

## Instructions on Payment of Tax at Source for Individuals Sampo plc Shareholders Resident in Finland

Sampo plc has on the 12th of August distributed an extra dividend in the form of Nordea Bank Abp shares to its shareholders. Each shareholder was entitled to 1 Nordea share for each 10 Sampo shares. Fractional entitlements to Nordea shares resulting from the distribution ratio were compensated to shareholders in cash.

Sampo plc has sent an annual information return on the dividends to the Finnish Tax Administration in order to ensure that information is transferred to the pre-completed tax returns of individual taxpayers. Please note that the shareholder has to verify that the share dividend received corresponds with the amount on the pre-completed tax return. The value of the share dividend was EUR 5.661 based on the volume weighted average price of the Nordea share on the payment date.

In Finland, a share dividend is taxed similarly as cash dividend. However, as a withholding tax cannot be collected from a share dividend, the shareholders must take care of the tax payment by themselves. The shareholder can avoid back taxes by requesting prepayment or additional prepayment from the Finnish Tax Administration.

More information on prepayment or additional prepayment is available at <https://www.vero.fi/en/individuals/tax-cards-and-tax-returns/prepayments-individual/>.

If the shareholder has received cash dividends in addition to the share dividend, taxes payable might have been covered by withholding the cash dividend in whole or in part. If the shareholder has received only cash dividend, normal withholding tax of 25.5% has been credited to the Finnish Tax Administration.

Additionally, a transfer tax of 1.6 % has been imposed on the share dividends, which Sampo plc has paid on behalf of the shareholder and thus it is considered part of the dividend. The Finnish Tax Administration does not collect transfer tax under 10 euros and therefore, Sampo plc has not paid transfer tax amounts under 10 euros to its shareholders. No transfer tax was payable if the amount of share dividends received did not exceed 110 Nordea shares, which required ownership of 1,100 Sampo shares.

**Example on a situation where no transfer tax was payable  
(share dividend did not exceed 110 Nordea shares):**

- Shareholder holds 100 Sampo shares that entitled him/her to 10 Nordea shares.
- Value of the dividend is  $10 \times 5.661$  (value of one Nordea share received as dividend) = 56.61 euros.

**Example on a situation where transfer tax was payable and Sampo paid it on behalf  
of the shareholder (share dividend exceeded 110 Nordea shares):**

- Shareholder holds 2,000 Sampo shares that entitled him/her to 200 Nordea shares.
- Value of the share dividend is  $200 \times 5.661$   
(value of one Nordea share received as dividend) = 1,132.2 euros.
- Amount of the transfer tax payable was  $1.6\% \times 1,132.2 = 18.12$  euros.
- Total value of the dividend is  $1,132.2 + 18.12 = 1,150.32$  euros.

The dividend received consists of the transfer tax paid by Sampo plc, the Nordea share dividend and possible fractional entitlements to them paid as cash dividend. The shareholder has to verify that these are correctly entered into the pre-completed tax return and tax at source will be payable on those.