

Proposal of the Board of Directors for The partial demerger of Sampo plc

The Board of Directors proposes that the Annual General Meeting resolve to approve the partial demerger of Sampo plc in accordance with the demerger plan approved and signed by the Board of Directors of Sampo plc on 29 March 2023 and approves the demerger plan so that, as part of the demerger resolution, the Annual General Meeting would also resolve, conditionally upon the registration of the completion of the demerger on the matters presented below.

The Annual General Meeting may only approve or reject this proposal regarding the partial demerger. This proposal regarding the partial demerger forms an entirety, which requires its adoption as a single resolution without alteration.

However, despite the resolution of the Annual General Meeting, the Board of Directors may resolve to not complete the demerger if at any time prior to the completion of the demerger there exists in the view of the Board of Directors grounds due to which such non-completion would be appropriate.

Background

On 29 March 2023 Sampo plc issued a stock exchange release regarding the company's partial demerger and the divestment of the life insurance and wealth management business. Sampo plc's Board of Directors signed the demerger plan on 29 March 2023.

The purpose of the demerger is to implement the divestment of the life insurance, wealth management business and related operations carried out by Mandatum Holding Ltd through its direct and indirect subsidiaries in order to form a new independent group of companies. The planned date of registration of the completion of the partial demerger is 1 October 2023

(the "Effective Date"). The actual Effective Date may change from said planned date in accordance with the demerger plan.

The purpose of the demerger is to advance Sampo's strategy, which emphasises a preeminent focus on property and casualty (P&C) insurance operations, and to provide Mandatum Group with greater strategic and financial flexibility on a standalone basis, allowing it to continue to implement its current growth strategy focusing on fee-generative products and run-off of its with-profit book.

Partial demerger

To implement the partial demerger, the Board of Directors of Sampo plc proposes that the Annual General Meeting resolves to approve the partial demerger of Sampo plc as set forth in the demerger plan approved and signed by the Board of Directors of Sampo plc on 29 March 2023. As part of the partial demerger, all of the shares in Mandatum Holding Ltd (a wholly-owned direct subsidiary of Sampo plc) and related assets and liabilities will transfer without a liquidation procedure to Mandatum plc, a company to be incorporated in the demerger on the Effective Date as set forth in the demerger plan.

The shareholders of Sampo plc shall receive as demerger consideration one (1) new share in Mandatum plc for each share (regardless of share class) owned in Sampo plc, i.e. the demerger consideration shall be issued to the shareholders of Sampo plc in proportion to their shareholdings with a ratio of 1:1. For the sake of clarity, the demerger consideration shall be delivered through the book-entry system without any separate action being required from the shareholders of Sampo plc in relation thereto.

The shares in Mandatum plc are intended to be admitted to trading on the official list of Nasdaq Helsinki Ltd. Trading is intended to begin on the Effective Date, or in case the Effective Date does not fall on a trading day, the first potential trading day following the Effective Date.

As part of the demerger resolution the Annual General Meeting resolves on, conditional upon the registration of the completion of the demerger:

- a) The establishment of Mandatum plc and the approval of its articles of association

The receiving company in the demerger is established in connection with the registration of the completion of the demerger. It has been proposed that the trade name of the company be Mandatum Oyj (in English: Mandatum plc), and the company's proposed articles of association are included in full as an appendix to the demerger plan.

The proposed articles of association of Mandatum plc are, to the extent applicable, based on Sampo plc's currently valid Articles of Association, taking into consideration the amendments proposed to the Articles of Association in Sections 17 and 18 of the Notice of the Annual General Meeting.

- b) The composition of Mandatum plc's Board of Directors and the selection of its auditor as well as their remuneration

According to the proposed articles of association of Mandatum plc, the Board of Directors of Mandatum plc shall consist of three (3) to ten (10) members. It is proposed that Mandatum plc's Board of Directors is elected in accordance with the demerger plan approved and signed by Sampo plc's Board of Directors on 29 March 2023, wherein the composition of the Board of Directors of Mandatum plc is described in detail.

The term of such members of the Board of Directors shall commence on the Effective Date and shall expire at the end of the first Annual General Meeting

of Mandatum plc following the Effective Date. The Board of Directors of Mandatum plc may however take certain decisions on behalf of Mandatum plc already prior to the Effective Date, as set forth in the demerger plan.

All the proposed Board members of Mandatum plc, excluding Patrick Lapveteläinen, have been determined to be independent of Mandatum plc and its major shareholders under the rules of the Finnish Corporate Governance Code 2020. Patrick Lapveteläinen has been determined to be independent of Mandatum plc's major shareholders, but not independent of Mandatum plc due to the company intending to engage Lapveteläinen as a full-time Chair of the Board. Prior to assuming the duties of a Board member of Mandatum plc, each such person must fulfil the Fitness & Propriety requirements set by the Finnish Financial Supervisory Authority.

It is proposed that each member of the Board of Directors of Mandatum plc be remunerated in accordance with the demerger plan approved and signed by Sampo plc's Board of Directors on 29 March 2023.

According to the proposed articles of association of Mandatum plc, Mandatum plc shall have one (1) auditor which must be an auditing firm authorised by the Finnish Patent and Registration Office. In accordance with the demerger plan approved and signed by Sampo plc's Board of Directors on 29 March 2023, it is therefore proposed that the firm of authorised public accountants Deloitte Ltd be elected as the Mandatum plc's auditor for the financial year 2023. If Deloitte Ltd is elected as Mandatum plc's auditor, the firm has announced that APA Reeta Virolainen will act as the auditor with principal responsibility. APA Reeta Virolainen has acted as Mandatum Group's principally responsible auditor since 2021. Sampo plc's Board of Directors also proposes that compensation be paid to Mandatum plc's auditor against an invoice approved by Mandatum plc.

- c) The establishment of a shareholders' nomination board for Mandatum plc

It is proposed to establish a shareholders' nomination board for Mandatum plc in accordance with the demerger plan approved and signed by Sampo plc's Board of Directors on 29 March 2023.

Resolutions that are conditional on the completion of the demerger will enter into force in connection with the registration of the completion of the demerger.

The holder of all of Sampo plc's B shares has given its consent to the partial demerger of Sampo plc in accordance with the demerger plan dated 29 March 2023 and has committed to voting in favour of the proposal regarding the partial demerger at the Annual General Meeting.

29 March 2023

SAMPO PLC
Board of Directors