

**REMUNERATION REPORT**

**2017**

March 2018

# Remuneration Report 2017

The Remuneration Report 2017 is part of the Remuneration Statement. The Remuneration Report 2017 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 2017. 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 2017.

Board member and position	Annual fee 2017 (EUR)	Annual fee 2016 (EUR)	No. of acquired Sampo A shares 2017 <sup>1</sup> (disposal restriction until 2019)	No. of acquired Sampo A shares 2016 <sup>2</sup> (disposal restriction until 2018)
<b>Björn Wahlroos</b> Chairman	175,000	160,000	1,265	794
<b>Eira Palin-Lehtinen</b> Vice Chairperson	115,000	100,000	607	585
<b>Christian Clausen</b> Member of the Audit Committee	96,000	80,000	481	448
<b>Jannica Fagerholm</b> Chairperson of the Audit Committee	115,000	80,000	659	485
<b>Adine Grate Axén</b> Member of the Audit Committee	96,000	80,000	628	645
<b>Veli-Matti Mattila</b> Member	90,000	80,000	525	461
<b>Risto Murto</b> Member	90,000	80,000	490	461
<b>Per Arthur Sørli</b> Member of the Audit Committee	96,000	80,000	569	527
<b>Total</b>	<b>873,000</b>	<b>740,000</b>	<b>5,224</b>	<b>4,406</b>

1) The levied transfer tax related to the acquisition of Sampo A shares was compensated, in total EUR 3,345 (EUR 917 pertaining to the Vice Chairperson and EUR 2,428 pertaining to the other Finnish members of the Board).

2) The levied transfer tax related to the acquisition of Sampo A shares was compensated, in total EUR 5,312 (EUR 1,277 pertaining to the Chairman, EUR 810 pertaining to the Vice Chairperson 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 2017.

Remuneration element 2017	Description
Fixed salary	- Annual salary
Fringe benefits	- Telephone benefit - Lunch benefit - Car benefit - Supplementary health insurance
Short-term incentives	- Short-term incentive program 2017 <ul style="list-style-type: none"> <li>• payout in 2018</li> </ul> - Short-term incentive program 2016 <ul style="list-style-type: none"> <li>• payout in 2017</li> <li>• payout subject to a deferral rule</li> </ul> - Short-term incentive program 2013 <ul style="list-style-type: none"> <li>• release of deferred payout in 2017</li> </ul>
Long-term incentives	- Long-term incentive scheme 2014:1 <ul style="list-style-type: none"> <li>• first instalment 30% vested in 2017</li> <li>• 60% of net payout used to acquire Sampo A shares</li> <li>• shares subject to a 3-year disposal restriction</li> <li>• vesting in 2018 and 2019</li> </ul> - Long-term incentive scheme 2017:1 <ul style="list-style-type: none"> <li>• vesting in 2020, 2021 and 2022</li> </ul>
Compensation related to the termination of the service contract	- Salary for the notice period
Pension benefit	- Supplementary defined contribution pension contract <ul style="list-style-type: none"> <li>• effective 1 January 2016</li> <li>• annual cost for Sampo EUR 400,000</li> </ul>

The table below describes the remuneration and other financial benefits paid to the Group CEO, **Kari Stadigh**, in 2017.

Remuneration element	2017 (EUR)	2016 (EUR)
Fixed salary <i>of which a lump sum compensation for TEL-L<sup>3</sup></i>	1,091,502 122,198	1,082,945 122,198
Fringe benefits	32,674	25,391
Short-term incentives pertaining to 2016 (2015) <sup>4</sup>	315,344	275,287
Release of deferred short-term incentives pertaining to 2013 (2012)	282,255	290,154
Long-term incentives <sup>5</sup>	1,968,000	3,262,000
<b>Total</b>	<b>3,689,776</b>	<b>4,935,777</b>
Supplementary pension <sup>6</sup>	400,000	454,757

The table below describes the number of Sampo A shares acquired by the Group CEO, **Kari Stadigh**, in 2017 under the terms of the long-term incentive scheme.

Position	No. of acquired Sampo A shares 2017 (disposal restriction until 2020)	No. of acquired Sampo A shares 2016 (disposal restriction until 2019)
Group CEO	12,056	22,707

3) 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 in 2017.

4) Excluding short-term incentive deferred during the respective year. The short-term incentive deferred in 2017 amounted to EUR 308,871 and may be paid out earliest in 2020. The short-term incentive deferred in 2016 amounted to EUR 269,637 and may be paid out earliest in 2019.

5) Including share purchases under the terms of the long-term incentive scheme.

6) The supplementary pension premiums for 2016 included payments to the supplementary TEL-L group pension plan.

## Group Executive Committee (excluding Group CEO)

The table below describes the remuneration elements of the Group Executive Committee members, excluding the Group CEO, in 2017.

Remuneration element 2017	Description
Fixed salary	- Annual salary
Fringe benefits	- Based on employment or service contracts, e.g. <ul style="list-style-type: none"> <li>• telephone benefit</li> <li>• lunch benefit</li> <li>• car benefit</li> <li>• housing benefit</li> <li>• supplementary insurances</li> </ul>
Short-term incentives	- Company-specific short-term incentive programs 2017 <ul style="list-style-type: none"> <li>• payout in 2018</li> </ul> - Company-specific short-term incentive programs 2016 <ul style="list-style-type: none"> <li>• payout in 2017</li> <li>• payout subject to a deferral rule</li> </ul> - Company-specific short-term incentive programs 2013 <ul style="list-style-type: none"> <li>• release of deferred payout in 2017</li> </ul>
Long-term incentives	- Long-term incentive scheme 2011:1/2 <ul style="list-style-type: none"> <li>• last instalment 35% vested in 2017</li> <li>• 60% of net payout used to acquire Sampo A shares</li> <li>• shares subject to a 3-year disposal restriction</li> </ul> - Long-term incentive scheme 2014:1 <ul style="list-style-type: none"> <li>• first instalment 30% vested in 2017</li> <li>• 60% of net payout used to acquire Sampo A shares</li> <li>• shares subject to a 3-year disposal restriction</li> <li>• vesting in 2018 and 2019</li> </ul> - Long-term incentive scheme 2017:1 <ul style="list-style-type: none"> <li>• vesting in 2020, 2021 and 2022</li> </ul>
Compensation related to the termination of the employment or service contract	- Based on employment or service contracts, e.g. <ul style="list-style-type: none"> <li>• salary for the notice period</li> <li>• severance compensation</li> <li>• compensation for the non-competition period</li> </ul>
Pension benefit	- Supplementary 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 2017.

Remuneration element	2017 (EUR)	2016 (EUR)
Fixed salary	2,982,372	2,738,508
Fringe benefits	111,550	122,118
Short-term incentives pertaining to 2016 (2015) <sup>7</sup>	1,051,391	1,060,790
Release of deferred short-term incentives pertaining to 2013 (2012)	841,783	874,168
Long-term incentives <sup>8</sup>	5,451,720	11,099,865
Compensation related to the termination of the employment or service contract <sup>9</sup>	380,226	-
<b>Total<sup>10</sup></b>	<b>10,438,816</b>	<b>15,895,449</b>
Supplementary pension	1,166,881	982,261

The table below describes the number of Sampo A shares acquired by the Group Executive Committee members, excluding the Group CEO, in 2017 under the terms of the long-term incentive schemes.

Position	No. of acquired Sampo A shares 2017 (disposal restriction until 2020)	No. of acquired Sampo A shares 2016 (disposal restriction until 2019)
Group Executive Committee, excluding Group CEO	33,448	74,242

7) Excluding short-term incentives deferred during the respective year. The short-term incentives deferred in 2017 amounted to EUR 545,313 and may be paid out earliest in 2020. The short-term incentives deferred in 2016 amounted to EUR 545,097 and may be paid out earliest in 2019.

8) Including share purchases under the terms of the long-term incentive schemes.

9) Reservation for compensation related to the termination of the service contract of one of the Group Executive Committee members which was paid in January 2018.

10) In 2017, the total sum does not include reservation for compensation related to the termination of the service contract of one of the Group Executive Committee members. In 2016, the total sum does not include deferred short-term incentives pertaining to the year 2012, which were paid to the former Group Executive Committee members, in total EUR 66,786 (incl. holiday pay).



**SAMPO**  **GROUP**

**Sampo plc** / Fabianinkatu 27, 00100 Helsinki, Finland / **Telephone** +358 (0)10 516 0100  
**[www.sampo.com](http://www.sampo.com)**