

## 36 Incentive schemes

### Long-term incentive schemes 2011 I - 2014 I

The Board of Directors of Sampo plc has decided on the long-term incentive schemes 2011 I - 2014 I for the management and key employees of Sampo Group. The Board has authorised the CEO to decide who will be included in the scheme, as well as the number of calculated incentive units granted for each individual used in determining the amount of the incentive reward. In the schemes, the number of calculated incentive units granted for the members of the Group Executive Committee is decided by the Board of Directors. Over 130 persons were included in the schemes at the end of year 2014.

The amount of the performance-related bonus is based on the value performance of Sampo's A share and on the insurance margin (IM) and on Sampo's return on the risk adjusted capital (RORAC). The value of one calculated incentive unit is the trade-weighted average price of Sampo's A-share at the time period specified in the terms of the scheme, and reduced by the starting price adjusted with the dividends per share distributed up to the payment date. The pre-dividend starting prices vary between eur 18.37 - 38.26. The maximum value of one incentive unit varies between eur 33.37 - 57.26, reduced by the dividend-adjusted starting price. In all the schemes, the incentive reward depends on two benchmarks. If the IM is 6 per cent or more, the IM-based reward is paid in full. If the IM is between 4 - 5.99 per cent, half of the incentive reward is paid. No IM-related reward will be paid out, if the IM stays below these. In addition, the return on the risk adjusted capital is taken into account. If the return is at least risk free return + 4 per cent, the RORAC-based incentive reward is paid out in full. If the return is risk free return + 2 percent, but less than risk free return + 4 percent, the payout is 50 per cent. If the return stays below these benchmarks, no RORAC-based reward will be paid out.

Each plan has three performance periods and incentive rewards are settled in cash in three installments. The employee shall authorise Sampo plc to buy Sampo's A-shares with 60 per cent of the amount of the reward after taxes and other comparable charges. The shares are subject to transfer restrictions for three years from the day of payout. A premature payment of the reward may occur in the event of changes in the group structure or in the case of employment termination on specifically determined bases. The fair value of the incentive schemes is estimated by using the Black-Scholes pricing model.

	2011 I	2011 I/2	2014 I
Terms approved <sup>*)</sup>	09/14/11	09/14/11	09/17/14
Granted (1,000) 31 Dec. 2011	4,359	-	-
Granted (1,000) 31 Dec. 2012	4,199	130	-
Granted (1,000) 31 Dec. 2013	4,134	100	-
Granted (1,000) 31 Dec. 2014	2,855	100	4,434
End of performance period I 30%	Q2-2014	Q2-2015	Q2-2017
End of performance period II 35%	Q2-2015	Q2-2016	Q2-2018
End of performance period III 35%	Q2-2016	Q2-2017	Q2-2019
Payment I 30%	9-2014	9-2015	9-2017
Payment II 35%	9-2015	9-2016	9-2018
Payment III 35%	9-2016	9-2017	9-2019
Price of Sampo A at terms approval date <sup>*)</sup>	18.10	18.10	37.22
Starting price <sup>**)</sup>	18.37	24.07	38.26
Dividend-adjusted starting price at 31 Dec. 2014	14.17	21.07	38.26
Sampo A - closing price 31 Dec. 2014	38.82		
Total intrinsic value, meur	43	1	1
Total debt	45		
Total cost for the financial period, meur (incl. social costs)	34		

<sup>\*)</sup> Grant dates vary

<sup>\*\*)</sup> Trade-weighted average for ten trading days from the approval of terms