



1 October 2015

**LONG-TERM INCENTIVE SCHEME 2014:1
FOR KEY EMPLOYEES OF SAMPO GROUP
TERMS AND CONDITIONS**

SAMPO  GROUP

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Long-term incentive scheme 2014:1 for key employees of Sampo Group Terms and conditions

Original approved by the Sampo plc Board 09/17/2014

1. Incentive scheme for the Sampo Group

On 17 September 2014 the Board of Directors of Sampo plc decided on the long-term incentive scheme for the management of Sampo Group (including the Managing Director of Sampo plc) and other separately named key employees of Sampo Group in accordance with these terms and conditions. The scheme shall be applied to all companies of Sampo Group. The adoption of this incentive scheme shall also be separately approved by all relevant Sampo Group companies.

The scheme complies with the Sampo Remuneration Principles, (approved by the Board of Directors of Sampo plc on 17 September 2014) and the remuneration policies of the different Sampo Group companies in force at the launch of this scheme.

2. Size of scheme and allocations to those entitled to participate in the incentive scheme

The Board of Directors of Sampo plc has authorized the Managing Director of Sampo plc ("CEO") to decide on the allocation of incentive units (an incentive unit is a theoretical calculation unit that will be used to determine the incentive reward as specified in section 5 below) to individual participants ("key employee").

The maximum number of the incentive units shall be 4 500 000 in total for the Sampo Group. A minimum of 95 percent (4 275 000) of the incentive units will be allocated during September to October 2014 and a maximum of 5 percent (225 000) of the incentive units may be allocated during September 2015. Allocations in September 2015 may be directed to new recruits or to current employees with materially changed circumstances.

The appendix 1 to these terms and conditions specifies the exceptions that apply to incentive units allocated under long-term incentive scheme 2014:1 in September 2015. Except as otherwise stated in Appendix 1, these terms and conditions shall also apply to incentive units allocated in September 2015. In case of conflict between these terms and conditions and Appendix 1, Appendix 1 shall prevail with regard to incentive units allocated in September 2015.

The Board of Directors of Sampo plc has authorized the CEO to decide on the exact date when the incentive units will be granted.

The authorization given by the Board of Directors of Sampo plc to the CEO includes the right to distribute and allocate incentive units to all Sampo Group employees excluding the members of the Group Executive Committee. All decisions concerning the CEO and other members of the Group Executive Committee will be made by the Board of Directors of Sampo plc.

In accordance with the remuneration policies in force in the different Sampo Group companies, the boards of directors in all relevant companies shall approve the allocations to the employees of the respective company.

The allocation of incentive units shall be based on a combination of the assessment of the performance of the individual, of the business area and/or business unit concerned and of the overall results of the relevant Sampo Group company or of the Sampo Group. Also qualitative criteria shall be taken into account in the assessment.

All key employees belonging to the scheme will be sent a notice notifying them of their right, but not the obligation, to participate in the incentive scheme and of the number of incentive units granted to them that will be used to determine their incentive reward as referred to below in these terms and conditions.

3. Payment of the incentive reward on incentive units allocated in 2014

The potential incentive reward will be paid in three installments. The first installment, based on 30 % of the granted incentive units, will be paid by the end of September 2017, the second installment, based on a further 35 % of the awarded incentive units, will be paid by the end of September 2018 and the third installment, based on the remaining 35 % of awarded incentive units, will be paid by the end of September 2019 (all three installments together referred to as the “incentive reward” and each separately as the “installment”).

In accordance with the remuneration policies in force in the different Sampo Group companies at the launch of this scheme, the boards of directors in all relevant companies shall approve the payments to the key employees of the respective company.

3.1. Employment in the Sampo Group

For each installment to be paid, a key employee must be employed by the Sampo Group at the time of payment of the installment, unless otherwise decided by the CEO in writing, taking into account the provisions of section 6. However, such decisions concerning the CEO and members of the Group Executive Committee shall be made by the Board of Directors of Sampo plc. Such decisions concerning the managing director or other leading positions in the different Sampo Group companies shall also be approved by the board of directors in the relevant company if the remuneration policy in force in the specific Sampo Group company so requires.

Sampo plc or the relevant Sampo Group company shall pay the incentive reward to a key employee. If an employee changes jobs within the Sampo Group, each

employment company shall be responsible for the payment of the incentive reward in proportion to the ratio calculated as follows:

$$= \frac{\text{Number of months the employee has worked for the employment company beginning at the grant of the incentive units}}{\text{Length of the long-term incentive scheme 2014:1 in months}}$$

The granting of incentive units or disbursement of incentive reward under this long term incentive scheme does not constitute a term or condition of the key employee's employment relationship, nor does it form a part of the key employee's employment contract under applicable local laws. The reward does not form a part of the key employee's salary or benefit of any kind and it is not included in the basis for calculation of pensions unless otherwise required by law or other binding regulation.

3.2. Pension costs

Pursuant to laws or regulations applicable from time to time, Sampo plc or its group companies may be required to collect other than statutory pension premiums, i.e. supplementary pension premiums (such as pension premiums based on collective agreements) upon disbursing the incentive reward to the key employees. Key employees are personally responsible for any supplementary pension premiums associated with the incentive reward paid to the key employee. In any case (if not prohibited by applicable laws) the incentive reward shall be reduced by any supplementary pension premiums and associated taxes to be paid by Sampo plc or its group companies on behalf of any key employee due to the disbursement of the incentive reward.

3.3. Taxation

Key employees are personally liable for any tax associated with the incentive reward paid to the key employee (e.g. transfer tax, dividend tax, tax on capital gain). The employer company will withhold income tax from the gross amount of each installment.

4. Deferral of part of the incentive reward

4.1. Identified staff

A deferral rule applies to incentive rewards paid to key employees who are defined as a risk taker (applies to Sweden, Norway and Denmark) or as an employee who receives a significant variable compensation (applies to Finland), hereinafter such key employees are referred to as "identified staff".

4.2. Restricted shares and restriction period

At the payment of the incentive reward, the identified staff shall, as agreed in a separate letter of commitment to the Sampo Group at the launch of the scheme, when each installment is paid or at the first possible opportunity, taking into account the insider regulations, buy Sampo plc's A-shares on Nasdaq OMX Helsinki Ltd (stock exchange of Helsinki) with 60 % of the installment after deducting income tax and other comparable charges (hereinafter referred to as the "restricted shares").

The restricted shares will be subject to disposal restrictions three years from the date when the installment was paid to the identified staff (hereinafter referred to as the "restriction period"). Therefore the restricted shares will be placed in a Finnish book entry account designated by Sampo plc in the name of the identified staff with a formal restriction on the right of disposal i.e. the identified staff may not sell, pledge or otherwise dispose the restricted shares during the restriction period (hereinafter referred to as the "disposal restriction"). Identified staff hold other shareholder rights during the restriction period, e.g. the right to vote and to receive dividends.

If the number of Sampo's shares that are subject to disposal restriction changes due to the issue of new shares, share split, bonus issue or other such arrangement, the disposal restriction shall apply also to such securities potentially received on the basis of the restricted shares' ownership.

4.3. Release of the restricted shares

The Board of Directors of Sampo plc will be entitled to decide on removing the disposal restriction on the shares at the end of each restriction period.

The Board of Directors of Sampo plc shall at the end of each restriction period, in accordance with the Sampo Remuneration Principles (approved by the Board of Directors of Sampo plc on 17 September 2014), decide on the possible release of the restricted shares. The Board of Directors of Sampo shall have the right to

- postpone the release of the restricted shares; or
- adjust downwards the amount of the restricted shares; or
- entirely cancel the release of the restricted shares

if i) material non-acceptable risk-taking or non-compliance with internal and/or external rules by members(s) of identified staff has materialized or ii) if the payment/release would jeopardize the fulfillment of solvency capital requirements of the relevant Sampo Group company and/or the Sampo Group ("conditions for non-release").

In case one or more of the conditions for non-release of the restricted shares prevail and the Board of Directors of Sampo plc decides to adjust downwards the amount of the restricted shares or entirely cancel the release of the restricted shares, the members(s) of identified staff will be obliged to – at the sole discretion of the employer company – either i) return an amount corresponding to the value of the non-released restricted shares at the end of the restriction period or ii) return the non-released restricted shares to the employer company.

If the conditions for non-release do not apply, the restricted shares will be released to the identified staff within one month after expiry of each restriction period.

If employment in the Sampo Group ceases, the right to restricted shares is not automatically cancelled, but the payment schedule described in section 3 and the provisions of sections 4 and 5 shall still apply.

The identified staff shall have the obligation to provide all reasonably required information and consents for the i) payment of the incentive reward, ii) administration of the restricted shares, iii) release of the restricted shares and iv) adjustment or cancellation of the release of the restricted shares under this scheme to the Sampo Group, including actions enabling the Sampo Group to repossess the restricted shares and/or the amount corresponding to their value. The Sampo Group shall not be responsible for any difficulties or losses caused by inaccurate information given by the identified staff.

5. The amount of the incentive reward for incentive units allocated in 2014

The incentive reward shall be based on:

- Share price development of Sampo plc's A-share;
- Insurance margin in If P&C (hereinafter "IM");
- Return on capital at risk; and
- The number of theoretical incentive units granted.

5.1. Share price development

The installment to be paid in September 2017 shall be determined as follows:

The value of one (1) incentive unit shall be the trade-weighted average price of Sampo plc's A share on Nasdaq OMX Helsinki Ltd for ten (10) trading days commencing the day after Sampo plc's announcement of its second quarterly earnings (Q2) for 2017, but not more than EUR 57.26, reduced by the starting price. The starting price shall be the trade-weighted average price of Sampo plc's A-share on Nasdaq OMX Helsinki Ltd during ten (10) trading days as of 18 September 2014, reduced by the combined dividends per share decided up to the payment date (hereinafter the 'starting price'). The above-mentioned trade-weighted average price for the period of September 18 - October 1, 2014 is EUR 38.26 per share.

The installment to be paid in September 2018 shall be determined as follows:

The value of one (1) incentive unit shall be the trade-weighted average price of Sampo plc's A share on Nasdaq OMX Helsinki Ltd for ten (10) trading days commencing the day after Sampo plc's announcement of its second quarterly earnings (Q2) for 2018, but not more than EUR 57.26, reduced by the starting price determined above.

The installment to be paid in September 2019 shall be determined as follows:

The value of one (1) incentive unit shall be the trade-weighted average price of Sampo plc's A share on Nasdaq OMX Helsinki Ltd for ten (10) trading days

commencing the day after Sampo plc's announcement of its second quarterly earnings (Q2) for 2019, but not more than EUR 56.69 ¹⁾, reduced by the starting price determined above.

The part of the calculated trade-weighted average price of Sampo plc's A-share that exceeds EUR 56.69 ¹⁾ (hereinafter the 'maximum value'), shall not be taken into account when calculating the value of one (1) incentive reward, and an increase in the trade-weighted average price of the share over EUR 56.69 ¹⁾ for the above-mentioned period shall not increase the incentive reward.

Should Sampo plc decide to distribute an extra dividend (the record date of which is prior to the payment date), the Board of Directors of Sampo plc may, at its sole discretion, decide to adjust the maximum value by deducting the aforementioned dividend from the maximum value.

5.2. Insurance margin

In addition to the above, the calculation of the incentive reward shall take the performance of If P&C IM into account as follows:

Net premiums earned
 - Claims costs
 - Operating expenses
 + Allocated Investment return transferred
 from the non-technical account

Net premiums earned

= IM

- If the IM during Q3 2014 - Q2 2017 is at least 4 % but less than 6 %, 30 % of the installment due will be paid in September 2017
- If the IM during Q3 2014 - Q2 2017 is 6 % or above, 60 % of the installment due will be paid out in September 2017
- If the IM during Q3 2014 - Q2 2018 is at least 4 % but less than 6 %, 30 % of the installment due will be paid in September 2018
- If the IM during Q3 2014 - Q2 2018 is 6 % or above, 60 % of the installment due will be paid out in September 2018
- If the IM during Q3 2014 - Q2 2019 is at least 4 % but less than 6 %, 30 % of the installment due will be paid in September 2019
- If the IM during Q3 2014 - Q2 2019 is 6 % or above, 60 % of the installment due will be paid out in September 2019
- If the IM is less than 4 percent during any of the above specified periods, no incentive reward related to the insurance margin will be paid for the specific period/s.

The fulfillment of the performance conditions referred to in this section 5.2 is independent from the performance conditions referred to in section 5.3 below, i.e. a maximum of 60 percent of the installment may be distributed based on section 5.2 irrespective of fulfillment of the performance condition referred to in the section 5.3.

1) On 7 August 2019 the Board of Directors of Sampo plc resolved to adjust the maximum value by deducting the extra dividend per share (distributed on 12 August 2019) from the maximum value, in accordance with this section 5.1. The adjusted maximum value of the incentive units allocated in 2014 is EUR 56.69.

5.3. Return on capital at risk

In addition to the above, the calculation of the incentive reward shall take the performance of return on capital at risk into account as follows:

$$\text{Return on capital at risk} = \frac{\text{Average Profit on Operations}^{2)} \text{ for the period}}{\text{Average Sampo Group Economic Capital}}$$

- If the return on capital at risk during Q3 2014 – Q2 2017 is at least risk free return +2 % but less than risk free return +4 %, 20 % of the installment due will be paid in September 2017
- If the return on capital at risk during Q3 2014 – Q2 2017 is risk free return +4 % or above, 40 % of the installment due will be paid out in September 2017
- If the return on capital at risk during Q3 2014 – Q2 2018 is at least risk free return +2 % but less than risk free return +4 %, 20 % of the installment due will be paid in September 2018
- If the return on capital at risk during Q3 2014 – Q2 2018 is risk free return +4 % or above, 40 % of the installment due will be paid out in September 2018
- If the return on capital at risk during Q3 2014 – Q2 2019 is at least risk free return +2 % but less than risk free return +4 %, 20 % of the installment due will be paid in September 2019
- If the return on capital at risk during Q3 2014 – Q2 2019 is risk free return +4 % or above, 40 % of the installment due will be paid out in September 2019
- If the return on capital at risk is less than risk free return +2 percent during any of the above specified periods, no incentive reward related to the return on capital at risk will be paid for the specific period/s
- Risk free return is defined as Finnish Government 3 year average bond yield for the above specified period.

The fulfillment of the performance conditions referred to in this section 5.3 is independent from the performance conditions referred to in section 5.2 above, i.e. a maximum of 40 per cent of the installment may be distributed based on section 5.3 irrespective of fulfillment of the performance condition referred to in the section 5.2.

5.4. Accounting principles

If major changes in accounting principles occur during the term of this incentive scheme, the Board of Directors of Sampo plc may, at its sole discretion, amend the performance conditions as regards the IM and the return on capital at risk in a manner deemed appropriate.

2) Operations: If P&C, Mandatum Life and share of Nordea Bank

6. Termination of employment or service contract

If, due to negligence of duties or other reasons attributable to the key employee himself/herself, a key employee resigns or is dismissed from the Sampo Group the incentive reward shall not be paid, nor shall the restricted shares be released.

If a key employee resigns from the Sampo Group for other reasons than those attributable to the key employee himself/herself and the employment will be terminated based on a unanimous agreement reached by and between the employee and the employer, the CEO may decide to deviate from the employment requirement referred to in section 3.1. The payment schedule described in section 3 and the provisions of sections 4 and 5 shall still apply.

The authorization given above by the Board of Directors of Sampo plc to the CEO does not include the right to deviate from the employment requirement referred to in section 3.1 in case the key employee is a member of the Group Executive Committee. All such decisions in relation to deviation from the employment requirement of Group Executive Committee member shall be made by the Board of Directors of Sampo plc.

If the employment or service contract of the key employee with the Sampo Group is terminated due to production-related and financial reasons or if a key employee retires, the payment schedule described in section 3 and the provisions of sections 4 and 5 shall still apply.

If a key employee dies, any incentive reward shall be paid to the legal beneficiaries of the key employee. The payment schedule described in section 3 and the provisions of sections 4 and 5 shall still apply.

For identified staff who is subject to deferral as referred to in section 4 above, the provisions of section 4 shall apply irrespective of any deviations made from the employment requirement referred to in section 3.1.

7. Mergers and demergers

If, during the period of validity of this incentive scheme and before the incentive reward is paid, Sampo plc decides to

- merge with another company as the merging company; or
- merge with a company formed in a combination merger as the merging company; or
- demerge

so that Sampo plc is dissolved and its shares are delisted from Nasdaq OMX Helsinki Ltd, the Board of Directors of Sampo plc may, at its sole discretion, decide to terminate this incentive scheme and pay out the incentive reward to affected key employees belonging to the scheme. The incentive reward will be paid within two weeks of the time when it was possible to determine the incentive reward. In determining the incentive reward, the value of the incentive unit shall be calculated on the basis of the trade-weighted average price of Sampo plc's A-share on Nasdaq OMX Helsinki Ltd during ten (10) trading days following the General Meeting of Shareholders and otherwise according to sections 3 and 5 above.

For identified staff subject to deferral, the provisions of section 4 shall apply, unless otherwise decided by the Board of Directors of Sampo plc.

8. Redemption of shares

If a shareholder is obliged to make a redemption offer or redeem the remaining Sampo plc's shares on the basis of the Securities Market Act, the Finnish Companies Act or Sampo plc's Articles of Association before the incentive reward is paid, the incentive reward will be paid within two weeks of the time when it was possible to determine the incentive reward. In determining the incentive reward, the value of the incentive unit shall be calculated on the basis of the trade-weighted average price of Sampo plc's A-share on Nasdaq OMX Helsinki Ltd during ten (10) trading days following the emergence of the redemption obligation and otherwise according to sections 3 and 5 above.

For identified staff subject to deferral, the provisions of section 4 shall apply, unless otherwise decided by the Board of Directors of Sampo plc.

9. Changes in capitalization or corporate structure

If there are changes concerning Sampo plc's shares due to the issue of new shares, changes in shareholders' equity, reclassification or reorganisation of shares, share split or combination of shares, incentive issue or other such arrangement, the Board of Directors of Sampo plc may, at its sole discretion, inspect and, to the extent necessary, proportionally adjust the number of incentive units in such a manner that the incentive scheme remains unchanged despite the change.

If a significant part of the business of Sampo plc or any other Sampo Group company is assigned during the term of this incentive scheme, the Board of Directors of Sampo plc may, at its sole discretion, amend the performance conditions as regards the IM and the return on capital at risk in a manner deemed appropriate.

10. Significant change of ownership

If at least fifty (50) percent of the shares of Sampo plc are transferred to one shareholder(s) as stipulated in Paragraph 2, section 4 and Paragraph 9, section 5 (change of ownership) of the Finnish Securities Market Act before the incentive reward is paid, a key employee shall, for a period of three months from the transfer of ownership, have the right to demand that the incentive reward is paid without undue delay after the expiration of the said three-month period.

If, as a consequence of a transfer of shares in subsidiary companies of Sampo plc, or a sale of a business previously belonging to the Sampo Group, a key employee is no longer employed within the Sampo Group, the Board of Directors of Sampo plc may, at its sole discretion, decide to terminate said key employee's participation in the long-term incentive scheme 2014:1 and effect payment of his/her incentive reward hereunder within a period of three months from the change of ownership that caused termination of his/her employment by Sampo Group. For identified staff subject to deferral as referred to in section 4 above, the provisions of section 4 shall apply, unless otherwise decided by the Board of Directors of Sampo plc.

If, as a consequence of a significant change of ownership, Sampo plc's shares are delisted from Nasdaq OMX Helsinki Ltd, the Board of Directors of Sampo plc may, at its sole discretion, decide to terminate this incentive scheme and pay out the incentive reward to all affected key employees belonging to the scheme within a period of three months from the change of ownership. For identified staff subject to deferral, the provisions of section 4 shall apply, unless otherwise decided by the Board of Directors of Sampo plc.

When applying the terms and conditions referred to in this section 10, the incentive reward will be determined and the value of the incentive unit shall be calculated on the basis of the trade-weighted average price of Sampo plc's A-share on Nasdaq OMX Helsinki Ltd during ten (10) trading days following the change of ownership.

11. Miscellaneous

The Board of Directors of Sampo plc may, at its sole discretion, make other than material amendments to these terms and conditions and resolve on practicalities relating to the long-term incentive scheme. Changes to the deferral mechanism referred to in section 4 above are not considered as material amendments.

In case of materially changed circumstances beyond the control of the company, including, but not limited to, regulation binding in nature affecting the payment of the incentive reward or the release of the restricted shares, the Board of Directors of Sampo plc may, at its sole discretion, amend the agreed arrangement or postpone the payment of the reward if strict application of the incentive scheme would have exceptionally adverse implications for the company, Sampo Group and/or the key employees. Such amendments may be limited to individual jurisdictions and differ depending on the countries. The Board of Directors of Sampo plc may also, at its sole discretion, give binding instructions regarding those entitled to incentive reward.

All notices related to the long-term incentive scheme will be made to the key employees electronically, in writing or by other means decided by Sampo plc.

Key employees shall comply with the terms and conditions of the long-term incentive scheme in force from time to time, as well as any instructions based on such terms given by the Board of Directors of Sampo plc. If a key employee breaches these terms and conditions or any instructions, the Board of Directors of Sampo plc may, at its sole discretion, at any time prior to the disbursement of the reward i) cancel the reward to that key employee and/or ii) repossess the restricted shares or iii) demand cash compensation, as the case may be.

Key employees shall be obliged to cooperate with his/her employer company and use his/her reasonable endeavours to ensure the implementation of this scheme and the rights and obligations hereunder.

The Sampo Group shall be allowed to create a register containing the necessary information regarding the key employees participating in this scheme. The participant has the right to inspect information on him/her in the register. Personally signed requests for data access should be submitted in writing to HR at the address If P&C Insurance Company Ltd, Salary office, Post box 2018, 20025 IF, Finland.

In the event of conflict or discrepancies between the terms and conditions of English document and its translations, the terms and conditions of this English language long-term incentive scheme shall prevail.

These terms and conditions shall be governed by the laws of Finland. Disputes arising out of the terms and conditions will be settled by arbitration in Helsinki in accordance with the Arbitration Rules of the Central Chamber of Commerce of Finland and by one arbitrator appointed by the Central Chamber of Commerce of Finland.

Sampo plc's Board of Director's has the sole power to interpret these terms and conditions.

APPENDIX 1

To the long-term incentive scheme 2014:1 for key employees of Sampo group

The appendix 1 specifies the exceptions that apply to sections 3 and 5 in the terms and conditions of the long-term incentive scheme 2014:1

3. Payment of the incentive reward on incentive units allocated in 2015

The potential incentive reward will be paid in three installments. The first installment, based on 30 % of the granted incentive units, will be paid by the end of September 2018, the second installment, based on a further 35 % of the awarded incentive units, will be paid by the end of September 2019 and the third installment, based on the remaining 35 % of awarded incentive units, will be paid by the end of September 2020 (all three installments together referred to as the “incentive reward” and each separately as the “installment”).

In accordance with the remuneration policies in force in the different Sampo Group companies at the launch of this scheme, the boards of directors in all relevant companies shall approve the payments to the key employees of the respective company.

5. The amount of the incentive reward for incentive units allocated in 2015

The incentive reward shall be based on:

- Share price development of Sampo plc's A-share;
- Insurance margin in If P&C (hereinafter “IM”);
- Return on capital at risk; and
- The number of theoretical incentive units granted.

5.1. Share price development

The installment to be paid in September 2018 shall be determined as follows:

The value of one (1) incentive unit shall be the trade-weighted average price of Sampo plc's A share on Nasdaq OMX Helsinki Ltd for ten (10) trading days commencing the day after Sampo plc's announcement of its second quarterly earnings (Q2) for 2018, but not more than EUR 62.38, reduced by the starting price. The starting price shall be the trade-weighted average price of Sampo plc's A-share on Nasdaq OMX Helsinki Ltd during ten (10) trading days as of 17 September 2015, reduced by the combined dividends per share decided up to the payment date (hereinafter the 'starting price'). The above-mentioned trade-weighted average price for the period of September 17 - September 30 2015 is EUR 43.38 per share.

The installment to be paid in September 2019 shall be determined as follows:

The value of one (1) incentive unit shall be the trade-weighted average price of Sampo plc's A share on Nasdaq OMX Helsinki Ltd for ten (10) trading days commencing the day after Sampo plc's announcement of its second quarterly earnings (Q2) for 2019, but not more than EUR 61.81 ³⁾, reduced by the starting price determined above.

The installment to be paid in September 2020 shall be determined as follows:

The value of one (1) incentive unit shall be the trade-weighted average price of Sampo plc's A share on Nasdaq OMX Helsinki Ltd for ten (10) trading days commencing the day after Sampo plc's announcement of its second quarterly earnings (Q2) for 2020, but not more than EUR 61.81 ³⁾, reduced by the starting price determined above.

The part of the calculated trade-weighted average price of Sampo plc's A-share that exceeds EUR 61.81 ³⁾ (hereinafter the 'maximum value') shall not be taken into account when calculating the value of one (1) incentive reward, and an increase in the trade-weighted average price of the share over EUR 61.81 ³⁾ for the above-mentioned period shall not increase the incentive reward.

Should Sampo plc decide to distribute an extra dividend (the record date of which is prior to the payment date), the Board of Directors of Sampo plc may, at its sole discretion, decide to adjust the maximum value by deducting the aforementioned dividend from the maximum value.

5.2. Insurance margin

In addition to the above, the calculation of the incentive reward shall take the performance of If P&C IM into account as follows:

Net premiums earned	
- Claims costs	
- Operating expenses	
+ Allocated Investment return transferred from the non-technical account	
	= IM
Net premiums earned	

- If the IM during Q3 2015 - Q2 2018 is at least 4 % but less than 6 %, 30 % of the installment due will be paid in September 2018
- If the IM during Q3 2015 - Q2 2018 is 6 % or above, 60 % of the installment due will be paid out in September 2018
- If the IM during Q3 2015 - Q2 2019 is at least 4 % but less than 6 %, 30 % of the installment due will be paid in September 2019
- If the IM during Q3 2015 - Q2 2019 is 6 % or above, 60% of the installment due will be paid out in September 2019
- If the IM during Q3 2015 - Q2 2020 is at least 4 % but less than 6 %, 30 % of the installment due will be paid in September 2020

3) On 7 August 2019 the Board of Directors of Sampo plc resolved to adjust the maximum value by deducting the extra dividend per share (distributed on 12 August 2019) from the maximum value, in accordance with this section 5.1. The adjusted maximum value of the incentive units allocated in 2015 is EUR 61.81.

- If the IM during Q3 2015 – Q2 2020 is 6 % or above, 60 % of the installment due will be paid out in September 2020
- If the IM is less than 4 percent during any of the above specified periods, no incentive reward related to the Insurance Margin will be paid for the specific period/s.

The fulfillment of the performance conditions referred to in this section 5.2 is independent from the performance conditions referred to in section 5.3 below, i.e. a maximum of 60 percent of the installment may be distributed based on section 5.2 irrespective of fulfillment of the performance condition referred to in the section 5.3.

5.3. Return on capital at risk

In addition to the above, the calculation of the incentive reward shall take the performance of return on capital at risk into account as follows:

$$\text{Return on capital at risk} = \frac{\text{Average Profit on Operations}^{4)} \text{ for the period}}{\text{Average Sampo Group Economic Capital}}$$

- If the return on capital at risk during Q3 2015 – Q2 2018 is at least risk free return +2 % but less than risk free return +4 %, 20 % of the installment due will be paid in September 2018
- If the return on capital at risk during Q3 2015 – Q2 2018 is risk free return +4 % or above, 40 % of the installment due will be paid out in September 2018
- If the return on capital at risk during Q3 2015 – Q2 2019 is at least risk free return +2 % but less than risk free return +4 %, 20 % of the installment due will be paid in September 2019
- If the return on capital at risk during Q3 2015 – Q2 2019 is risk free return +4 % or above, 40 % of the installment due will be paid out in September 2019
- If the return on capital at risk during Q3 2015 – Q2 2020 is at least risk free return +2 % but less than risk free return +4 %, 20 % of the installment due will be paid in September 2020
- If the return on capital at risk during Q3 2015 – Q2 2020 is risk free return +4 % or above, 40 % of the installment due will be paid out in September 2020
- If the return on capital at risk is less than risk free return +2 percent during any of the above specified periods, no incentive reward related to the return on capital at risk will be paid for the specific period/s
- Risk free return is defined as Finnish Government 3 year average bond yield for the above specified period.

The fulfillment of the performance conditions referred to in this section 5.3 is independent from the performance conditions referred to in section 5.2 above, i.e. a maximum of 40 percent of the installment may be distributed based on section 5.3 irrespective of fulfillment of the performance condition referred to in the section 5.2.

4) Operations: If P&C, Mandatum Life and share of Nordea Bank

5.4. Accounting principles

If major changes in accounting principles occur during the term of this incentive scheme, the Board of Directors of Sampo plc may, at its sole discretion, amend the performance conditions as regards the IM and the return on capital at risk in a manner deemed appropriate.