliest in 2024. 2021 short-term incentive program (payout in 2022): <ul style="list-style-type: none"> Performance targets and their relative weights: Sampo Group targets (50%) and individual targets (50%). The weight of individual targets was increased from 2020, and a new target related to the successful development of Hastings as a new Sampo Group company was added. The outcome will be published on sampo.com in April 2022. 40% of the earned incentive is deferred in cash and may be paid out earliest in 2025. <p>The performance criteria are described in further detail in section Short-term incentives of the Group CEO.</p>
Long-term incentives	<ul style="list-style-type: none"> The payout of the long-term incentive schemes may be linked to certain performance criteria and also to the development of the company's share price. The payout from the schemes is always capped i.e. the size of the payment is limited to a maximum amount. Part of the payout shall be deferred as required in the regulatory framework that is applicable to Sampo plc. <p><i>The objective is to align the Group CEO's interests with those of the shareholders and commit the Group CEO to the company.</i></p>	<ul style="list-style-type: none"> The long-term incentive scheme 2017:1 (1st instalment 30% vested in 2020, 2nd instalment 35% vested in 2021 and 3rd instalment 35% vesting in 2022): <ul style="list-style-type: none"> 50% of the net payout must be used to acquire Sampo A shares. Acquired shares are subject to a 3-year disposal restriction (holding period). Capped value of one incentive unit is set at EUR 19 above the starting price. The long-term incentive scheme 2020:1 (vesting in 2023, 2024 and 2025): <ul style="list-style-type: none"> 50% of the net payout must be used to acquire Sampo A shares. Acquired shares are subject to a 3-year disposal restriction (holding period). Capped value of one incentive unit is set at EUR 24 above the starting price. 350,000 incentive units have been allocated to the Group CEO under each scheme. <p>Further details are available in section Long-term incentives of the Group CEO.</p>
Pension	<ul style="list-style-type: none"> In addition to a statutory pension, the Group CEO is entitled to a supplementary defined contribution pension plan. <p><i>The objective is to provide a competitive pension.</i></p>	<ul style="list-style-type: none"> Swedish statutory pension: <ul style="list-style-type: none"> Pensionable income is equal to 7.5 times the income base amounts (for 2021, the pensionable income equals SEK 511,500/year). Swedish supplementary defined contribution pension: <ul style="list-style-type: none"> The premium corresponds to 38 per cent of the fixed annual salary and 25 per cent of the annual paid short-term incentive. The retirement age is 65.
Other benefits	<ul style="list-style-type: none"> Benefits are provided in accordance with the applicable local market practice and they may change from time to time. Other benefits may include, among other things, phone benefit, car benefit, health insurance and other relevant insurances, directors' liability insurance, and personal tax advisory services for a Group CEO who is not resident in Finland. <p><i>The objective is to support the commitment.</i></p>	<ul style="list-style-type: none"> The Group CEO was entitled to lunch benefit, an annual travel pass for flights between Stockholm and Helsinki, and a health insurance.
Termination of service relationship	<ul style="list-style-type: none"> The contract of the Group CEO includes a notice period for terminating the service contract and severance compensation. 	<ul style="list-style-type: none"> The notice period for terminating the service contract of the Group CEO is 12 months for the company, and the Group CEO is entitled to salary during the notice period. In addition, the Group CEO is entitled to a severance compensation corresponding to a maximum of 24 months' fixed salary should i) Sampo plc terminate his service contract or ii) the Group CEO terminate the contract based on either material breach of the contract from the Company's part, or based on material changes in the Group CEO's responsibilities due to significant changes in Sampo Group structure or ownership. The maximum amount of severance pay is based on the terms applied in his previous position as the CEO of If P&C Insurance Holding Ltd.

The table below presents the remuneration paid to the Group CEO as well as the number of Sampo A shares acquired by the Group CEO under the terms of the long-term incentive schemes during the period 2020-2021.

The reporting of supplementary pension has been updated to show the actual amount allocated to the Group CEO's pension plan and is now reported excluding any social costs. The reporting of supplementary pension contributions paid in 2020 has been updated accordingly.

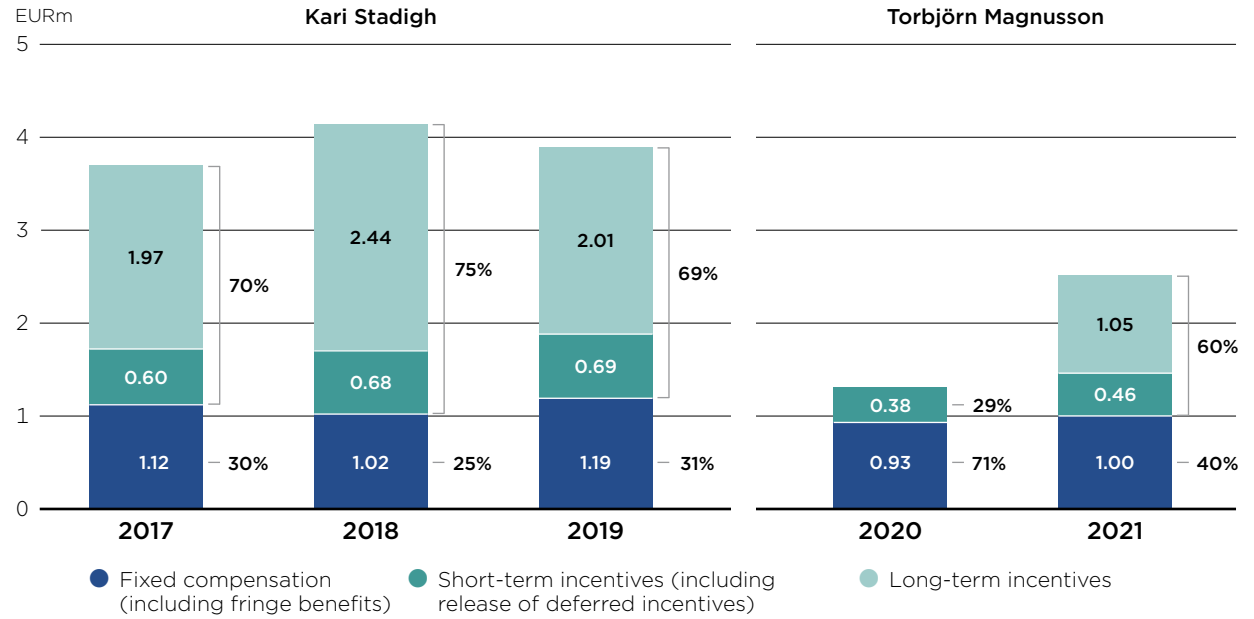
Remuneration element	Torbjörn Magnusson	
	2021	2020
Fixed salary, including holiday pay	EUR 997,902 (SEK 10,125,215)	EUR 932,805 (SEK 9,783,448)
Fringe benefits	EUR 2,014 (SEK 20,440)	EUR 1,408 (SEK 14,763)
Paid short-term incentives pertaining to previous year, excluding deferred incentives ¹	EUR 350,860 (SEK 3,560,000)	EUR 273,572 (SEK 2,869,273)
Release of deferred short-term incentives after a three-year deferral period	EUR 113,308 (SEK 1,149,676)	EUR 105,910 (SEK 1,110,805)
Paid long-term incentives, including share purchases under the terms of the long-term incentive schemes ²	EUR 1,047,375 (SEK 10,679,140)	0
Total	EUR 2,511,459 (SEK 25,534,471)	EUR 1,313,694 (SEK 13,778,289)
Supplementary pension	EUR 480,668 (SEK 4,877,095)	EUR 426,079 (SEK 4,468,806)
Total, including supplementary pension	EUR 2,992,127 (SEK 30,411,566)	EUR 1,739,774 (SEK 18,247,095)
Extraordinary items	-	-
Number of acquired Sampo A shares under the terms of the long-term incentive schemes	5,036	0
Remuneration from undertakings belonging to the same group	0	0
Proportion of fixed and variable remuneration, excluding supplementary pension	40/60	71/29

¹ In 2021, the short-term incentive earned in 2020 was paid out. The total earned short-term incentive of the Group CEO from the 2020 STI program amounted to EUR 584,766 (SEK 5,933,333) of which 40%, EUR 233,907 (SEK 2,373,333) was deferred. The deferred incentive may be paid out earliest in 2024.

² In 2020, the first instalment of the long-term incentive scheme 2017:1 was due in September and performance conditions related to the insurance margin and return on capital at risk were fulfilled to 100 per cent. However, as the trade weighted average price of the Sampo A share on Nasdaq Helsinki Ltd was below the starting price, there was no payout from the LTI 2017:1 in 2020.

The graph describes the proportional shares of fixed and variable remuneration elements of the total remuneration of the Group CEO. During the period 2017-2019, the Group CEO was Kari Stadigh, and with effect from 2020, the Group CEO has been Torbjörn Magnusson. The supplementary pension has not been included in the calculation.

Remuneration of the Group CEO



Short-term incentives of the Group CEO

The Board of Directors decides on one-year short-term incentive programs separately each year and on cash payouts from the programs in the following year. The Group CEO participates in a one-year short-term incentive program, where the outcome is determined on the basis of the value creating development of Sampo Group evaluated against the plan for the year, the overall performance of Sampo Group and the individual performance of the Group CEO. A threshold level of earnings per share (EPS) has been set below which STI payout will be zero.

The Board of Directors can decide to cancel in whole or in part or to postpone the payment of short-term incentives if material non-acceptable risk-taking or breaches against internal or external rules for the business have materialised. The Board of Directors may decide to further defer or cancel in whole or in part the payment of deferred variable compensation if the payment would threaten the company's ability to maintain an adequate capital base.

The acquisition of Hastings is reflected in the Group CEO's STI targets for 2021, emphasising the importance of the successful development of the new Sampo Group company. The 2022 STI targets for the Group CEO are

based on the new strategic direction in order to ensure focus on P&C business.

The tables below describe the Group CEO's targets linked to the 2020, 2021 and 2022 short-term incentive programs. In addition, the target fulfillment and payout from 2020 STI program are presented. The performance period of the STI programs is the financial year, i.e. from 1 January to 31 December. The performance is assessed after the end of the performance period, in spring the following year.

2020 STI program, payout in 2021

Description of the performance criteria		Relative weighting	Actual performance in total (0-100%)	Maximum STI	STI total outcome	Deferred amount of the total outcome (may be paid out earliest in 2024)	Payout in 2021
Group CEO, Torbjörn Magnusson	Group targets	Value creating development of Sampo Group, evaluated against the plan for the year	33%	89%	EUR 657,862 SEK 6,675,000	89% of the maximum STI and 67% of the annual fixed base salary for 2020 ¹	EUR 584,766 SEK 5,933,333
		Overall performance of Sampo Group	34%				
	Individual targets	Including i.a., value creation of associated companies, development of new business or investment opportunities for Sampo, and successful transition after the management succession in Sampo plc	33%				
						EUR 233,907 SEK 2,373,333	EUR 350,860 SEK 3,560,000
				75% of the annual fixed base salary for 2020 ¹		40% of the total outcome deferred in cash	

¹The annual fixed base salary of the Group CEO amounted to SEK 8,900,000 in 2020.

2021 STI program, payout in 2022

	Description of the performance criteria		Relative weighting	Actual performance in total (0–100%)	Maximum STI (75% of the annual fixed base salary for 2021) ¹	STI total outcome	Deferred amount of the total outcome (may be paid out earliest in 2025)	Payout in 2022
Group CEO, Torbjörn Magnusson	Group targets	Value creating development of Sampo Group, evaluated against the plan for the year, and the overall performance of Sampo Group	50%					
	Individual targets	Including i.a., value creation of associated companies, development of subsidiaries (e.g. Hastings), and development of new business or investment opportunities for Sampo	50%					

The outcome of the 2021 STI program will be published on www.sampo.com in April 2022.

¹ The annual fixed base salary of the Group CEO amounted to SEK 9,701,000 in 2021.

2022 STI program, payout in 2023

	Description of the performance criteria		Relative weighting	Actual performance in total (0–100%)	Maximum STI	STI total outcome	Deferred amount of the total outcome (may be paid out earliest in 2026)	Payout in 2023
Group CEO, Torbjörn Magnusson	Sampo Group	Sampo Group combined ratio	12.5%	Will be evaluated in spring 2023	75% of the annual fixed base salary for 2022 ¹	The outcome will be reported after the performance evaluation.	40% of the earned incentive will be deferred in cash for 3 years as required in the regulatory framework applicable to Sampo.	Any incentives earned from the 2022 STI program will be paid out in spring 2023. Deferral rule applies.
		Insurance dividend per share	12.5%					
		Other synergy/ value-creating development projects and activities	20%					
	Subsidiaries and associated companies	If P&C combined ratio	10%					
		If P&C gross written premium growth	15%					
		Hastings operating ratio	10%					
		Value-creating Nordea strategy	10%					
	ESG	Increased ESG ratings for Sampo	10%					

¹ The annual fixed base salary of the Group CEO amounts to SEK 10,283,060 in 2022.

Long-term incentives of the Group CEO

The Board of Directors decides on multiannual long-term incentive schemes and on payouts from the schemes.

Normally, new LTI schemes are introduced every three years, with a main allocation in year one (90-95 per cent of the units) and minor allocations in year two and three to new recruits or current employees with materially changed circumstances (5-10 per cent of the units). The Group CEO, Torbjörn Magnusson, participates in the long-term incentive schemes 2017:1 and 2020:1 for Sampo Group's key employees. He was allocated 350,000 units in September 2017 (LTI 2017:1) and 350,000 units in August 2020 (LTI 2020:1). The allocation in 2017 was based on his

previous position as the CEO of If P&C Insurance Holding Ltd. The outcome of the schemes is determined on the basis of Sampo's share price development and dividends paid over a period of three to five years starting from the issue of the schemes and performance conditions related to the insurance margin and return on capital at risk (RoCaR). The payout from both schemes is divided into three annual instalments: 30 per cent of the allocated units vests year 3, 35 per cent vests year 4, and 35 per cent vests year 5. At payout from the 2017:1 and the 2020:1 schemes, the Group CEO is obliged to purchase Sampo A shares with 50 per cent of each instalment after deducting income tax and other comparable charges. The shares are subject to disposal restrictions (holding period) for a further three years from the vesting of each instalment.

The Board of Directors shall decide on the possible release after the three-year disposal restriction.

The second instalment of the long-term incentive scheme 2017:1 was due in September 2021 and performance conditions related to the insurance margin and return on capital at risk were fulfilled to 100 per cent. In addition, the trade-weighted average price of the Sampo A share on Nasdaq Helsinki Ltd (EUR 43.14, calculated for the period 5 August to 18 August 2021) exceeded the dividend-adjusted starting price (EUR 34.59 as of September 2021), thereby resulting in a payout of EUR 8.55 per unit from the long-term incentive scheme 2017:1 in 2021, as described in the table below.

Starting price, EUR	Dividend per share in 2018, EUR	Dividend per share in 2019, EUR ¹	Dividend per share in 2020, EUR	Dividend per share in 2021, EUR	Dividend-adjusted starting price, EUR	Trade-weighted average price of the Sampo A share 5 Aug – 18 Aug 2021, EUR	Value of one incentive unit, EUR
43.81	2.60	3.42	1.50	1.70	34.59	43.14	8.55

¹ Including the distribution of an extra dividend in the form of Nordea shares. The value of the extra dividend was EUR 0.57 per share.

The table below describes the main conditions of the long-term incentive schemes 2017:1 and 2020:1. In addition, the table includes information on the payout from the LTI 2017:1 scheme for the Group CEO in 2021. Each LTI scheme has a performance period of 3-5 years and an additional deferral period (holding period) of 3 years for each instalment. The performance metrics are set at the launch of the scheme and apply throughout the scheme for each instalment until all units have vested. Return on capital at risk and insurance margin are the gateway measures that must be met in order for any LTI to be paid. The share price development is the performance condition that determines the vesting level of the award. The performance periods, metrics, vesting and deferral are outlined in the table below.

The main conditions of long-term incentive schemes								Information regarding the financial year 2021					
Specification of the plan	Award type	Award time	Units allocated to the Group CEO ¹	Performance metrics	Performance period	Vesting years and portion of vesting units	Cap for maximum payout	Units vested for the Group CEO	Fulfillment of the performance conditions	Gross payment for the Group CEO in 2021	Deferral mechanism	Acquired shares of the Group CEO (pcs) ²	Deferral period (disposal restriction)
Long-term incentive scheme 2017:1	Cash	2017	350,000	Share price development, return on capital at risk, insurance margin	2017-2020 (3 years)	2020: 30%	Capped value of one incentive unit is set at EUR 19 above the starting price	35% (122,500 units)	RoCaR = 24.2% (100% fulfillment) Insurance Margin = 16.8% (100% fulfillment)	EUR 1,047,375 SEK 10,679,140	50% of the net payout is deferred in the form of Sampo A shares	5,036	3 years (2021-2024)
					2017-2021 (4 years)	2021: 35%							
					2017-2022 (5 years)	2022: 35%							
Long-term incentive scheme 2020:1	Cash	2020	350,000	Share price development, return on capital at risk	2020-2023 (3 years)	2023: 30%	Capped value of one incentive unit is set at EUR 24 above the starting price	-	-	-	-	-	-
					2020-2024 (4 years)	2024: 35%							
					2020-2025 (5 years)	2025: 35%							

¹ 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/or the return on capital at risk as further specified in the terms of the respective incentive scheme. The schemes contain a cap for maximum payout. In the 2017:1 scheme, the capped value of one incentive unit is set at EUR 19 above the starting price and in the 2020:1 scheme, the cap is set at EUR 24 above the starting price.

² 50% of the long-term incentive payout is deferred in the form of Sampo A shares.

Shareholding of the Group CEO

There is no formal shareholding requirement for the Group CEO. The table below presents the number and value of the Sampo A shares owned by the Group CEO on 31 December 2021, in relation to annual fixed base salary. Updated information on management shareholdings is available at www.sampo.com.

	Number of Sampo A shares, 31 Dec 2021	Sampo A share price, 31 Dec 2021	Market value of the shares, 31 Dec 2021	Annual fixed base salary in 2021¹	The shareholding as % of annual fixed base salary in 2021
Group CEO, Torbjörn Magnusson	51,496	EUR 44.06	EUR 2,268,914	EUR 956,093	237%

¹ The annual fixed base salary of the Group CEO amounted to SEK 9,701,000 in 2021.

2021

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