

A warm, dimly lit interior scene featuring a lamp with a white shade and a brown armchair. The lamp is on the left, casting a soft glow. The armchair is in the foreground, and the background is dark and out of focus.

# MANDATUM

**REMUNERATION REPORT  
FOR GOVERNING BODIES  
OF MANDATUM PLC  
2023**

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# DEAR SHAREHOLDERS,

As Chair of the Remuneration Committee, I am pleased to present Mandatum plc's first Remuneration Report for the Governing Bodies. The Remuneration Report outlines the key principles guiding the remuneration of the members of the Board of Directors and the Group CEO. Further, the report presents the remuneration paid and earned for the financial period from 1 October to 31 December 2023. Mandatum plc was incorporated on 1 October 2023 in the partial demerger of Sampo plc and therefore, our report is based on the fourth quarter of 2023.

## **SIGNIFICANT EVENTS AND COMPANY PERFORMANCE DURING THE FINANCIAL PERIOD**

2023 marked a historical year for Mandatum, as the company was separated from Sampo Group in October and listed on the main list of the Helsinki Stock Exchange. The listing and separation from Sampo marked a significant milestone for Mandatum, and the project was executed to a tight schedule in accordance with decisions made by Sampo's Board of Directors. In connection with the listing, the Group's corporate governance structure was revised to meet the requirements set for listed companies. Petri Niemisvirta, who has previously served

as the CEO of Mandatum Holding and Mandatum Life Insurance Company Limited, was appointed as the Group CEO. Patrick Lapveteläinen started as the full-time Chair of the Board of Directors of Mandatum plc, having long served as the Chair of the Boards of Mandatum companies.

Mandatum entered a new era when it became an independent listed company. As an independent company, we can enhance the execution of our growth strategy and create added value for our stakeholders as an expert in wealth management and life insurance. We are now continuing our journey along with our personnel, shareholders, and customers, as an independent Mandatum.

Mandatum Group's result before taxes for the financial year 2023 was EUR 210.4 million, increasing significantly from the comparative period. All areas of the result supported the growth, with a particularly strong increase in the net finance result. Net flow and client assets under management reached record highs. Additionally, the Group's solvency position is strong, providing Mandatum with a solid foundation to operate even in an uncertain market environment.



Jannica Fagerholm, Chair of the Remuneration Committee and Vice Chair of the Board of Directors

## REMUNERATION IN MANDATUM GROUP

In 2023, Mandatum Group's remuneration was based on Sampo Group's remuneration principles and the company-specific remuneration policies of Mandatum Group companies. During the financial period, Sampo plc's Remuneration Policy for Governing Bodies was applied to the remuneration of Mandatum's governing bodies, as further described in this report.

Our remuneration systems are designed to promote the company's financial performance and sustainable business practices and to create added value for shareholders and other stakeholders. The systems are aligned with the company's business strategy, and they take into account risk management principles.

Our remuneration packages are competitive and include elements of both fixed and variable remuneration. The remuneration package is complemented by comprehensive benefits, such as a supplementary defined contribution pension benefit and a personnel fund for all personnel.

When Mandatum was part of Sampo, Mandatum Group's key employees and the Group CEO participated in Sampo Group's long-term incentive schemes. Following Mandatum Group's separation from Sampo,

Mandatum's Board of Directors decided that Mandatum Group's key employees and the Group CEO shall remain in Sampo's long-term incentive scheme 2020 to commit these people to the company. No new allocations will be made to Mandatum Group's key employees or the Group CEO from Sampo's incentive scheme. Sampo's long-term incentive scheme was launched in August 2020, and its terms and conditions were amended upon the partial demerger of Sampo plc in September 2023.

## THE IMPORTANCE OF SUSTAINABILITY IN REMUNERATION

Mandatum's remuneration systems are responsible towards stakeholders, and they take into account how the selected performance criteria support the execution of the Group's strategy, value creation and promote the key responsibility themes identified in the sustainability strategy. In the 2023 short-term incentive program, customer satisfaction was one of the performance metrics for every employee and member of the Group Management Team. In addition, leaders had targets related to employee experience. In Mandatum's investment activities, sustainable development is integral to investment decisions and processes, and for this reason the 2023 incentive program for the relevant investment personnel included targets to promote responsible investment. ESG-related targets

were also part of the performance metrics in the Group CEO's short-term incentive program during the financial period.

We believe that incorporating ESG-targets, essential to the company's business, into our remuneration systems will underpin the company's success and ability to create long-term value for shareholders and other stakeholders.

## FIRST ANNUAL GENERAL MEETING

This Remuneration Report for the Governing Bodies will be presented to the Annual General Meeting on 15 May 2024. In addition, the Remuneration Committee has prepared a proposal for the Remuneration Policy for Governing Bodies to be presented to the Annual General Meeting for an advisory resolution.

We aim to ensure that remuneration supports the execution of the company's strategy and sustainable business in the long-term. Committed and motivated management and personnel with competitive, incentivising remuneration packages are a prerequisite for success. We are committed to continue the development of our remuneration practices in service of these goals.

### Jannica Fagerholm

Chair of the Remuneration Committee and  
Vice Chair of the Board of Directors

# INTRODUCTION

This Remuneration Report for Governing Bodies (the “**Remuneration Report**”) for the financial period from 1 October to 31 December 2023 has been prepared in accordance with the Corporate Governance Code 2020 approved by the Securities Market Association, and the Decree 608/2019 of the Ministry of Finance. Mandatum plc (hereafter also referred to as “**Mandatum**” or the “**Company**”) was incorporated on 1 October 2023, and this Remuneration Report has been prepared for the company’s first financial period from 1 October to 31 December 2023. The Remuneration Report will be presented to the Annual General Meeting in May 2024.

The Remuneration Report covers the remuneration of the members of Mandatum plc’s Board of Directors and the CEO (hereafter referred to as the “**Group CEO**”) and the application of the Remuneration Policy for Governing Bodies. The paid and earned remuneration and other financial benefits are reported excluding social expenses.

This Remuneration Report is published in Finnish and English. In the event of any discrepancy between the language versions, the Finnish version shall prevail.

## APPLICATION OF THE REMUNERATION POLICY FOR GOVERNING BODIES DURING THE FINANCIAL PERIOD

The remuneration of the Group CEO and the members of the Board of Directors is based on the applicable Remuneration Policy for Governing Bodies, which defines the key principles and decision-making processes for the remuneration of the governing bodies. During the financial period, similar principles as defined in the Sampo plc’s Remuneration Policy for Governing Bodies were applied to the remuneration of the Group CEO and the members of the Board of Directors. During the financial period, the remuneration of Mandatum’s governing bodies deviated from Sampo plc’s Remuneration Policy for Governing Bodies only in the following respects:

- The Chair of the Board of Directors is employed by Mandatum plc. In addition to the remuneration paid based on the Board membership, the Chair is entitled to a fixed salary, phone benefit and other ordinary benefits, as well as a supplementary defined contribution pension arrangement. The employment-based remuneration of the full-time Chair of the Board of Directors is decided by

the independent members of the Board of Directors.

- The Group CEO is entitled to a severance pay corresponding to 18 months’ fixed salary in addition to the salary for the notice period if the company terminates the Group CEO’s service contract without a reason attributable to the Group CEO that constitutes grounds for cancellation as stipulated in the Employment Contracts Act. The amount of severance pay is based on the terms applied in the Group CEO’s previous position as CEO of Mandatum Holding Ltd and Mandatum Life Insurance Company Limited, which were agreed upon prior to the conclusion of the current service contract.

The Company applies Sampo plc’s Remuneration Policy for Governing Bodies, which permits temporary deviation from the policy by a decision of the Board of Directors in order to secure the Group’s long-term interests in circumstances including e.g. a corporate reorganisation and fulfilment of contractual obligations that were agreed upon before the remuneration policy entered into force. Mandatum plc was incorporated in the partial demerger of Sampo plc on 1 October 2023 when Mandatum Group was separated from Sampo Group.

The Group CEO, Petri Niemisvirta, took up the position of Mandatum plc’s CEO on 1 October 2023. His service contract takes into account the applicable terms of his previous position as CEO of Mandatum Holding Ltd. Mandatum plc’s Remuneration Committee prepares and presents Mandatum’s Remuneration Policy for Governing Bodies to the first Annual General Meeting for an advisory resolution in May 2024.

No remuneration paid to the members of the Board of Directors or the Group CEO were clawed back during the financial period from 1 October to 31 December 2023.

## REMUNERATION AND THE COMPANY’S LONG-TERM FINANCIAL PERFORMANCE

Remuneration at Mandatum has been designed to enhance the Company’s long-term financial performance and value creation for shareholders and other stakeholders. The remuneration systems are aligned with the Company’s business strategy and targets and promote sustainable business practices.

The aim of remuneration is to attract and commit talented and motivated employees and encourage them to perform their best and surpass the targets set for them.

Incentivising remuneration systems, which comply with risk management principles promote the Company's financial performance, competitiveness, and ability to create added value for its stakeholders and shareholders. The remuneration systems include elements that prevent conflicts of interest, and they take into account the sustainability risks related to Mandatum's business.

A significant part of the Group CEO's total remuneration is based on the earning potential of performance-based variable remuneration. This strengthens the link between performance and remuneration. The financial and non-financial performance criteria for variable compensation are linked to the Company's strategy and value creation, thus contributing to achieving the Company's key strategic targets and long-term financial development.

To align the interests of the members of the Board of Directors and the shareholders, Board members are obliged, based on the demerger plan and the resolution of Sampo plc's Annual General Meeting, to acquire Mandatum plc's shares for 50 per cent of their net term fee and to retain the shares for two years from the acquisition date.

### COMPARISON OF REMUNERATION AND THE COMPANY'S FINANCIAL PERFORMANCE

The following table presents the remuneration of governing bodies compared to the average remuneration of employees and the Company's financial performance. Mandatum plc was incorporated on 1 October 2023, and the remuneration figures presented in the table are based on the Company's first financial period from 1 October to 31 December 2023. Comparative data for five years will be compiled in the table by adding one financial period at a time, starting from the first financial period.

	2023
<b>Remuneration<sup>1</sup> (EUR)</b>	
Remuneration of the Chair of the Board of Directors <sup>2</sup>	187,000
Remuneration of the Vice Chair of the Board of Directors (to be paid in 2024)	39,000
Remuneration of the other members of the Board of Directors in total (to be paid in 2024)	138,200
Remuneration of the Group CEO	160,127
Average remuneration of Mandatum Group employees <sup>3</sup>	18,130
<b>Financial key figures</b>	
Earnings per share (EUR)	0.32
Group's profit before taxes for the financial period (EUR million)	210.4
Client assets under management (EUR million)	11,892
Net flow of client assets under management (EUR million)	753.8
Solvency ratio (%)	221.4

1 The remuneration figures in the table are based on Mandatum plc's first financial period from 1 October to 31 December 2023.

2 The remuneration of the Chair of the Board of Directors includes the employment-based remuneration (fixed salary, incl. phone benefit, and supplementary pension) paid to the Chair of the Board of Directors, Patrick Lapveteläinen, and the fees paid based on the Board membership. The fees are due for payment in 2024. A more detailed breakdown of payable fees is presented in the section Remuneration of the Board of Directors.

3 The average remuneration of Mandatum Group employees has been calculated by dividing the total amount paid in salaries, fringe benefits and variable remuneration during the period from 1 October to 31 December 2023 by the average number of employees (FTE) in the same period. A significant portion of the variable remuneration paid to the Group's employees in 2023 was paid before Mandatum plc was incorporated.

# REMUNERATION OF THE BOARD OF DIRECTORS

The Annual General Meeting decides on the remuneration of the members of the Board of Directors. The remuneration of Mandatum plc's Board of Directors for the first term of office was resolved by Sampo plc's Annual General Meeting on 17 May 2023 in line with the remuneration proposal in the demerger plan approved by Sampo plc's Board of Directors. In accordance with the resolution of Sampo plc's Annual General Meeting and the demerger plan, the members of Mandatum plc's Board of Directors will be paid the following remuneration for their first term of office:

- EUR 27,000 for each member of the Board of Directors, EUR 42,000 for the Chair of the Board, EUR 36,000 for the Vice Chair of the Board, and EUR 36,000 for the Chair of the Audit Committee;
- A meeting fee of EUR 600 for each Board meeting for the members of the Board of Directors and EUR 1,500 for the Chair or the Vice Chair of the Board, should the Vice Chair chair the meeting;
- EUR 600 for each member of the Audit Committee and EUR 1,000 for the Chair of the Audit Committee for each Audit Committee meeting.

The term of office of the members of the Board of Directors commenced on 1 October 2023 and will end at the close of Mandatum's first Annual General Meeting.

No fees were paid to the members of the Board of Directors during the financial period. The travel expenses of the members of the Board of Directors were reimbursed in accordance with the Company's travel policy.

The meeting fees earned by the members of the Board of Directors for meetings held in autumn 2023 and the fees paid based on their term of office (term fee) will be paid in February 2024. If a Board member's tenure with the Company's Board of Directors, or respectively if the Chair of the Audit Committee's tenure with the Audit Committee ends prior to the close of Mandatum's first Annual General Meeting, the remuneration paid to the Board member in question, or the Chair of the Audit Committee can be clawed back proportionately for the term not served.

A member of the Board of Directors is required to acquire Mandatum plc's shares at the price paid in public trading for 50 per cent of his/her term fee after deduction of taxes, payments and potential statutory social and pension costs. The Company pays any possible transfer tax arising from the acquisition of the shares.

A member of the Board of Directors is obliged to acquire the shares after the pub-

lication of Mandatum's Financial Statement Release 2023, but prior to Mandatum plc's first Annual General Meeting or, if this is not feasible, on the first possible date thereafter. A member of the Board of Directors shall retain the acquired shares under his/her ownership for two years from the date of acquisition. However, the disposal restriction on the shares shall become unbinding in case the member's tenure with the Board of Directors ends prior to the scheduled release of the shares.

With the exception of the full-time Chair of the Board, the members of the Board of Directors are not in employment or service relationships with Mandatum. The members of the Board of Directors are not covered by Mandatum's incentive schemes.

## REMUNERATION OF THE FULL-TIME CHAIR OF THE BOARD OF DIRECTORS

The full-time Chair of the Board of Directors, Patrick Lapveteläinen, took up his position on 1 October 2023 and is employed by the Company. The employment-based remuneration of the full-time Chair of the Board of Directors is decided by the independent members of the Board of Directors. The remuneration is assessed annually and is based on the remuneration principles and policies applied by the Company.

During the financial period, the remuneration of the full-time Chair of the Board of Directors, Patrick Lapveteläinen, consisted of a fixed monthly salary, a supplementary defined contribution pension plan and other ordinary financial benefits. The full-time Chair of the Board of Directors does not participate in Mandatum's short- or long-term incentive schemes.

The fixed monthly salary of the full-time Chair of the Board of Directors is EUR 25,000 as of 1 October 2023. The fixed salary includes a phone benefit. The fixed salary is based on the responsibilities of the position (such as developing Mandatum's strategy and managing investor relations in addition to chairing the Board) and the work experience of Patrick Lapveteläinen. Further, the Company pays annually a fixed amount into the pension agreement. During the financial period, the Company paid EUR 62,500 in pension contributions into the supplementary pension agreement. According to the terms of the supplementary pension agreement, the retirement age is 60 years.

The key factors in determining the remuneration package (fixed salary and supplementary pension) for the full-time Chair of the Board were Patrick Lapveteläinen's responsibilities, competence and knowl-

edge of the financial sector. He has, among other things, served long and successfully as Sampo plc's Chief Investment Officer and has chaired the Boards of Directors of Mandatum Group companies. The available market data was also examined when determining the remuneration. Based on the data, the total remuneration (fixed salary and supplementary pension benefit) of the full-time Chair of the Board of Directors is in line with the total remuneration paid to full-time chairs of the boards

of directors in companies of a similar size to Mandatum in the same sector. The other financial benefits of the full-time Chair of the Board included insurance benefits, such as health, travel, accident and management liability insurance during the financial period.

The employment contract of the full-time Chair of the Board, Patrick Lapveteläinen, is in force for a fixed period until the Annual General Meeting prior to which the full-time

Chair has turned 60, but in any case, not longer than the time that he acts as the Chair of the Board of the Company.

The table below presents the salary and supplementary pension contribution paid to the full-time Chair of the Board during the financial period, as well as the term fees based on the first term of office and the meeting fees earned by the members of the Board of Directors by the end of the financial period. The term fees and the meeting fees

will be paid in February 2024. The fees are presented in the table as remuneration falling due. The share acquisitions related to the term fees will be carried out, in accordance with the decision of Sampo plc's Annual General Meeting and the demerger plan, after the publication of Mandatum's Financial Statement Release 2023, but prior to Mandatum plc's first Annual General Meeting. The number of shares acquired by the members of the Board of Directors will be reported in the 2024 Remuneration Report.

## Remuneration of the members of the Board of Directors (EUR)

Board member	Remuneration paid during the financial period			Remuneration falling due (to be paid in 2024)			
	Other salaries <sup>4</sup>	Supple- mentary pension <sup>5</sup>	Total remunera- tion paid	Fees based on the term from 1 Oct 2023 to 15 May 2024 <sup>5</sup>	Meeting fees earned <sup>6</sup>	Fees earned from other group companies <sup>7</sup>	Total remuneration due
Patrick Lapveteläinen, full-time Chair of the Board of Directors and member of the Remuneration Committee	75,000	62,500	<b>137,500</b>	42,000	7,500	-	<b>49,500</b>
Jannica Fagerholm, Vice Chair of the Board of Directors and Chair of the Remuneration Committee	-	-	-	36,000	3,000	-	<b>39,000</b>
Johanna Lamminen, Chair of the Audit Committee	-	-	-	36,000	5,000	-	<b>41,000</b>
Markus Aho, Member of the Audit Committee	-	-	-	27,000	4,200	-	<b>31,200</b>
Jukka Ruuska, Member of the Audit and Remuneration Committee	-	-	-	27,000	4,200	2,400	<b>33,600</b>
Kimmo Laaksonen, Member of the Board	-	-	-	27,000	3,000	2,400	<b>32,400</b>
<b>Total</b>	<b>75,000</b>	<b>62,500</b>	<b>137,500</b>	<b>195,000</b>	<b>26,900</b>	<b>4,800</b>	<b>226,700</b>

4 Other salaries include the fixed salary (incl. phone benefit) paid to the full-time Chair of the Board of Directors, Patrick Lapveteläinen, during the financial period.

5 A member of the Board of Directors is required to acquire Mandatum plc's shares at the price paid in public trading for 50 per cent of the net term fee. A member of the Board of Directors is required to retain the acquired shares for two years from the date of acquisition. If a Board member's tenure with the Company's Board of Directors or the tenure of the Chair of the Audit Committee with the Audit Committee ends prior to the close of the first Annual General Meeting, the remuneration paid to the Board member in question, or the Chair of the Audit Committee can be clawed back proportionately for the term not served.

6 Meeting fees earned for Board and Audit Committee meetings in 2023, that will be paid to the members of the Board of Directors in February 2024.

7 The fees earned from other group companies include the meeting fees paid for the Board meetings of Mandatum Holding Ltd.

# REMUNERATION OF THE GROUP CEO

The Board of Directors decides on the remuneration of the Group CEO based on a proposal by the Remuneration Committee. The Group CEO's remuneration is assessed annually and is based on Remuneration

Policy for Governing Bodies applied by Mandatum and, where applicable, the general remuneration principles for all personnel. In this financial period, the Group CEO's remuneration was based on similar

principles as defined in Sampo plc's Remuneration Policy for Governing Bodies, as described in more detail in the introduction to this report.

The table below presents the Group CEO's remuneration elements and related information for the financial period.

## The remuneration elements of the Group CEO

	Description of the principles applied during the period	Information on the financial period
Fixed salary	<ul style="list-style-type: none"> <li>The fixed salary is the basis of the remuneration package, and it shall create financial stability by forming a sufficiently high share of the total remuneration to avoid over-dependency on variable remuneration. This enables more flexible remuneration practices and the option to pay no variable remuneration.</li> <li>The fixed salary is reviewed annually.</li> </ul>	<ul style="list-style-type: none"> <li>The Group CEO's fixed monthly salary is EUR 32,500 as of 1 October 2023. The fixed salary is based on the Group CEO's responsibilities and work experience. In addition, when determining the fixed salary level, the Group CEO's supplementary pension agreement has been taken into consideration, and additionally, market data consisting of the remuneration of CEOs in peer companies in the financial sector has been examined. However, the most significant factors in setting the Group CEO's remuneration level were Petri Niemisvirta's competence, responsibilities and knowledge of the sector. He has, for a long time, served successfully as the CEO of Mandatum Group companies, especially Mandatum Life, and has gained experience in managing listed companies by acting as a Board member for other listed companies.</li> </ul>
Short-term incentives (STI)	<ul style="list-style-type: none"> <li>The Board of Directors decides annually on the short-term incentive programs and the performance criteria.</li> <li>The performance criteria and their relative weightings are defined in advance.</li> <li>The performance criteria are quantitative and qualitative, and they may include for example key financial or operational metrics, corporate responsibility or shareholder value creation.</li> <li>The maximum amount that can be paid to the Group CEO from the short-term incentive program corresponds to nine (9) months' fixed salary. Part of the payout is deferred.</li> <li>The rewards will be paid in cash based on the outcome of the performance criteria after the end of the performance period. The reward shall not be paid if the minimum level of performance criteria is not met.</li> </ul>	<ul style="list-style-type: none"> <li>No short-term incentives were paid to the Group CEO during the financial period from 1 October to 31 December 2023.</li> <li>The performance criteria for the Group CEO's short-term incentive program were based on Mandatum Group's key targets and a target related to ESG (environmental, social and governance) in the financial period from 1 October to 31 December 2023.</li> <li>The total outcome of the targets set for the financial period was 71%, corresponding to payout of EUR 51,773.</li> <li>Based on the total outcome of targets for 2023, a short-term incentive of EUR 243,068 will be paid to the Group CEO in 2024. 40 per cent of the payout will be deferred in cash. The deferred part of the short-term incentive can be paid out earliest in 2027. Further information on the incentives to be paid for 2023 is presented in the section Short-term incentives of the Group CEO.</li> </ul>

## The remuneration elements of the Group CEO

	Description of the principles applied during the period	Information on the financial period
Long-term incentives (LTI)	<ul style="list-style-type: none"> <li>The Board of Directors decides on long-term incentive schemes and the payouts from the said schemes.</li> <li>Long-term incentive schemes aim to align the interests of the Group CEO and shareholders and commit the Group CEO to the Company.</li> <li>The payout from the long-term incentive schemes shall be capped.</li> <li>Part of the payout is deferred.</li> <li>The performance period is at least three years.</li> </ul>	<ul style="list-style-type: none"> <li>No long-term incentives were paid to the Group CEO during the financial period from 1 October to 31 December 2023.</li> <li>Based on the Group CEO's previous position as a member of Sampo Group Executive Committee, Petri Niemisvirta participates in Sampo Group's long-term incentive scheme 2020:1 for key employees. The incentive units under the said scheme were allocated to the Group CEO in 2020. A total of 91,000 allocated incentive units remained outstanding at the start and end of the financial period. The remaining incentive units will vest in 2024 and 2025. In accordance with the terms and conditions of the LTI 2020:1 scheme, the Group CEO shall purchase Sampo plc A shares at the payout from the scheme with 50 per cent of each instalment after the deduction of income tax and other comparable charges. The acquired shares are subject to disposal restrictions for three years from the vesting of the instalment.</li> </ul>
Pension	<ul style="list-style-type: none"> <li>In addition to the statutory pension in Finland, the Group CEO is entitled to a supplementary defined contribution pension.</li> </ul>	<ul style="list-style-type: none"> <li>The Company pays a fixed amount as pension contribution into the Group CEO's supplementary pension agreement annually. When determining the level of pension contribution paid by the Company, the Group CEO's fixed salary level and his prior supplementary defined benefit pension plan, to which he was entitled as a member of Sampo Group Executive Committee, were taken into consideration.</li> <li>According to the terms of the supplementary pension agreement, the retirement age is 63 years.</li> <li>The pension contribution paid into the supplementary pension agreement was EUR 62,500 (3/12 of the annual contribution) in the financial period.</li> </ul>
Other benefits	<ul style="list-style-type: none"> <li>Benefits are offered in accordance with local market practice and may change from time to time. Other benefits may include, but are not limited to, phone and car benefit, health insurance, management liability insurance and other insurances.</li> </ul>	<ul style="list-style-type: none"> <li>In the financial period, the Group CEO's other benefits included fringe benefits, such as phone, apartment and meal benefits, and other financial benefits, such as health, travel and accident insurance. In accordance with the Company's practice for all personnel, only phone and meal benefits of the fringe benefits were paid in addition to the fixed salary.</li> <li>The Group CEO did not receive a sign-on bonus.</li> </ul>
Termination of the service relationship	<p>The Group CEO's service contract specifies a notice period and severance pay. The notice period for terminating the Group CEO's service contract is six (6) months for the Company and three (3) months when the Group CEO terminates the contract. The salary is paid during the notice period. The Company is also entitled to terminate the service contract with immediate effect and pay the salary for the notice period to the Group CEO as a lump sum. If the Company has grounds for rescinding the service contract as stipulated in the Employment Contracts Act, chapter 8, section 1, the service relationship can be terminated with immediate effect. In this case, no salary for notice period or severance pay shall be paid. If the Company terminates the service contract without a reason attributable to the Group CEO that constitutes grounds for rescission as stipulated in the Employment Contracts Act, the Group CEO shall be paid compensation corresponding to 18 months' fixed monthly salary in addition to the salary for the notice period.</p> <p>The Group CEO's service contract ends without notice when the Group CEO reaches the age of 63.</p>	

**Remuneration paid to the Group CEO in the financial period from 1 October to 31 December 2023 (EUR)**

	Fixed remuneration		Variable remuneration				Remuneration from other Group companies	Total remuneration	Relative proportions of fixed and variable remuneration <sup>9</sup>
	Fixed salary (incl. fringe benefits) <sup>8</sup>	Short-term incentives	Release of previously deferred short-term incentives	Long-term incentives	Supplementary pension	Extraordinary items			
Group CEO, Petri Niemisvirta	97,627	-	-	-	62,500	-	-	<b>160,127</b>	100/0

<sup>8</sup> The taxable value of the fixed remuneration paid to the Group CEO (incl. fixed salary items paid as cash and the taxable values of fringe benefits).

<sup>9</sup> No variable remuneration was paid to the Group CEO in the financial period from 1 October to 31 December 2023. The variable remuneration paid to Petri Niemisvirta in 2023 was paid out prior to Mandatum's separation from Sampo Group and the incorporation of Mandatum plc.

**SHORT-TERM INCENTIVES  
OF THE GROUP CEO**

The Board of Directors decides on one-year short-term incentive programs and the performance criteria as well as their relative weightings separately each year. The payment of rewards from the short-term incentive programs are based on the outcome of both quantitative and qualitative performance metrics. The Board of Directors decides on the payout from the programs in the year following the performance period based on the outcome of the targets.

In the financial period from 1 October to 31 December 2023, the performance criteria of the Group CEO's short-term incentive program were based on Mandatum Group's key targets, defined at the beginning of 2023, and an ESG-related target. The Board of Directors of Mandatum plc decided on the Group CEO's performance criteria for Q4/2023 at the beginning of the financial period from 1 October to 31 December 2023.

During the period from 1 January to 30 September 2023, the Group CEO, Petri Niemisvirta, was a member of Sampo Group

Executive Committee. His short-term incentive for this period was based on targets connected to Sampo Group (with a weighting of 40 per cent), targets connected to Mandatum Group (with a weighting of 50 per cent) and ESG-related metrics (with a weighting of 10 per cent).

The total outcome of the performance criteria set for the financial period from 1 October to 31 December 2023 was 71 per cent (of 100 per cent), corresponding to a payout of EUR 51,773. The short-term incentive that will be paid based on the outcome

of the performance criteria (87 per cent) set for the period from 1 January to 30 September 2023 is EUR 191,295. The Group CEO's combined total outcome of the aforementioned performance metrics for 2023 was 83 per cent (of 100 per cent), corresponding to a total short-term incentive of EUR 243,068. The short-term incentive will be paid in spring 2024. 40 per cent of the incentive will be deferred and may be paid out earliest in 2027. The Group CEO may transfer part of his short-term incentive to the personnel fund on the same terms and conditions as Mandatum Group's personnel.

**Short-term incentive program for the financial period from 1 October to 31 December 2023**

		Performance metrics	Weight	Outcome (0-100%)	Outcome of the performance metrics
Group CEO, Petri Niemisvirta	Mandatum	Customer satisfaction (NPS)	20%	100%	20.0%
	Group's key targets	Mandatum Group operational result (EUR million)	50%	43.3%	21.7%
		Client assets' net subscriptions (EUR million)	20%	100%	20.0%
	ESG	Finalising the current ESG initiatives and secure rating	10%	90%	9.0%
			<b>Total 100%</b>		<b>70.7%</b>

**Total short-term incentives of the Group CEO for 2023 (payout in 2024)**

	Performance period <sup>10</sup>	Total outcome of performance metrics (0-100%)	Total outcome of performance metrics relative to the performance period	Total short-term incentive <sup>11</sup>
Group CEO, Petri Niemisvirta	1 Jan-30 Sept 2023	87.2%	65.4% (max. 75%)	EUR 191,295
	1 Oct-31 Dec 2023	70.7%	17.7% (max. 25%)	EUR 51,773
		<b>Total</b>	<b>83.1%</b>	<b>EUR 243,068</b>

<sup>10</sup> In addition to the performance criteria for the financial period from 1 October to 31 December 2023, the short-term incentive that will be paid to the Group CEO in 2024 is based on the performance criteria for the period from 1 January to 30 September 2023, which were divided into three main parts: i) targets related to Sampo Group, ii) targets related to Mandatum Group, including the Group's key targets for 2023, and iii) the ESG-related target. The performance criteria for the period from 1 January to 30 September 2023 were based on the Group CEO's previous position as a member of Sampo Group Executive Committee.

<sup>11</sup> 40 per cent (EUR 97,227) of the Group CEO's short-term incentive will be deferred. The deferred part may be paid out in 2027 at the earliest.

**LONG-TERM INCENTIVES OF THE GROUP CEO**

The Board of Directors decides on long-term incentive schemes and payouts from said schemes. Following the partial demerger of Sampo plc on 1 October 2023 and the listing of Mandatum plc, Mandatum’s Board of Directors decided that Mandatum Group’s key employees and the Group CEO shall remain in Sampo’s long-term incentive scheme 2020:1, based on a decision by Sampo plc’s Board of Directors.

During the financial period, the Group CEO participated in the long-term incentive scheme 2020:1 for Sampo Group’s key employees. The incentive scheme was launched in August 2020, and its terms and conditions were amended upon the partial demerger of Sampo plc in September 2023. In accordance with the amended terms and conditions, the payout from the scheme is based on the development of Sampo plc’s A share price and Mandatum plc’s share price, as well as the dividends per share of Sampo plc and Mandatum plc. In addition, a performance condition linked to the return on capital at risk and the number of allocated incentive units are also taken into account when calculating the incentive reward.

The incentive scheme 2020:1 is cash-based, and incentive units (theoretical calculation

units used to determine the incentive reward) are allocated to the participants. The Group CEO, Petri Niemisvirta, was allocated incentive units when the scheme was launched in 2020. The incentive units are based on his previous position as a member of Sampo Group Executive Committee. The Group CEO had a total of 91,000 allocated incentive units outstanding at the start and end of the financial period.

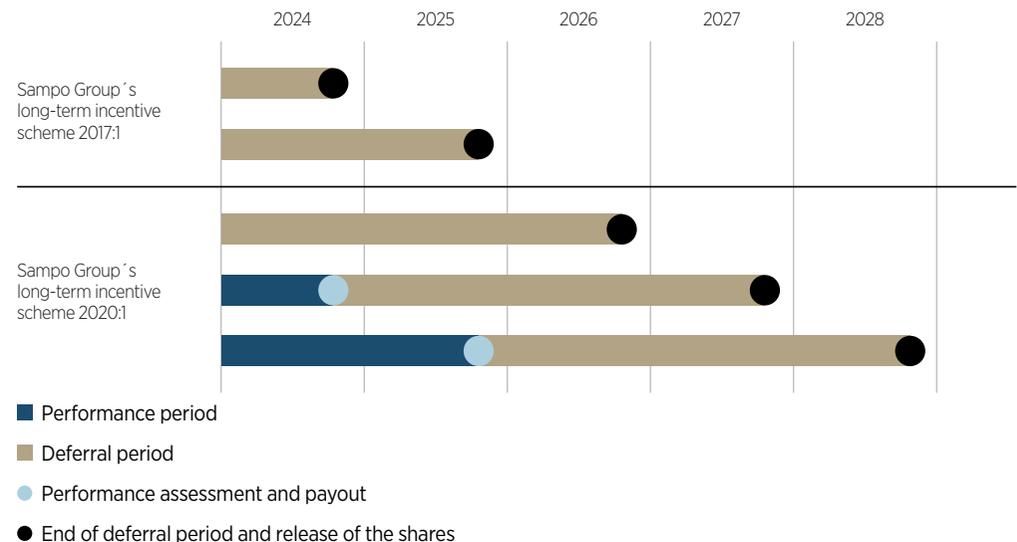
The incentive units vest in three annual instalments after the end of the performance period for each instalment. No incentive units vested, and no long-term incentives were paid to the Group CEO during the financial period from 1 October to 31 December 2023. The second instalment of long-term incentive scheme 2020:1 (35 per cent of the allocated incentive units) will vest in 2024, and the third and final instalment (35 per cent of the allocated incentive units) will vest in 2025. No new allocations will be made to Mandatum’s Group CEO or other key employees in Sampo’s long-term incentive scheme.

At payout from the long-term incentive scheme 2020:1, the Group CEO is obliged to acquire Sampo plc’s A shares with 50 per cent of each instalment after the deduction of income tax and other comparable charges. The Company pays any

possible transfer tax arising from the acquisition of the shares. The acquired shares are subject to a disposal restriction for three years from the vesting of the instalment. The Board of Directors will decide on the possible release of restricted shares at the end of the three-year disposal restriction period (holding period).

At the end of the financial period, the Group CEO also had shares under disposal restriction from the previous Sampo Group’s long-term incentive scheme 2017:1 for key employees. The disposal restriction periods of these Sampo A shares will end in 2024 (2,564 shares), and 2025 (4,027 shares), and the Board of Directors will then decide on the possible release of the shares.

**Payout schedule of the long-term incentives**



General information on long-term incentive schemes							Information for the financial period from 1 Oct to 31 Dec 2023						
Incentive scheme	Number of outstanding incentive units at the end of the financial period (pcs)	Allocation year	Performance metrics	Performance period	Vesting year and portion of incentive units vesting	End of deferral period	Number of incentive units at the beginning of the financial period (pcs)	Number of incentive units vested during the financial period (pcs)	Number of outstanding incentive units at the end of the financial period (pcs)	Number of Sampo A shares subject to disposal restriction at the beginning of the financial period (pcs)	Number of Sampo A shares released from restriction (pcs)	Number of Sampo A shares subject to disposal restriction at the end of the financial period (pcs)	
Group CEO, Petri Niemisvirta	Sampo Group's long-term incentive scheme 2020:1	91,000	2020	Sampo plc's share price development and Mandatum plc's share price development, dividends per each share and return on capital at risk (Sampo Group)	2020-2023	Q3/2023 (1st instalment, 30%)	2026	-	-	-	3,900	-	3,900
					2020-2024	2024 (2nd instalment, 35%)	2027	45,500	-	45,500	-	-	-
					2020-2025	2025 (3rd instalment, 35%)	2028	45,500	-	45,500	-	-	-
<b>TOTAL</b>							<b>91,000</b>	<b>-</b>	<b>91,000</b>	<b>3,900</b>	<b>-</b>	<b>3,900</b>	

**SHAREHOLDING OF THE GROUP CEO**

No formal requirement has been set for the Group CEO's holding of Mandatum plc shares. The Group CEO's shareholding in relation to his annual fixed salary was 187 per cent on 31 December 2023, as shown in the table. The latest information on the Group CEO's shareholding is available on the website at **Management shareholding and transactions - Mandatum**.

	Number of Mandatum plc shares, 31 Dec (pcs)	Mandatum plc's share price, 31 Dec (EUR)	Market value of the shares, 31 Dec (EUR)	Annual fixed salary (EUR)	Shareholding in relation to annual fixed salary (%)
Group CEO, Petri Niemisvirta	179,370	4.07	730,036	390,000	187



## **Mandatum plc**

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