

REMUNERATION REPORT

2016

March 2017

Remuneration Report 2016

The Remuneration Report 2016 is part of the Remuneration Statement. The Remuneration Report 2016 provides information on the remuneration and other financial benefits paid to the Board of Directors, the Group CEO and the Group Executive Committee members in 2016. The remuneration and other financial benefits are reported on a cash basis.

Board of Directors

The table below describes the remuneration paid to the members of the Board and the number of Sampo A shares acquired by the members of the Board in accordance with the decision of the Annual General Meeting in 2016.

Board member	Position	Annual fee 2016 (EUR)	No. of acquired Sampo A shares 2016 ¹ (disposal restriction until 2018)
Björn Wahlroos	Chairman, Chairman of the Nomination and Compensation Committee	160,000	794
Eira Palin-Lehtinen	Vice Chairman	100,000	585
Christian Clausen	Member	80,000	448
Jannica Fagerholm	Member, Chairman of the Audit Committee	80,000	485
Adine Grate Axén	Member	80,000	645
Veli-Matti Mattila	Member	80,000	461
Risto Murto	Member	80,000	461
Per Arthur Sørlie	Member	80,000	527
Total		740,000	4,406

¹ The transfer tax related to the acquisition of Sampo A shares has been compensated, in total EUR 5,312 (EUR 1,277 pertaining to the Chairman, EUR 810 pertaining to the Vice Chairman and EUR 3,225 pertaining to the other members of the Board).

Group CEO

The table below describes the remuneration elements of the Group CEO, Kari Stadigh, in 2016.

Remuneration element 2016	Description
Fixed salary	Annual salary
Fringe benefits	<ul style="list-style-type: none"> - Telephone benefit - Lunch benefit - Car benefit - Supplementary health insurance
Short-term incentives	<p>Short-term incentive program 2016</p> <ul style="list-style-type: none"> - payout in 2017 <p>Short-term incentive program 2015</p> <ul style="list-style-type: none"> - payout in 2016 - payout subject to a deferral rule <p>Short-term incentive program 2012</p> <ul style="list-style-type: none"> - release of deferred payout in 2016
Long-term incentives	<p>Long-term incentive scheme 2011:1</p> <ul style="list-style-type: none"> - last instalment 35% vested in 2016 - 60% of net payout used to acquire Sampo A shares - shares subject to a 3-year disposal restriction <p>Long-term incentive scheme 2014:1</p> <ul style="list-style-type: none"> - vesting in 2017, 2018 and 2019
Supplementary pension	<p>Defined contribution pension contract</p> <ul style="list-style-type: none"> - Effective 1 January 2016 - Annual cost for Sampo EUR 400,000

The table below describes the remuneration and other financial benefits paid to the Group CEO, Kari Stadigh, in 2016.

Remuneration element	2016 (EUR)	2015 (EUR)
Fixed salary <i>of which a lump sum compensation for TEL-L²</i>	1,082,945 122,198	832,923 -
Fringe benefits	25,391	24,038
Short-term incentives pertaining to 2015 (2014) ³	275,287	267,102
Short-term incentives pertaining to 2012 (2011)	290,154	205,160
Long-term incentives <i>including share purchases under the terms of the long-term incentive scheme</i>	3,262,000	2,961,000
Total	4,935,777	4,290,223
Supplementary pension ⁴	454,757	2,267,880

The table below describes the number of Sampo A shares acquired by the Group CEO, Kari Stadigh, in 2016 under the terms of the long-term incentive scheme.

Position	No. of acquired Sampo A shares 2016 (disposal restriction until 2019)	No. of acquired Sampo A shares 2015 (disposal restriction until 2018)
Group CEO	22,707	20,492

2) Based on changes in legislation, the supplementary TEL-L group pension plan was removed as of 31 December 2016 and forms a paid-up policy. Based on the decision of the Board of Directors, the unearned TEL-L pension and funeral grant were compensated as a lump sum payment to applicable employees in Sampo, including the Group CEO. 50 per cent of the lump sum was paid in 2016 and 50 per cent will be paid in 2017.

3) Excluding short-term incentive which has been deferred during the respective year. The short-term incentive deferred in 2016 amounted to EUR 269,637 and can be paid out earliest in 2019. The short-term incentive deferred in 2015 amounted to EUR 262,332 and can be paid out earliest in 2018.

4) The supplementary pension premiums for 2016 included payments to the supplementary TEL-L group pension plan. The supplementary pension premiums for 2015 included the final premium (EUR 525,183) pertaining to the previous defined benefit pension contract and the liability is fully covered.

Group Executive Committee (excluding Group CEO)

The table below describes the remuneration elements of the Group Executive Committee members, excluding the Group CEO, in 2016.

Remuneration element 2016	Description
Fixed salary	Annual salary
Fringe benefits	Based on individual employment contracts, e.g. <ul style="list-style-type: none"> - telephone benefit - lunch benefit - car benefit - housing benefit - supplementary insurances
Short-term incentives	Company-specific short-term incentive programs 2016 <ul style="list-style-type: none"> - payout in 2017 Company-specific short-term incentive programs 2015 <ul style="list-style-type: none"> - payout in 2016 - payout subject to a deferral rule Company-specific short-term incentive programs 2012 <ul style="list-style-type: none"> - release of deferred payout in 2016
Long-term incentives	Long-term incentive scheme 2011:1 <ul style="list-style-type: none"> - last instalment 35% vested in 2016 - 60% of net payout used to acquire Sampo A shares - shares subject to a 3-year disposal restriction Long-term incentive scheme 2011:1/2 <ul style="list-style-type: none"> - 35% vested in 2016 - 60% of net payout used to acquire Sampo A shares - shares subject to a 3-year disposal restriction - vesting in 2017 Long-term incentive scheme 2014:1 <ul style="list-style-type: none"> - vesting in 2017, 2018 and 2019
Supplementary pension	Defined contribution or defined benefit pension contracts

The table below describes the remuneration and other financial benefits paid to the Group Executive Committee members, excluding the Group CEO, in 2016.

Remuneration element	2016 (EUR)	2015 (EUR)
Fixed salary	2,738,508	2,756,497
Fringe benefits	122,118	141,139
Short-term incentives pertaining to 2015 (2014) ⁵	1,060,790	648,704
Short-term incentives pertaining to 2012 (2011)	874,168	689,844
Long-term incentives <i>including share purchases under the terms of the long-term incentive schemes</i>	11,099,865	10,061,888
Total⁶	15,895,449	14,298,072
Supplementary pension	982,261	897,830

The table below describes the number of Sampo A shares acquired by the Group Executive Committee members, excluding the Group CEO, in 2016 under the terms of the long-term incentive schemes.

Position	No. of acquired Sampo A shares 2016 (disposal restriction until 2019)	No. of acquired Sampo A shares 2015 (disposal restriction until 2018)
Group Executive Committee, excluding Group CEO	74,242	61,545

5) Excluding short-term incentives which have been deferred during the respective year. The short-term incentives deferred in 2016 amounted to EUR 545,097 and can be paid out earliest in 2019. The short-term incentives deferred in 2015 amounted to EUR 837,477 and can be paid out earliest in 2018.

6) In 2016, the deferred short-term incentives pertaining to the year 2012 were also paid to the former Group Executive Committee members, in total EUR 66,786 (incl. holiday pay). In 2015, the corresponding sum pertaining to the year 2011 was EUR 119,269.



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