

Sampo Group Salary and Remuneration Report

Sampo complies in full with the Finnish Corporate Governance Code issued by the Securities Market Association effective from 1 October 2010. This salary and remuneration report has been drawn up in accordance with section 7 ('Remuneration') of the Corporate Governance Code. The Code can be viewed in its entirety on the Securities Market Association's website at <http://www.cgfinland.fi>.

Sampo Group Compensation Principles, approved on 14 September 2011, describe the remuneration structure and the principles used in setting up remuneration systems within the general governance framework and according to the Sampo Group's Risk Management Principles. The Compensation Principles apply to all companies within Sampo Group and are available at www.sampo.com/corporate-governance/compensation

Remuneration Principles in Sampo Group

The core of the Compensation Principles is that all remuneration systems in Sampo Group shall safeguard the financial stability of the Group and comply with regulatory and ethical standards. They shall also be designed to balance the interests of different stakeholder groups such as shareholders, employees, customers and supervisory authorities. Furthermore, all compensation mechanisms shall be designed in parallel with the Risk Management Principles.

The starting point of any compensation mechanism shall be to encourage and stimulate employees at all levels to do their best and surpass their targets. Compensation packages shall be designed to reward employees on all levels, compensating them fairly for prudent and successful performance. At the same time, however, in order to safeguard the interest of other stakeholders, compensation mechanisms shall neither entice nor encourage employees to excessive or unwanted risk taking. Thus, compensation mechanisms cannot be separated from risk management practices.

With regard to the various forms of compensation, the guiding principles are that:

Fixed compensation (fixed salary) shall support financial stability, represent a sufficiently high share of the total compensation and be competitive but not leading in the market.

Variable compensation shall be used to ensure the competitiveness of total compensation packages while still keeping fixed cost base reasonable. Variable compensation consists of short-term incentives, profit sharing programs and discretionary rewards.

Long-term incentive programs may be used as part of the total compensation package to commit executive management and key persons to the Group for a longer period of time. The programs are designed to also align the participants' interests with those of the shareholders' by linking the payout of the programs not only to certain performance criteria, but also to the development of Sampo's share price.

The design of compensation systems should always encourage long-term financial stability and value creation of the Group. Variable compensation mechanisms shall ultimately be based on the employer's unilateral decision and contain "force majeure" clauses allowing the Board to stop payment if necessary e.g. because of the financial situation of the company.

The payment of a certain portion of the variable compensation and long-term incentives payable to senior executive management and to certain key persons shall be deferred for a defined period of time as required in the regulatory framework applicable to each Group company. After the deferral period, a retrospective risk adjustment review shall be carried out and the Board shall decide whether the deferred compensation can be paid out or not. For the year 2011, part of short-term incentives has been deferred. Payout from agreements or programs decided prior to the publishing of FSA deferral recommendations has not been deferred.

Remuneration of the directors

According to Sampo's Articles of Association, the Annual General Meeting decides on the compensation of the members of the Board of Directors.

In accordance with the decision of the Annual General Meeting in 2011, the following annual fees were paid to members of the

Board of Directors for their Board and committee work up to the close of the Annual General Meeting in 2012: EUR 160,000 to the Chairman, EUR 100,000 to the Vice Chairman, and EUR 80,000 to the other members of the Board, with approximately 50 per cent of each Board member's annual fee being paid in the form of Sampo A shares. The members of the Board of Directors acquired 8,456 Sampo A shares with said annual fees during 2011. The shares are not subject to any lock-up period.

Members of the Board of Directors did not receive any other benefits, nor did they participate in Sampo's long-term incentive programs. (See also the section headed 'Financial benefits of Board Chairman and Board members under an employment or service relationship'.)

Remuneration of the Managing Director and other executives

The Board of Directors decides, on the basis of the proposal by the Nomination and Compensation Committee, the terms of employment and compensation of the Group CEO, as well as the variable compensation of the other members of the Sampo Group Executive Committee. The Board of Directors has authorized the Nomination and Compensation Committee to decide the fixed salaries of the members of the Executive Committee except for the Group CEO.

In addition to receiving monthly salaries, the members of the Group Executive Committee are participants in the company-specific short-term incentive systems, which are decided upon separately each year. The short-term incentive is determined on the basis of the Group result, individual performance, and where applicable, the business area result. The maximum amount that can be paid for 2011 to members of the Group Executive Committee corresponds to nine months' fixed salary.

Members of the Group Executive Committee are also participants in the long-term incentive programs for Sampo plc's management (2009:1 and 2011:1). The terms of the incentive programs are available on Sampo's website at www.sampo.com/corporate-governance/compensation.

The Group Executive Committee, excluding the Group CEO, was paid EUR 3,045,746 in fixed salaries, EUR 647,196 in short-term incentives (excluding deferred compensation) and EUR 2,074,440 in long-term incentives together totaling EUR 5,767,382 for 2011. This amount includes share purchases under the terms of the long-term incentive programs. Through long-term incentive program transactions the Group Executive Committee, excluding the Group CEO, acquired 16,934 Sampo A shares in 2011. These shares are subject to a lock-up period of 2 years. The deferred short-term incentives amount to EUR 815,256 and can be paid out earliest 2014.

The members of the Group Executive Committee are each covered by the employment pension system of their country of residence. Under the terms of their employment contracts, the majority of them are also covered by supplementary pension schemes, of which most are at present of the defined benefit type. The retirement age for the Committee's members as set out in their contracts is 60, 65 or the age laid down in the employment pension system of their country of residence.

Financial benefits included in the Group CEO's service relationship

The Board of Directors elects and releases the Group CEO, and decides on the Group CEO's terms of employment and other compensation. During 2011 Sampo's Group CEO was Kari Stadigh.

For the period 1 January to 31 December 2011, Kari Stadigh was paid EUR 782,942 in fixed salary, EUR 216,233 in short-term incentives (excluding deferred compensation) and EUR 566,400 in long-term incentives, together totalling EUR 1,565,575, for 2011. This amount includes share purchases under the terms of the incentive programs. Through incentive program transactions the Group CEO acquired 4,757 Sampo A shares in 2011. These shares are subject to a lock-up period of 2 years. The deferred short-term incentive amounts to EUR 217,100 and can be paid out earliest 2014.

Kari Stadigh's fixed salary includes fringe benefits (mobile telephone, lunch, car benefit) with a total taxation value of EUR 18,431 for 2011. In addition, the Group CEO has an individual supplementary health insurance, the cost of which was EUR 4,396 in 2011.

The period of notice for terminating the service contract of the Group CEO is six months. In addition to receiving salary for the period of notice, the Group CEO is entitled to severance compensation of 18 months' full salary, provided the service contract was terminated by Sampo plc.

The retirement age of the Group CEO is 60 and the pension benefit is 60 per cent of the pensionable salary. The pensionable salary includes fixed salary, fringe benefits, holiday pay and short-term incentives and is calculated as an average of two out of the four last full years, where the best and the worst year are left out. The cost for supplementary pension coverage was EUR 332,270 in 2011.

Financial benefits of the Board Chairman and Board members under an employment or service relationship

The members of the Board of Directors are not in an employment or service relationship with the company and are not covered by the remuneration systems.