

BASE PROSPECTUS

SAMPO GROUP

SAMPO PLC

(incorporated with limited liability in Finland)

EUR 3,000,000,000

Euro Medium Term Note Programme

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "FSA"), which is the United Kingdom competent authority for the purposes of the Prospectus Directive (as defined herein) and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of notes ("Notes") issued under the Euro Medium Term Note Programme (the "Programme") described in this Base Prospectus during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the "London Stock Exchange"). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems, as may be agreed with Sampo plc (the "Issuer").

As of the date of this Base Prospectus, the Issuer has been assigned a rating of "Baa2" by Moody's Investors Service Ltd. ("Moody's") and the Programme is expected to also be assigned a rating of "Baa2" by Moody's. Moody's is established in the EU (as defined herein) and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation"). Tranches of Notes (as defined in "Terms and Conditions of the Notes") to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms (as defined herein). Such rating will not necessarily be the same as the rating(s) assigned to the Issuer, the Programme or to Notes already issued. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the EU before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, (2) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the EU, but which is certified under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. Potential investors in the Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they understand the nature of the relevant Notes as an investment in light of their own circumstances and financial condition and should consult their own professional advisers in connection therewith. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

**Arranger
NORDEA**

Dealers

**CITIGROUP
DEUTSCHE BANK
NORDEA**

**DANSKE BANK
J.P. MORGAN
POHJOLA BANK PLC**

SEB

CONTENTS

	Page
IMPORTANT NOTICES.....	1
OVERVIEW.....	3
RISK FACTORS.....	7
INFORMATION INCORPORATED BY REFERENCE.....	18
FINAL TERMS AND DRAWDOWN PROSPECTUSES.....	19
FORMS OF THE NOTES.....	20
TERMS AND CONDITIONS OF THE NOTES.....	26
FORM OF FINAL TERMS.....	50
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM.....	65
DESCRIPTION OF THE ISSUER.....	67
TAXATION.....	82
SUBSCRIPTION AND SALE.....	83
GENERAL INFORMATION.....	86

IMPORTANT NOTICES

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Each Tranche of Notes will be issued on the terms set out herein under "Terms and Conditions of the Notes" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers named under "Subscription and Sale" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Bearer Notes, delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase

any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, "**SEK**" and "**Swedish crowns**" are to the lawful currency of the Kingdom of Sweden, the expression "**Prospectus Directive**" means Directive 2003/71/EC, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a Drawdown Prospectus in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.

Issuer:	Sampo plc.
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " below and include insurance risk, market risk, credit risk, liquidity risk and operational risk.
Arranger:	Nordea Bank Danmark A/S.
Dealers:	Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., Nordea Bank Danmark A/S, Pohjola Bank plc, Skandinaviska Enskilda Banken AB (publ) and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank, N.A. London Branch.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and relevant Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms or, as the case may be the relevant Drawdown Prospectus.
Listing and Trading:	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems, as may be agreed with the Issuer.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or the VPS and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms, other than in relation to VPS Notes, which are cleared through the VPS.
Initial Programme Amount:	Up to EUR 3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes:

Notes may be issued in bearer form, in registered form or in uncertificated book entry form (in the case of VPS Notes).

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS.

Currencies:

Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Any maturity between 1 month and 30 years, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer.

- Redemption:** Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.
- Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
- Tax Redemption:** Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (*Redemption and Purchase - Redemption for tax reasons*).
- Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
- Denominations:** No Notes may be issued under the Programme which, in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, have a minimum denomination of less than EUR100,000 (or its equivalent in any other currency as at the date of issue of the Notes).
- Negative Pledge:** The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
- Cross Default:** The Notes will have the benefit of a cross default as described in Condition 15 (*Events of Default*).
- Taxation:** All payments in respect of Notes will be made free and clear of withholding taxes of Finland unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 14 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Governing Law:	English law, except for VPS Notes that are subject to Norwegian law. Further, VPS Notes must comply with the Norwegian Securities Register Act of 5 July 2002 No. 64 (as amended from time to time) and the holders of VPS Notes will be entitled to the rights and subject to the obligations and liabilities which arise under this Act and any related regulations and liabilities.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 4 April 2012, a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Ratings:	<p>As of the date of this Base Prospectus, the Issuer has been assigned a rating of "Baa2" by Moody's and the Programme is expected to also be assigned a rating of "Baa2" by Moody's. Moody's is established in the EU and registered under the CRA Regulation.</p> <p>Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to Issuer, the Programme or to Notes already issued. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the Final Terms.</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area and the United Kingdom, see " <i>Subscription and Sale</i> " below.

RISK FACTORS

Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

According to the Issuer's assessment, the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

According to the Issuer's assessment, the factors described below in this "Risk Factors" section represent all the material/principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered material/principal risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Financial results may be affected by changes in the world economy and fluctuations in the financial markets

Since the year 2007, the world economy, including the Issuer's industry, has been subject to extreme volatility and disruption and severe challenges. Events such as the global financial crisis turning into a sovereign debt crisis have further shaken the world economy and have had considerable effects on the Issuer and its subsidiaries' and associated companies' operating environment and may have considerable effects on Issuer and its subsidiaries' and associated companies' business. The level of risk related to financial investments has remained at a high level. Also, future changes in the world economy and/or financial markets can be very difficult to predict considering also the discussions about the potential breakdown of the euro-zone. Any adverse changes in the economy and/or financial markets in which Sampo Group invests or which otherwise have worldwide effects could have a material adverse effect on Sampo Group's consolidated financial condition, results of operations and cash flows.

Investment returns are an important part of determining Sampo Group's overall profitability and thus fluctuations in the financial markets, such as the fixed income, equity and currency markets, could have a material effect on Sampo Group's consolidated results of operations. Although Sampo Group has a diversified investment portfolio and its exposure to countries generally deemed to be at risk (including Greece, Italy, Ireland, Portugal and Spain) is currently not material, and although Sampo constantly monitors and manages the composition of its investments in relation to the characteristics of its insurance liabilities, market risks may be realised, which could have a material adverse effect on Sampo Group's business, results of operations and financial condition.

Interest rate risk is related to the Group's fixed income investments and insurance liabilities. Fluctuations in interest rates may affect returns on fixed income investments and their market value. When market interest rates rise, the balance sheet values of fixed income securities fall and this has an immediate impact on the Issuer's earnings and equity capital. On the other hand, higher interest rates mean increased interest income for new investments, which gradually improves profitability and the economic capital position.

When market interest rates decrease, the balance sheet values of fixed income securities rise and this has an immediate impact on the Issuer's earnings and equity capital. On the other hand, consistently low market interest rates would result in a reduction in the return on Sampo Group's future fixed income investments and this may mean that the Issuer is not able to pay amounts due under the Notes. Generally, investment income may be reduced during sustained periods of lower interest rates as higher yielding

fixed income securities are called, mature or are sold and the proceeds are reinvested at lower rates even though prices of fixed income securities tend to rise and gains realised upon their sale tend to increase.

Equity price risk is the risk of losses due to changes in share prices. Sampo Group is exposed to changes in the prices of equities which are generally subject to greater volatility and hence more risks than fixed income securities. Sampo Group's total investment assets on 31 December 2011 amounted to EUR 17.6 billion (EUR 18.3 billion in 2010), of which 15 per cent was invested in equities (18 per cent in 2010), the equity portfolio amounting to EUR 2.6 billion (EUR 3.4 billion in 2010). General economic conditions and many other factors beyond the control of Sampo Group can adversely affect the equity markets and hence the Sampo Group.

In addition to the above investment assets, Sampo Group's equity investments consist of the Issuer's holdings in Nordea Bank AB (publ) ("**Nordea**"). The Issuer's holdings in Nordea as of 31 December 2011 had a book-value of EUR 6.3 billion and respective market value of EUR 5.1 billion. As of 31 December 2011, the holdings amounted to 21.3 per cent. Nordea is treated as an associated company to the Issuer and hence the changes in Nordea's market value will not affect Sampo Group. Instead, Nordea's contribution to Sampo Group's profit is the proportion of Nordea's profit corresponding to Sampo Group's shareholding in Nordea. Accordingly, adverse changes in Nordea's profit could have a material adverse effect on the Issuer's results of operations and financial condition.

Currency risk is the risk that Sampo Group will incur losses due to changes in foreign currency exchange rates, which may be particularly volatile in times of global financial crisis. The currency risk of the Issuer consists of the translation risk and the transaction risk. Sampo Group's consolidated financial statements are denominated in euro. Translation risk arises when entities with another base currency are consolidated into the Group's financial statements. The effect of changes in foreign exchange rates results in translation differences which are recognised in the consolidated comprehensive income statement. As a result of the accounting for operations in currencies other than euro, fluctuations in the relevant value of the euro to other currencies could be significant because, amongst other things, these fluctuations could cause Sampo Group's equity capital to fluctuate. Translation risks arise also within If P&C group and to a lesser extent within Mandatum Life group from their subsidiaries whose base currency is different from that of the respective parent company. The transaction risk refers to the currency risk arising from contractual cash flows related to the insurance or investment operations or from hedges related to these cash flows. The Issuer's transaction risk position is related to SEK-denominated dividends paid by If P&C Insurance Holding Ltd. and to debt instruments in other currencies than euro.

Investment returns are also susceptible to changes in general creditworthiness of the issuers of debt securities and equity securities held in the businesses' portfolios. The value of fixed income securities may be affected by, amongst other things, realised or anticipated changes in the issuer's creditworthiness. This is the spread risk. Sampo Group has a considerable amount of credit risk investments exposed to spread risk and thus the management of credit and liquidity risks plays a significant role in the Group's risk management processes.

The value of real estate can be affected by, among other things, changes in economic conditions, disposable income and in interest rate levels.

Sampo Group has significant investments in equity and debt instruments that are accounted for as "available-for-sale". During 2009, Sampo Group widened its interpretation on impairment of available-for-sale financial assets according to which the decision on whether the impairment is significant or prolonged requires an assessment of the management of the Issuer. The impairment is normally assessed to be significant if the fair value of listed equity or participation decreases below the acquisition cost by 20 per cent and prolonged when the fair value has been lower than the acquisition cost for more than 12 months. During 2011, Sampo Group made impairments to the amount of EUR 239 million on financial assets available-for-sale (EUR 29 million in 2010). Reported investment income amounted to EUR 260 million as of 31 December 2011 (EUR 1,148 million as of 31 December 2010). The fair value reserve on the Group level decreased to EUR 355 million in 2011 (EUR 736 million as of 31 December 2010).

Financial results may be affected by interest rates

Significant changes in interest rates could materially and adversely affect Sampo Group's business and financial performance in addition to effects concerning investment assets as described earlier.

The level of and changes in interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can affect Sampo Group's interest payable on debt and economic value of insurance liabilities in insurance subsidiaries. The Issuer's debt financing as of 31 December 2011 amounted to EUR 2,329 million and interest bearing assets including bank accounts to EUR 1,121 million. During 2011 the net debt increased by EUR 192 million to EUR 1,208 million (EUR 1,016 million in 2010).

In the life insurance business, in addition to economic value risk of insurance liabilities, a major interest rate risk is that fixed income investments will not, over a longer period of time, generate a return at least equal to the guaranteed return of technical provisions. The risk increases when market interest rates fall and remain at low levels.

Regulatory compliance and regulatory changes

Sampo Group's insurance business is subject to government regulation in the jurisdictions in which it conducts business. Regulatory agencies – in particular, the Finnish Financial Supervisory Authority – have broad jurisdiction over many aspects of the business, which may include capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

The European Commission's Solvency II framework directive entered into force in December 2009 and it is expected to be implemented by 2014. The introduction of a new economic risk based solvency regime aims to deepen the integration of the insurance and reinsurance market, to enhance the protection of policyholders and beneficiaries, to improve international competitiveness of EU insurers and reinsurers and to promote better regulation. Technical preparedness for Solvency II has been built into the Group during the last few years and the anticipated Solvency II requirements for risk management practices have been taken into account in the risk management development activities of Group companies. In the beginning of 2011 If P&C entered a so-called pre-application process with the Swedish and Finnish Financial Supervisory Authorities. The process will continue during 2012 with the goal of having a partial internal model approved when the Solvency II legal framework enters into force. Also Mandatum Life further develops its corresponding models. Although Sampo Group is well prepared for the drafted solvency requirements, compliance with the requirements cannot be guaranteed and potential non-compliance could have a material adverse effect on its business, results of operations and financial condition.

In addition to capital requirement framework changes in insurance industry (Solvency II), the capital requirement framework changes in banking industry (Basel III) are relevant for Sampo Group through the associated company Nordea. Nordea is required to meet the tightening capital requirements (the Basel III framework as well as possible additional capital requirements by the Swedish government) in the future. Although Nordea is well prepared to meet the new capital requirements, compliance with the requirements cannot be guaranteed by Sampo and potential non-compliance by Nordea could have a material adverse effect on the business, results of operations and financial condition of Sampo Group. New capital requirements may also have a negative effect on Nordea's profitability.

On 1 January 2010 a new act on long-term savings entered into force. Under the act, tax incentives are also available for other kinds of long-term saving alternatives in addition to pension insurance. The entry into force of the said act may adversely affect the competitive situation between service providers in the long-term pension savings business. During the years 2010 and 2011 this risk did not occur, but risk for changes in competitive situation still exists.

All financial services groups face the risk that regulators may find that they have failed to comply with applicable regulations or have not undertaken corrective action as required. Regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, Sampo Group, as well as diverting management's attention away from the day-to-day management of the business. A significant regulatory action against a member of Sampo Group could have a material adverse effect on the business of Sampo Group, its results of operations and/or financial condition.

In addition, changes in government policy, legislation or regulatory interpretation applying to the financial services industry in the markets in which Sampo Group operates may adversely affect its product range, distribution channels, capital requirements and, consequently, its results and financing requirements.

Financial results may be affected by insurance claims

The frequency and severity of incurred and reported insurance claims are an important part of Sampo Group's overall profitability and fluctuations in insurance claims can have a material effect on the consolidated results of operations. In addition, any adverse changes in the rate of claims inflation, cost inflation or in the cost of reinsurance protection could have a material adverse effect on Sampo Group's consolidated financial condition, results of operations and cash flows. Changes in these factors can be very difficult to predict and recent years have been characterised by dramatic weather conditions leading to a huge number of insurance claims.

Sampo Group is subject to insurance underwriting risks

Insurance underwriting risk is the risk that the cost of future claims payments including expenses will be higher than anticipated. Underwriting risk is the elementary risk in Sampo Group's business and the management of it forms the foundation for insurance operations. P&C insurance underwriting risks are divided into premium risk, reserve risk, catastrophe risk and expense risk. Premium risk is the risk of loss due to inadequate pricing, risk concentration, improper reinsurance coverage or random fluctuations in frequency and/or size of claims. Reserve risk results from fluctuations in the timing and amount of claim settlements. Catastrophe risk is the risk of low frequency, high severity events, such as natural catastrophes, that are not captured adequately by the premium risk or reserve risk. These events lead to significant deviation in actual claims from the total expected claims. Catastrophe risk is not defined as a separate risk, but it can be seen as an extreme case of premium risk. Expense risk arises from the fact that the timing and/or the amount of expenses incurred differs from those expected. As a result expense charges originally assumed may not be enough to cover the realised expenses.

Insurance underwriting risks in the life insurance business encompass biometric risks, policyholder behaviour risks and expense risk. Biometric risks refer to the risk that the Group has to pay more mortality, disability or morbidity benefits than expected or the Group is obliged to pay pension payments to the pension policyholder for a longer time (longevity risk) than expected when pricing the policies. The specific case in which a single event of major magnitude leads to a significant deviation in actual benefits and payments from the total expected payments is called catastrophe risk. In life insurance, catastrophe events include single events or series of events. These events can occur within short time period or be, by nature, long-lasting events.

Policyholder behavior risks arise from the uncertainty related to the behaviour of policyholders. Policyholders have a right to cease paying premiums (lapse risk) and a possibility to interrupt their policies (surrender risk).

Expense risk arises from the fact that the timing and/or the amount of expenses incurred differs from those expected at the timing of pricing. As a result expense charges originally assumed may not be enough to cover the realised expenses.

During 2011, Sampo Group's insurance risk profile remained relatively stable. In Mandatum Life longevity risk is still the most material biometric risk and most of it arises from the Group pension portfolio. In If P&C the most material insurance risk is reserve risk, which to a large extent is driven by long-tailed business such as workers' compensation and motor third party liability.

Although Sampo Group continuously puts significant efforts into managing and controlling insurance risks related to its business, realisation of risks that are larger extent than anticipated at the timing of pricing is possible and may have a material adverse effect on the Issuer's business, results of operations and financial condition.

Sampo Group is subject to emerging insurance risks

Both the P&C and life insurance businesses are subject to emerging insurance risks. By their very nature these risks are evolving, uncertain and difficult to quantify. In P&C insurance potential emerging insurance risks include, for example, the impact of the potential climate change whereas in life insurance these risks may include, for example, risks related to pandemics. Emerging insurance risks are managed by monitoring the developments in these risks on the basis of industry research, assessments and scenario analyses and by incorporating these risks into the provisioning and pricing processes to the extent

possible. Due to the difficulty in predicting these risks, potential emerging insurance risks could have a material adverse effect on Sampo Group's business, results of operations and financial condition.

Sampo Group is subject to credit risk

Sampo Group is exposed to credit risk, amongst other things, through holdings of fixed income instruments, derivative contracts, reinsurance agreements and loan advances. Credit risks mainly consist of the issuer risk related to investment assets, and counterparty risk related to derivatives and reinsurance transactions. A failure by an issuer of a security or of a counterparty to a derivative or reinsurance agreement to meet its obligations could have a material impact on Sampo Group's financial position. The issuer risk in Sampo Group's investment portfolios mainly arises from investments in the Nordic region. In addition, when it comes to credit risk, Sampo Group may be exposed to concentration risk when credit investments are affected similarly by economic scenarios or market events. Concentration risk is managed by taking into account Sampo Group's concentration exposure by industry sectors, products and creditworthiness when setting individual issuer-specific limits in the investment policies for the various subsidiaries in the Sampo Group. Sampo Group investments are also exposed to the spread risk set out in "Financial results may be affected by changes in the world economy and fluctuations in the financial markets" above, which relates mainly to changes in the credit spreads of fixed income investments.

Additionally, counterparty risk related to reinsurers arises through reinsurance receivables and through the reinsurers' portion of outstanding claims. Credit risk related to reinsurance mainly concerns If P&C, as the use of reinsurance in Mandatum Life is relatively limited. Under reinsurance arrangements, other insurers assume a portion of the costs, losses and expenses associated with policy claims and maturities, and reported and unreported losses, in exchange for a portion of the policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. Any decrease in the amount of reinsurance cover purchased will increase Sampo Group's risk of loss. When reinsurance is obtained, Sampo Group is still liable for those transferred risks if the reinsurer does not meet its obligations. Therefore, the inability or failure of reinsurers to meet their financial obligations could materially affect Sampo Group's operations and financial condition. Further, counterparty risk related to OTC-derivatives may arise if the net market value of transactions with the same counterparty is positive. This risk is mitigated by ISDA agreements signed with the most frequently used counterparties. With some counterparties also Credit Support Annex agreements are signed.

Generally, Sampo Group manages its credit risk by assigning limits and restrictions to maximum exposures towards single issuers and derivative counterparties that are mainly based on external rating class and an internal assessment. The credit standing of an issuer, the valuation and liquidity of an instrument are thoroughly assessed before any limit is established. After that investment can be made and such issuer's credit standing is continuously monitored. A similar kind of procedure is also followed in the case of reinsurers. Despite the significant efforts put on managing credit risks, realisation of these risks is possible and may have a material adverse effect on the Issuer's business, results of operations and financial condition.

Sampo Group is subject to liquidity risk

Liquidity risk is the risk that insurance undertakings are unable to conduct their regular business activities in accordance with the defined strategy, or in extreme cases, are unable to settle their financial obligations when they fall due. Major sources of liquidity risk in Sampo Group are market illiquidity risk of investments, non-renewal of insurance policies and refinancing risk of debt. Also, the availability and price of refinance and financial derivatives affect the Group's ability to conduct regular business.

Market liquidity risk is the risk that insurance undertakings are unable to realise investments and other assets in order to settle their financial obligations when they fall due. Market liquidity risk increased during the financial crisis but it is, however, rather limited in the case of Sampo Group as a major share of the investment assets are in tradable investment-grade securities and in short-term money market instruments. However, if Sampo Group faces large-scale demands requiring immediate realisation of liquid assets, this could have a material adverse effect on its business, results of operations and financial condition.

Sampo Group's refinancing risk is related mainly to the Issuer's debt and to some extent to hybrid instruments issued by its insurance subsidiaries. Sampo Group has a relatively low amount of financial liabilities and thus the Group's respective refinancing risk is relatively minor. However, should the credit

rating of the Issuer drop to a level such that the investment guidelines or regulations applicable to key investors prohibit the holding of the Issuer's securities, these investors might be forced to decrease their investments in the Issuer, which, in turn, could lead to the increase in the cost of new funding or restrict the Issuer's ability to obtain new funding.

A default by an institution, or even concerns as to its credit-worthiness, could lead to significant liquidity problems, losses or defaults by other institutions because the stability of many financial institutions may be closely linked to credit, trading, clearing or other relationships between institutions. This risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which Sampo Group interacts on a daily basis and therefore could adversely affect Sampo Group.

Sampo Group is subject to operational risk

Sampo Group, like all financial services groups, is exposed to many types of operational risk, including the risk of inadequate or failed internal processes, fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems or from external events (including legal and reputation risk).

Operational risks, as opposed to strategic and business risks, are often event based and they can be traced back to a single place and point in time. In Sampo Group, operational risk management is organised under the different business areas. The Issuer's main function is to own and control its subsidiaries. The Issuer coordinates capital allocation, risk management, compensation principles, internal audit, group accounting, investor relations and legal and tax issues within Sampo Group. Furthermore, the Issuer manages a liquidity portfolio of short-term interest bearing assets. The size of the portfolio changes during the year based on incoming and outgoing payments. Sampo Group's systems and processes are designed to ensure that the operational risks associated with Sampo Group's activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect Sampo Group's financial performance and business activities. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer or Sampo Group will be unable to comply with the Issuer's obligations as a company with securities admitted to the Official List or as a firm regulated by the Finnish Financial Supervisory Authority.

Sampo Group may be affected by increased competition and a lack of realisation of growth expectations

If's market position in the Nordic P&C insurance market is very strong and that position is expected to remain solid in the future. Competitive pressure from new sources of competition such as smaller competitors and competition from new distribution channels such as web-based service models may restrict If's market position and adversely affect growth expectations.

In addition, the insurance markets throughout Europe have experienced significant changes in recent years due to the introduction of several laws and regulations as a result of the implementation of a number of insurance directives issued by the European Union ("EU"). As a result, direct marketing of non-life and life insurance may be carried out on a cross-border basis and therefore, for insurance companies, it is much easier to operate outside their home state. The development of a single European market together with the reduction of regulatory restrictions is also facilitating the growth of new distribution systems, partially replacing the traditional reliance on insurance intermediaries such as agents.

Sampo Group is subject to legal risks

Sampo Group is subject to a wide range of legal obligations in the countries in which it operates. There are a number of legal proceedings against the Sampo Group companies outstanding, arising in the ordinary course of business. However, Sampo Group is currently not involved in any legal disputes that could, in the Issuer's opinion, materially affect its earnings in its financial year ended 31 December 2011. However, an unfavourable outcome of any pending or potential future litigation could have a material adverse effect on the Issuer's business, results of operations and financial condition.

Insurance is a highly regulated business with formal rules for minimum capital and capital structure. In the Issuer's opinion it complies with the current legal requirements. However, regulation in countries in which Sampo Group operates may change and the Issuer cannot guarantee that it would in such case comply, without material measures, with the requirements of changed regulation, which could have a

material adverse effect on Sampo Group's business, results of operations and financial condition. For further information, please see "*Regulatory compliance and regulatory changes*" above.

Sampo Group is subject to reputational risk

Sampo Group is vulnerable to adverse market perception as it operates in a regulated industry where it must display a high level of integrity and maintain the trust and the confidence of customers. Reputational risks are related to the way the Issuer is perceived from the perspective of different stakeholders (shareholders, customers, staff, business partners or the general public) and may arise through realised risks in other risk categories. Reputational risks may arise also through external distribution channels, the risks of which are difficult to control. Mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, or the negative publicity resulting from such activities or the accusation by a third party of such activities associated with Sampo Group or a relevant investment sector generally could have a material adverse effect on Sampo Group's business, results of operations and/or financial condition.

Risks related to the structure of a particular issue of Notes

A wide range of Notes, including Notes which are complex financial instruments, may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors and each potential investor must determine the suitability of an investment in the Notes in light of its own circumstances. Set out below is a description of the most common such features:

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Finland or any political subdivision thereof or any authority therein or thereof having power to tax or any change in the application or official interpretation of such law or regulations, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Zero Coupon Notes

Zero Coupon Notes do not pay interest but are issued at a discount from their nominal value. Instead of periodic interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of Zero Coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. Prices of Zero Coupon Notes are more volatile than the prices of Fixed Rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;

- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and waivers

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be admitted to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence as from 1 January 2010. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

U.S. Foreign Account Tax Compliance Withholding

The Issuer and other financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes treated as debt for U.S. federal tax purposes that are issued after 31 December 2012 or are materially modified from that date and (ii) any Notes treated as equity for U.S. federal tax purposes, whenever issued, pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") or similar law implementing an intergovernmental approach to FATCA. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) that enters into and complies with an agreement with the U.S. Internal Revenue Service (the "**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"), (ii) the Issuer has a positive "passthru percentage" (as defined in FATCA), and (iii) (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is a

U.S. person or should otherwise be treated as holding a "United States Account" of such Participating FFI, or (b) any FFI that is an investor, or through which payment on such Notes is made, is not a Participating FFI.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. Holders of Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

FATCA is particularly complex and its application is uncertain as at the date of this Base Prospectus. The above description is based in part on proposed regulations and official guidance that is subject to change. The application of FATCA to Notes issued after 31 December 2012 (or whenever issued, in the case of Notes treated as equity for U.S. federal tax purposes) may be addressed in the relevant Final Terms or in a supplement to this Base Prospectus, Drawdown Prospectus or new base prospectus, as applicable.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. As for VPS Notes, these are governed by Norwegian law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Norwegian law (in the case of VPS Notes) or administrative practice after the date of this Base Prospectus.

Bearer Notes where denominations involve integral multiples: definitive Bearer Notes

In relation to any issue of bearer Notes which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum specified denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum specified denomination in its account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a specified denomination. If definitive bearer Notes are issued, holders should be aware that definitive bearer Notes which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of

the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

As of the date of this Base Prospectus, the Issuer has been assigned a rating of "Baa2" by Moody's and the Programme is expected to also be assigned a rating of "Baa2" by Moody's. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to Issuer, the Programme or to Notes already issued. One or more independent credit rating agencies may also assign credit ratings to the Notes, which may not necessarily be the same ratings as the Issuer or Programme rating described above or any rating(s) assigned to Notes already issued. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (1) the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 2011 and 2010 (set out on pages 118 to 234 and pages 146 to 293, respectively, of the 2011 and 2010 annual reports of the Issuer).
- (2) the Terms and Conditions of the Notes (set out on pages 31 to 62) of the Issuer's Base Prospectus for the Programme dated 25 March 2009.
- (3) the Terms and Conditions of the Notes (set out on pages 23 to 47) of the Issuer's Base Prospectus for the Programme dated 8 April 2010.
- (4) the Terms and Conditions of the Notes (set out on pages 26 to 49) of the Issuer's Base Prospectus for the Programme dated 8 April 2011.

Should any of the documents specified above as containing information incorporated by reference in this Base Prospectus themselves incorporate by reference further information, such information does not form part of this Base Prospectus.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at Fabianinkatu 27, FI-00100 Helsinki, Finland.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Except where explicitly incorporated by reference herein, any documents themselves incorporated by reference into the documents listed above shall not form part of this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus.

In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Notes.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 1 year, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided, however, that** in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has

requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the Final Terms; or
- (ii) at any time, if so specified in the Final Terms; or
- (iii) if the Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs;
 - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) any of the circumstances described in Condition 15 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) any of the circumstances described in Condition 15 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the

Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

VPS Notes

Each tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form. Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. On the issue of such VPS Notes, the Issuer will send a letter to the VPS Trustee, with copies sent to the Agent and the VPS Agent (the "**VPS Letter**"), which will set out the terms of the relevant issue of VPS Notes in the form of a Final Terms supplement attached thereto. On delivery of a copy of such VPS Letter including the relevant Final Terms to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in the VPS will take place three Oslo business days after the date of the relevant transaction. Transfers of interests in the relevant VPS Notes will only take place in accordance with the rules and procedures for the time being of the VPS.

A VPS Trustee might be appointed, and will in such a case, act for the benefit of the holders for the time being of the VPS Notes, in accordance with the provisions of the VPS Trustee Agreement and these Terms and Conditions.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 1 year, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual note certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if either of the following events occurs:
 - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (b) any of the circumstances described in Condition 15 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Notes (each an "**Accountholder**") shall acquire under the deed of covenant dated 4 April 2012 (the "**Deed of**

Covenant") rights of enforcement against the Issuer ("**Direct Rights**") to compel the Issuer to perform its obligations to the Holder of the Global Note Certificate in respect of the Notes represented by the Global Note Certificate, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Note Certificate may have under the Global Note Certificate or otherwise. Payment to the Holder of the Global Note Certificate in respect of any Notes represented by the Global Note Certificate shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Note Certificate.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Note Certificate for notices to be given by the Issuer to Noteholders.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* Sampo plc (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 3,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 4 April 2012 (the "**Agency Agreement**" which expression shall include any amendments or supplements thereto) between the Issuer, Citibank, N.A. London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank, N.A. London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them
- (d) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 4 April 2012 (the "**Deed of Covenant**" which expression shall include any amendments or supplements thereto) entered into by the Issuer.
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at Fabianinkatu 27, FI-00100 Helsinki, Finland and www.sampo.com and copies may be obtained from Fabianinkatu 27, FI-00100 Helsinki, Finland.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.
- (g) *VPS Notes:* VPS Notes are in dematerialised form: any references in these terms and conditions to Receipts, Coupons, and Talons shall not apply to VPS Notes and no global or definitive Notes will be issued in respect thereof. These terms and conditions shall be construed accordingly.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**business day**" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding

the last day of the Calculation Period;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"Extraordinary Resolution" has the meaning given in Schedule 2 to the Agency Agreement;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Holder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*), in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*) and, in the case of VPS Notes, has the meaning given in Condition 3 (k) (*Specific provisions for VPS Notes*);

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Final Terms;

"Margin" has the meaning given in the relevant Final Terms;

"Material Subsidiary" means:

- (i) on the basis of the most recent audited consolidated accounts of the Issuer, any Subsidiary whose total consolidated assets represent at least 5 per cent. of the total consolidated assets of the Issuer; or
- (ii) whose total consolidated revenues represent at least 5 per cent. of the total consolidated revenues of the Issuer; or
- (iii) any other Subsidiary to which is transferred either (A) all or substantially all of the assets of another Subsidiary which immediately prior to the transfer was a Material Subsidiary or (B) sufficient assets of the Issuer that such Subsidiary would have been a Material Subsidiary had the transfer occurred on or before the date of the most recent audited consolidated accounts of the Issuer, and

a report by the auditors to the Issuer that in their opinion a Subsidiary is or is not or was or was not at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Noteholder", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*), in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*) and, in the case of VPS Notes, has the meaning given in Condition 3 (k) (*Specific provisions for VPS Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final

Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to New Zealand dollars, it means either Wellington or Auckland is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption

Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Indebtedness" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Reserved Matter" means any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or

body corporate formed or to be formed;

- (iii) to change the currency in which amounts due in respect of the Notes are payable;
- (iv) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (v) to amend this definition;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Treaty" means the Treaty on the Functioning of the European Union, as amended;

"VPS" means the Norwegian Central Securities Depository Verdipapirsentralen ASA of Biskop Gunnerus gate 14 A, 0185 Oslo, Norway;

"VPS Agent" means the entity acting as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as detailed in a VPS agency agreement (the **"VPS Agency Agreement"**);

"VPS Notes" means notes issued through VPS;

"VPS Noteholder" has the definition ascribed to it in Condition 3(k) (*Specific provisions for VPS Notes*);

"VPS Trustee" means the entity (**"Norsk Tillitsmann ASA"**) that might be appointed to act for the benefit of the holders for the time being of the VPS Notes, in accordance with the provisions of a VPS trustee agreement (the **"VPS Trustee Agreement"**) and these Terms and Conditions;

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms;

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 14 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 14 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of

the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (k) *Specific provisions for VPS Notes:* Each tranche of VPS Notes will be created and held in uncertificated book entry form in accounts with the VPS. VPS Notes will not be evidenced by any physical note or document of title other than a statement of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS. The holder of a VPS Note (a "**VPS Noteholder**") will be the person evidenced as such by a book entry in the records of the VPS. The issuer and the VPS Trustee may rely on a certificate of the VPS or one issued on behalf of the VPS by an account-carrying institution as to a particular person being a VPS Noteholder. Title to the VPS Notes will pass by registration in the VPS between the direct and indirect accountholders at the VPS in accordance with the rules and procedures of the VPS that are in force from time to time. Where a nominee is so evidenced, it shall be treated by the Issuer as the holder of the relevant VPS Note. A VPS Agent will act as an agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes. A VPS Trustee might be appointed, and will in such a case, act for the benefit of the holders for the time being of the VPS Notes, in accordance with the provisions of the VPS Trustee Agreement and these Terms and Conditions.

4. **Status**

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its respective Material Subsidiaries will, create or permit to subsist any Security Interest

upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security or other arrangement (whether or not it includes the giving of a Security Interest) for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*), as applicable. Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and Condition 12 (*Payments - Registered Notes*), as applicable. Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant

Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-Linked Interest:* If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and, in the case of the VPS Notes, the VPS and the VPS Agent, as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Dual Currency Note Provisions**

- (a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being

applicable.

- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments - Bearer Notes*), Condition 12 (*Payments -Registered Notes*) and Condition 13 (*Payments – VPS Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent and, in the case of VPS Notes to the VPS Agent, (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 10(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b).

- (c) *Redemption at the option of the Issuer:* If the call option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so

specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes or VPS Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and, the rules of the VPS, in case of VPS Notes and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* If the put option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- In the case of VPS Notes, Noteholders must, within the notice period, give notice to the relevant VPS Agent of such exercise in accordance with the standard procedures of the VPS from time to time.
- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. Any Notes and unmatured Coupons so purchased by the Issuer or any of its Subsidiaries may be held, redeemed, reissued or resold.
- (i) *Cancellation:* All Notes so redeemed pursuant to this Condition, or purchased by the Issuer or any of its Subsidiaries pursuant to paragraph (h) above and thereupon redeemed, and any unmatured Coupons attached to or surrendered with them shall be cancelled and, in the case of VPS Notes, deleted from the records of VPS, and may not be reissued or resold.

11. **Payments - Bearer Notes**

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal

due for payment:

- (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 15 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 16 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Payments - Registered Notes**

This Condition 12 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any

other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

13. **Payments – VPS Notes**

Payments of principal and interest in respect of VPS Notes will be made to the VPS Noteholders shown in the records of the VPS (i) in accordance with and subject to the rules and regulations from time to time regulating the VPS and (ii) subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.

14. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of

the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Finland, or the jurisdiction in which the Issuer is incorporated or tax resident from time to time, or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (ii) held by or on behalf of a Holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
- (iv) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or
- (v) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon or Note Certificate would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

15. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within 5 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 7 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* if the Issuer fails to perform or observe any of its other obligations under or in respect of the Notes and the failure continues for the period of 30 days after notice thereof shall have been given by the holder of any of the Notes to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer or Subsidiary:*
 - (i) any Indebtedness of the Issuer or any of its respective Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or the Material Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
 - (iii) the Issuer or any of its respective Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds EUR 10,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment an aggregate amount in excess of EUR 10,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer where the value of the undertaking, assets and revenues in question exceeds EUR 10,000,000; or
- (f) *Insolvency etc:* the Issuer shall be adjudicated or found bankrupt or insolvent, or shall suspend payments, or any order or action shall be made or taken by any competent court or administrative agency, or any resolution shall be passed by the Issuer, to apply for judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to the Issuer or a substantial part of its assets, or the Issuer shall be wound up or dissolved; or
- (g) *Analogous event:* any event occurs which under the laws of Finland has an analogous effect to any of the events referred to in paragraphs (d) to (f) above,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

16. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date. VPS Notes will become void unless presented for payment within a period of ten years (in the case of principal) and three years (in the case of interest) after the Relevant Date.

17. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

18. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to

vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and
- (b) the Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

19. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing a clear majority of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than a clear majority of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error or if such modification is of a formal, minor or technical nature. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.
- (c) *Provisions with respect to holders of VPS Notes:* The VPS Trustee Agreement might contain provisions for convening meetings of the VPS Noteholders to consider any matter affecting their interests, including sanctioning by a majority of two-thirds of votes (as more fully set out in the Agency Agreement) of a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement or the VPS Trustee Agreement. Such a meeting may be convened by the Issuer, the VPS Trustee, or by VPS Noteholders holding not less than 5 per cent of the Voting VPS Notes (as defined in the VPS Trustee Agreement). The quorum at any such meeting for passing a resolution requiring a two-thirds voting majority is one or more persons holding at least

one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing VPS Noteholders whatever the nominal amount of the VPS Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the VPS Notes, the VPS Trustee Agreement or the VPS Agency Agreement (including modifying the date of maturity of the VPS Notes or any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the VPS Notes or altering the currency of payment of the VPS Notes), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the VPS Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the VPS Notes for the time being outstanding. A resolution passed at any meeting of the VPS Noteholders shall be binding on all the VPS Noteholders, whether or not they are present at such meeting.

20. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

21. **Notices**

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.
- (c) *VPS Notes:* Notices to the VPS Noteholders shall be valid if the relevant notice is given to the VPS for communication by it to the VPS Noteholders. If in the opinion of the VPS Trustee (if applicable) any such publication is not practicable, notice shall be validly given if published in a leading daily English language newspaper (which is expected to be the *Financial Times*) with general circulation in Europe. Any such notice shall be deemed to have been given on the date seven days after delivery to the VPS and/or on the date of such publication in a newspaper or, if published more than once or on different dates, on the date of the first publication as provided above.

22. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with

the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

23. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

24. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law, except VPS Notes that will be governed by Norwegian law. Further, the VPS Trustee Agreement and the VPS Agency Agreement will be governed by and shall be construed in accordance with Norwegian law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non-contractual obligation arising out of or in connection with the Notes) or the consequences of their nullity. However, the Issuer agrees, for the exclusive benefit of the VPS Trustee, the VPS Agent and the VPS Noteholders that the courts of Norway are to have jurisdiction to settle any disputes which may arise out of, or in connection with, the VPS Trustee Agreement and the VPS Agency Agreement.
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 24(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 24 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated []

SAMPO PLC

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the

EUR 3,000,000,000 Euro Medium Term Note Programme

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented Directive 2003/71/EC (the "**Prospectus Directive**") (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 4 April 2012 [and the supplemental base prospectus dated [date]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at www.sampo.com and during normal business hours at Fabianinkatu 27, FI-00100 Helsinki, Finland and copies may be obtained from Fabianinkatu 27, FI-00100 Helsinki, Finland.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the Notes which are the subject of the Final Terms are not being (a) offered to the public in a member state (other than pursuant to one or more of the exemptions set out in Article 3.2 of the Prospectus Directive) or (b) admitted to trading on a regulated market in a member state.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated [original date], which are incorporated by reference in the base prospectus dated 4 April 2012, which constitutes a base prospectus [(the "**Base Prospectus**")]/[as supplemented by the supplemental base prospectus dated [date]], which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.

Terms used herein shall be deemed to be defined as such for the purposes of the [date] Conditions (the "**Conditions**") incorporated by reference in the base prospectus dated 4 April 2012 and are attached hereto. These Final Terms contain the final terms of the Notes and must be read in conjunction with the

Base Prospectus dated [*current date*] [and the supplemental base prospectus dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

[Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 4 April 2012 [and the supplemental base prospectus[es] dated [*date*] and [*date*]]. The Base Prospectus [and the supplemental base prospectus[es]] are available for viewing at www.sampo.com and during normal business hours at Fabianinkatu 27, FI-00100 Helsinki, Finland and copies may be obtained from Fabianinkatu 27, FI-00100 Helsinki, Finland.]

Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.

When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information, or the terms and conditions from a base prospectus with an earlier date by comparison with this Base Prospectus if the first tranche of an issue which is being increased was issued under such earlier base prospectus, constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, or whether a Drawdown Prospectus or a new base prospectus would be required in respect of such terms or information.

1. Issuer: Sampo plc
2. (i) Series Number: []
- (ii) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount: []
- (i) Series: []
- (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
6. (i) Specified Denominations: [EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No notes in definitive form will be issued with a denomination above EUR 199,000]
- For Bearer Notes only, where any Notes have a Specified Denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000, in paragraph 24 (Form of Notes) of the Final Terms, the Temporary Global Note or the Permanent Global Note may only be exchangeable for Definitive Notes in the limited circumstances specified in the applicable Temporary Global Note or Permanent Global Note.*
- [Other denomination of at least EUR 100,000]
- EUR 1,000.
- (ii) Calculation Amount: []
7. (i) Issue Date: [Specify/Issue Date/Not Applicable]
- (ii) Interest Commencement Date: [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.]
8. Maturity Date: []
- If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies)*

and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]

- [[] per cent. Fixed Rate]
9. Interest Basis: [[Specify reference rate] +/- [] per cent. Floating Rate]
- [Zero Coupon]
- [Index Linked Interest]
- [Other (Specify)]
- (further particulars specified below)
- [Redemption at par]
10. Redemption/Payment Basis: [Index Linked Redemption]
- [Dual Currency]
- [Partly Paid]
- [Instalment]
- [Other (Specify)]
- [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
11. Change of Interest or Redemption/ Payment Basis: [Investor Put]
12. Put/Call Options: [Issuer Call]
- [(further particulars specified below)]
13. [(i) Status of the Notes: [Senior/[Dated/Perpetual]]
- [(ii) [Date of [Board] approval for issuance of Notes obtained: []
- [(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]*
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (specify)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [specify Business Day Convention and any

applicable Business Centre(s) for the definition of "Business Day"/not adjusted]

- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

[]

- (i) Specified Period: *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*

[]

- (ii) Specified Interest Payment Dates: *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*

[]

- (iii) [First Interest Payment Date]: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]

- (iv) Business Day Convention: [Not Applicable/give details]

- (v) Additional Business Centre(s): [Screen Rate Determination/ISDA Determination/other (give details)]

- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]

- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):

- (viii) Screen Rate Determination: [For example, LIBOR or EURIBOR]

- Reference Rate: []

- Interest Determination Date(s): [For example, Reuters LIBOR 01/ EURIBOR 01]
 - Relevant Screen Page: [For example, 11.00 a.m. London time/Brussels time]
 - Relevant Time: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
 - Relevant Financial Centre:
- (ix) ISDA Determination: []
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: [+/-][] per cent. per annum
- (x) Margin(s): [] per cent. per annum
- (xi) Minimum Rate of Interest: [] per cent. per annum
- (xii) Maximum Rate of Interest: []
- (xiii) Day Count Fraction: []
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
17. **Zero Coupon Note Provisions** [] per cent. per annum
- (i) [Amortisation/Accrual] Yield: []
- (ii) Reference Price: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [10(g)]]
- (iii) Any other formula/basis of determining amount payable: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions** [give or annex details]
- (i) Index/Formula/other variable: []
- (ii) Calculation Agent responsible for calculating the interest due: []
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: []

- (vi) Interest Determination Date(s): []
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest or calculation period(s): []
- (vii) Specified Period: *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
[]
- (viii) Specified Interest Payment Dates: *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
[Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (ix) Business Day Convention: []
- (x) Additional Business Centre(s): [] per cent. per annum
- (xi) Minimum Rate/Amount of Interest: [] per cent. per annum
- (xii) Maximum Rate/Amount of Interest: []
- (xiii) Day Count Fraction: [Applicable/Not Applicable]

19. **Dual Currency Note Provisions**

(If not applicable, delete the remaining subparagraphs of this paragraph)

[give details]

- (i) Rate of Exchange/method of calculating Rate of Exchange: []
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option []

Specified Currency(ies) is/are payable:

PROVISIONS RELATING TO REDEMPTION

20. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
[]
- (i) Optional Redemption Date(s): [] per Calculation Amount
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):
- (iii) If redeemable in part: [] per Calculation Amount
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: []
- (iv) Notice period: [Applicable/Not Applicable]
21. **Put Option** *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
[]
- (i) Optional Redemption Date(s): [] per Calculation Amount
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): []
- (iii) Notice period: [] per Calculation Amount
22. **Final Redemption Amount of each Note**
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: [give or annex details]
- (i) Index/Formula/variable: []
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: []
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []

- (iv) Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable: []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [] per Calculation Amount
- (vi) Minimum Final Redemption Amount: [] per Calculation Amount
- (vii) Maximum Final Redemption Amount: [Not Applicable]

23. Early Redemption Amount

(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

(If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

[Bearer Notes:]

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

For Bearer Notes only, where any Notes have a Specified Denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000 as specified in paragraph 6(i) (Specified Denominations) of the Final Terms, the Temporary Global Note or the Permanent Global Note may only be exchangeable for

Definitive Notes in the limited circumstances specified in the applicable Temporary Global Note or Permanent Global Note.

[Registered Notes]

VPS Notes will be issued in uncertificated and dematerialised book entry form.

[Yes] [No]

25. New Global Note: [Not Applicable/give details].

Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(v) and 18(x) relate]

26. Additional Financial Centre(s) or other special provisions relating to payment dates: [Yes/No. If yes, give details]

27. Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): [Not Applicable/give details]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]

29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable

30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/give details]

31. Other final terms: [(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, or whether a Drawdown Prospectus or a new base prospectus would be required in respect of such final terms.)]

DISTRIBUTION

32. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a

firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

- (ii) Date of [Subscription] Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name and address]
33. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
34. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
35. U.S. Selling Restrictions: [Reg. S Category []/[TEFRA C/TEFRA D/TEFRA not applicable]
36. Non-exempt Offer: [Not Applicable/give details]
37. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue, admission to the Official List of the UK Listing Authority and admission to trading on the Regulated Market of the London Stock Exchange of the Notes described herein pursuant to the EUR 3,000,000,000 Euro Medium Term Note Programme of Sampo plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [(*Relevant third party information*) has been extracted from (*specify source*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Sampo plc:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing [London/None]
- (ii) Admission to trading [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings: The Notes to be issued [[have been]/[are expected to be]] rated:

[S & P: []]

[Moody's: []]

[Fitch: []]

[[Other]: []]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009, as amended.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009, as amended. However, [insert the name of the relevant EU CRA affiliate], which is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended, has disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union, but it is certified in accordance with Regulation (EC) No. 1060/2009, as amended.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, or whether a Drawdown Prospectus or a new base prospectus would be required in respect of such matters.)]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer []

(See "Use of Proceeds" wording in the Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: []

[Include breakdown of expenses]

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from Reuters.]

7. **[Index-linked or other variable-linked notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, or whether a Drawdown Prospectus or a new base prospectus would be required in respect of such matters.)

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive, or whether a Drawdown Prospectus or a new base prospectus would be required in respect of such matters.)

9. **OPERATIONAL INFORMATION**

ISIN Code: []

Common Code: []

Any clearing system(s) other than Euroclear Bank S.A./N.V. and [Not Applicable/give name(s) and number(s)]

Clearstream Banking, société anonyme and the relevant identification number(s): [Verdipapirsentralen, Norway. VPS identification number: []

The Issuer shall be entitled to obtain information from the register maintained by the VPS for the purposes of performing its obligations under the issue of VPS Notes.]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s): []

Names and addresses of additional Paying Agent(s) (if any): []

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

[Note that the designation "yes" simply means that

the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper. Special arrangements apply for VPS Notes (see *Terms and Conditions*).

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held open for business.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note

must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 21 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

DESCRIPTION OF THE ISSUER

Overview

Sampo plc (known as Sampo Oyj in Finland) (the "**Issuer**" and, together with its subsidiaries, "**Sampo Group**" or "**Group**") is the Finnish holding company of Sampo Group. The Issuer is a public limited company incorporated on 5 September 1922 under the laws of Finland with registration number 0142213-3 and has been listed on the NASDAQ OMX Helsinki Ltd. since 1988. The Issuer's principal executive office is located at Fabianinkatu 27, FI-00100 Helsinki, Finland and its telephone number is +358 10 516 0100.

History

Insurance Business

Currently, Sampo Group's main business areas include property and casualty ("**P&C**") insurance and life insurance. Sampo Group divested its banking business in 2007 by selling the Sampo Bank Group to Danske Bank A/S.

The roots of Sampo Group's P&C insurance business reach back to the 18th century and its life insurance business dates back to the 19th century. At the beginning of 2002, the P&C insurance operations of Sampo Group were combined with If P&C Insurance Holding Ltd. Through this transaction and two other transactions, If P&C Insurance Holding Ltd became a wholly owned subsidiary of the Issuer. During recent years Sampo Group has also increased its shareholdings in the Danish insurer, Topdanmark A/S ("**Topdanmark**"). In May 2011 Sampo Group's holding in Topdanmark exceeded 20 per cent and since 16 May 2011 Topdanmark has been recorded as an associated company in If Group's accounts.

Ownership in Nordea

During recent years, the Issuer has increased its shareholdings in the Nordic banking group, Nordea. The Issuer's holding in Nordea exceeded 20 per cent in December 2009 and the year 2010 was the first year Nordea was recorded as an associated company in Sampo Group's accounts. On 5 April 2012 the Issuer's holding amounts to 21.3 per cent of Nordea. Sampo Group is the largest shareholder in Nordea.

Business overview

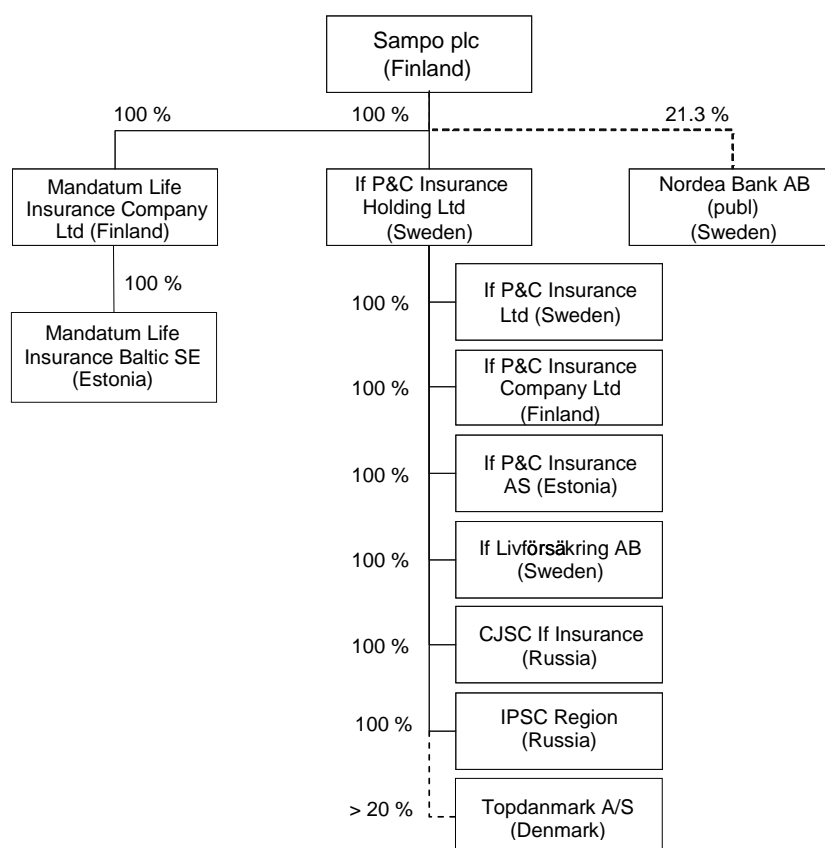
Organisational structure

Sampo Group's business is divided into two main business areas: P&C insurance and life insurance.

The Issuer owns and administers its insurance subsidiaries and carries out its business through its wholly owned subsidiaries Mandatum Life Insurance Company Limited (together with its subsidiary, "**Mandatum Life**" or "**Mandatum Life Group**") and If P&C Insurance Holding Ltd. (together with its subsidiaries, "**If**" or "**If Group**"). Mandatum Life (formerly Sampo Life) is a life insurance company operating in Finland and the Baltic countries with a market share of approximately 25 per cent in Finland and approximately 14 per cent in the Baltic countries (2011). Life insurance products are sold under the Mandatum Life brand both in Finland and the Baltic countries. If is the largest Nordic P&C insurer with a market share of approximately 20 per cent and also commands a strong position in the Baltic insurance market. P&C insurance products are sold under the If brand.

Sampo Group is also one of the largest investors in the Nordic countries. As of 31 December 2011, Sampo Group's investment assets totalled approximately EUR 17,590 million.

The following table shows the Sampo Group structure as of 31 December 2011.



Mission and Strategy

Sampo Group's mission is to generate value for its shareholders. Value is created through efficient and highly profitable operating units and by investments in situations offering significant upside potential with manageable downside risk. Shareholders benefit from the value creation through a high and stable dividend yield.

If's mission is to offer attractively priced insurance solutions that provide its customers with security and stability in their business operations, housing and daily life. If's vision is to be the leading property and casualty insurance company in the Nordic and Baltic regions with the most satisfied customers, leading-edge insurance expertise and superior profitability. If's strategic goal is to establish better profitability and customer satisfaction in the long run than its competitors, coupled with high creditworthiness. The financial targets are to achieve a combined ratio of less than 95 per cent and a return on equity (RoE) of at least 17.5 per cent.

Mandatum Life aims to be the leading life insurance provider in Finland and in the Baltic countries. Mandatum Life's core product areas will continue to be unit-linked policies, risk products and voluntary corporate pension schemes. The results of Mandatum Life consist of three components – investment result, risk result and expense result. In Finland the rules regarding profit-sharing between the company and its policy-holders (i.e. the so-called bonus-system) are more flexible than in some other jurisdictions. This, together with strong solvency, justifies the company to seek for higher returns for its investments than the risk free return. In the expense and risk results Mandatum Life seeks growth, even if in the short term the expense result will suffer from substantial investments in the sales channels and Wealth Management unit. Mandatum Life's financial target is to produce an RoE of at least 17.5 per cent.

If and P&C Insurance

P&C insurance operates under the If brand. If is the leading property and casualty insurance company in the Nordic region, with a market share of approximately 20 per cent and insurance operations that also encompass the Baltic countries and to some extent also Russia. If was established in 1999, when the P&C insurance businesses of Storebrand from Norway and Skandia from Sweden were merged. At the beginning of 2002, Sampo Group's P&C insurance operations were merged into If. In 2004, the Issuer acquired the If holdings of Skandia, Skandia Liv, Storebrand and Varma, as a result of which If became the Issuer's wholly owned subsidiary. The P&C insurance group's parent company, If P&C Insurance Holding Ltd, is located in Sweden and the If subsidiaries and/or branches provide insurance services in Finland, Sweden, Norway, Denmark, the Baltic countries and Russia (only corporate insurance customers). Since July 2009 the three If subsidiaries in the Baltic countries have operated under one company, If P&C Insurance AS with its domicile in Estonia and branches in Latvia and Lithuania.

If is one of the leading insurance companies in Sweden, Norway and Finland with market shares of 19, 25 and 25 per cent respectively. In the Danish market, which is more fragmented, If is the fifth largest company with a market share of 5 per cent. If also commands a strong position in the Baltic insurance markets. If is the largest player in the relatively consolidated Estonian P&C insurance market with a market share of 29 per cent. In the more fragmented Latvian and Lithuanian markets, If is the fourth and fifth largest player respectively with a market share of 11 per cent in Latvia and 9 per cent in Lithuania.

If's operations are divided into four business areas: Private, Commercial, Industrial and Baltic. The Private business area operates as a P&C expert in the Nordic markets, offering its customers comprehensive P&C insurance cover, a high service level and efficient claims handling. It offers its customers household, homeowner, motor and accident insurance, as well as different kinds of supplementary insurance such as travel, boat, forest and pet insurance. If Group also provides travel insurance for Norwegian travellers through Europeiske and motor insurance for Nordic drivers through brands such as Volvia.

The Commercial business area, on the other hand, provides flexible and competitive insurance solutions for risk-aware Nordic companies, focusing strongly on the customers and their needs. The customers are companies from different fields with a maximum of 500 employees. The Commercial business area tailors the right insurance services for its customers and offers insurances covering property, liability, cargo, workers' compensation and casualty.

The Industrial business area offers customised insurance services in accordance with customers' specific requirements. Customers are companies with turnover of approximately EUR 50 million and more than 500 employees. If is the leading insurer for industrial customers in the Nordic region and customers include many Nordic companies that operate around the world. In order to provide international services, the Industrial business area also has branch offices in the UK, France, the Netherlands, Germany and Russia. In addition, If has a network of international partners. If provides industrial customers with property, liability and cargo insurances as well as workers' compensation and casualty insurances.

The Baltic operations cover both private individuals and corporate customers. If has offered P&C insurances in the Baltic countries since 1992. During 2011 If decided to leave the Russian insurance market for private individuals, but continues to serve Nordic corporate customers in Russia.

Life Insurance

Sampo Group's life insurance operations are carried out under the brand Mandatum Life. Mandatum Life's primary operating area is Finland. In addition, the company has a subsidiary in the Baltic countries. Mandatum Life Insurance Baltic SE (which changed its name from Sampo Life Insurance Baltic SE in 2010) operates throughout the Baltic area and is domiciled in Estonia. It has branch offices in Latvia and Lithuania.

The subsidiary was established in 2007 when all of Mandatum Life's Baltic subsidiaries were merged together. Sampo Group expanded its life insurance operations outside Finland in 1999 by setting up AS Sampo Elukindlustus in Estonia and acquiring a life insurance company (AAS Sampo Dzīvība) in Latvia, which had been established a year earlier by Hansabank. In Lithuania, life insurance operations (UAB Sampo Gyvybės Draudimas) were started in 2001 with the support of a P&C insurance company, as was the case in Estonia and Latvia. From the beginning, Mandatum Life (formerly Sampo Life) has been

responsible for steering the operations of the Baltic companies since Mandatum Life acquired the entire stock of the companies from the Issuer in 2004.

Mandatum Life provides its customers with a variety of services, including pensions, wealth management, investments, savings, personal risk insurance as well as incentive and reward solutions. The company's market share in 2011 in unit-linked insurance in Finland was 26.8 per cent. In direct business, the company's overall market share in Finland was 25 per cent, and in the Baltics the company enjoyed a 14 per cent share of the market in 2011. Its country-specific share is 17 per cent in Estonia, 15 per cent in Lithuania and 9 per cent in Latvia.

Mandatum Life's range of life insurance products and services include all voluntary life and pension insurance needs for both private and corporate customers. The products offered can be categorised into unit-linked policies, with-profit policies and risk policies, although new sales are focused on unit-linked insurance and risk products. Most of the technical reserves, however, relate to with-profit policies. Mandatum Life's Baltic subsidiary focuses on unit-linked insurance and pure life and disability insurance.

Unit-linked policies allow the customer to invest insurance premiums in a variety of investment alternatives and ultimately to bear the risks related to the investments. With-profit insurance policies allow the customer to receive a guaranteed interest rate plus a possible bonus and consequently Mandatum Life bears the investment risks.

In 2008 the life insurance company began using the marketing brand of Mandatum Life and extended its business model to 'asset management under insurance wrapper'. The concept is based on launching savings and investment solutions linked to insurance and capital redemption policies. This Wealth Management ("WM") function is the fastest-growing unit of Mandatum Life.

Risk Management

The overall risk management and internal control principles as well as divisions of responsibilities of the insurance subsidiaries are defined on the Sampo Group level. The insurance subsidiaries organise their operations according to these principles while taking into account the specific characteristics of the respective business area.

Risk is an essential and inherent element of Sampo Group's business activities and operating environment. A high quality risk management process is a prerequisite for running the business. The core competence in Sampo Group's businesses is the pricing of risks and the proper management of the arising risk exposures.

In Sampo Group the key objectives for risk management are to:

- (i) ensure that risks affecting profitability as well as other material risks are identified, assessed and analysed;
- (ii) ensure that capitalisation – in the form of capital and foreseeable profitability of businesses – is adequate in relation to the current risks inherent in business activities and the existing business environment;
- (iii) ensure that risk-bearing capacity is allocated into different business areas according to chosen strategies and that risks are properly priced;
- (iv) limit and mitigate fluctuations in the economic values of Sampo Group companies; and
- (v) ensure the overall efficiency, security and continuity of operations.

Sampo Group's major risks, excluding Nordea, arise from the insurance activities and investment portfolios. Risk management related to these areas is seen as core competence and is therefore under constant development. Like all companies, Sampo Group is exposed to operational risks and risks related to the business environment. Sampo Group is continuously working at improving internal control, core processes and systems, business continuity planning as well as monitoring and analysing impacts from changes in the Sampo Group's external operating environment to reduce the impact of operational and business risks. See "*Risk Factors*" above for discussion of the main risks to which Sampo Group is exposed.

The Insurance Sector in the Nordic Countries, the Baltic Countries and Russia

Life Insurance

The Finnish life insurance market is dominated by the three biggest players, covering roughly 75 per cent of the whole market. The proportion of unit-linked ("UL") policies' volume is continuously increasing and currently (2011) represents ca. 70 per cent of the annual premium income. Due to structural changes in the taxation of private persons' long-term savings which became effective on 1 January 2010 and the subsequent introduction of new competition in the long-term savings business, the new sales of life companies' retail pension business collapsed. Also, the volumes of new long-term savings were lower than expected. While new retail pension business has its challenges, there seems to be room for growth in the corporate pension business.

The Baltic life insurance market decreased slightly during 2011. It is estimated that UL products will also in the future be the leading products in the Baltic markets.

P&C Insurance

The Nordic insurance market is consolidated. The five largest companies have almost 60 per cent of the market and the four largest companies are established in more than one Nordic country.

Competition in the Nordic insurance market has been intense over the past few years with major Nordic players further consolidating the market. For example, several players have displayed high levels of activity in strengthening their distribution capability via alliance partners and the internet. The market has also seen banks expanding their P&C insurance product range, in some cases as actual insurers. The financial crisis and the subsequent economic slowdown have also affected the P&C insurance industry. The P&C market as a whole, based on premiums earned, has been stable even though growth in certain product areas has significantly slowed down owing to lower economic activity. Volatile financial markets are expected to increase the demand on insurance companies to run healthy, efficient businesses. During the last few years natural catastrophes have also affected the Nordic insurance market.

The historical high growth in the Baltic insurance markets came to an end in 2008 as a result of the financial crisis. It was not until 2010 that the market started to recover. Despite this renewed growth, profitability remains challenging. However, If has maintained its profit levels as a result of strict underwriting and active cost management.

Regulation in Finland

The Issuer is a Finnish insurance company subject to a comprehensive regulatory scheme determined by Finnish laws and regulations and supplemented by guidelines issued by the Finnish Financial Supervisory Authority (the Finnish Insurance Supervisory Authority and the Finnish Financial Supervision Authority were combined as of 1 January 2009 to form the Finnish Financial Supervisory Authority). The Issuer complies with all applicable laws and regulations and holds the necessary licences to conduct its business.

The key laws and regulations relating to the Issuer's business include:

- the Finnish Insurance Companies Act (521/2008, as amended) including provisions on, for example the granting of a licence, underwriting reserves and solvency requirements;
- various regulations and guidelines issued by the Finnish Financial Supervisory Authority;
- the Finnish Insurance Contracts Act (543/1994, as amended); and
- the Finnish Act on the Supervision of Financial and Insurance Conglomerates (699/2004, as amended).

In addition to Finnish regulation, Sampo Group is subject to local regulation in other countries in which it operates.

For a discussion of the regulatory framework relating to the European Commission's Solvency II framework directive see "*Risk Factors - Regulatory compliance and regulatory changes*".

Significant Subsidiaries

The following is a list of Sampo Group's significant subsidiaries as of 31 December 2011:

Company	Country of incorporation	Sampo Ownership Interest	Sampo Voting Interest
Mandatum Life Insurance Company Limited	Finland	100%	100%
Mandatum Life Insurance Baltic SE	Estonia	100%	100%
If P&C Insurance Holding Ltd	Sweden	100%	100%
If P&C Insurance Ltd	Sweden	100%	100%
If P&C Insurance Company Ltd.....	Finland	100%	100%
If P&C Insurance AS.....	Estonia	100%	100%
CJSC If Insurance	Russia	100%	100%
IPSC Region.....	Russia	100%	100%
If Livförsäkring AB.....	Sweden	100%	100%

In addition to the above significant subsidiaries, Nordea (21.3% of voting rights) and Topdanmark (23.9% of voting rights) are recorded as associated companies in Sampo Group's accounts.

Shares and Ownership Structure

On 31 March 2012 the Issuer had 560,000,000 shares, divided into 558,800,000 A shares and 1,200,000 B shares. Each A share entitles the holder to one vote and each B share to five votes at the General Meeting of Shareholders. Sampo A shares have been quoted on the main list of NASDAQ OMX Helsinki Ltd. since 1988. All the B shares are held by Kaleva Mutual Insurance Company. B shares can be converted into A shares at the request of the holder. The Issuer's share capital amounted to EUR 98,113,837 on 31 March 2012. On 31 March 2012, the Issuer and the other companies in Sampo Group held no shares in the Issuer.

The table below sets forth details of the Issuer's ten largest registered shareholders (including both A and B shares) and their respective holdings on 29 February 2012:

Shareholder	Number of shares	%
Solidium Oy*	79,280,080	14.16
Varma Mutual Pension Insurance Company	47,709,421	8.52
Wahlroos Björn Arne Christer.....	11,758,555	2.10
Ilmarinen Mutual Pension Insurance Company	10,798,068	1.93
Kaleva Mutual Insurance Company	5,668,476	1.01
The State Pension Fund.....	4,260,000	0.76
The Local Government Pension Institute	3,226,619	0.58
Folketrygdfondet	1,874,311	0.33
Mutual Insurance Company Pension-Fennia.....	1,672,115	0.30
Svenska litteratursällskapet i Finland r.f.	1,609,600	0.29
10 largest owners total.....	167,857,245	29.98

* Solidium Oy is entirely owned by the Finnish government.

On 29 February 2012, nominee-registered investors held 285,017,409 shares, corresponding to 50.90 per cent of all the shares and voting rights in the Issuer.

As far as the Issuer is aware, the Issuer is not directly or indirectly owned or controlled by any corporation or by any government. There are, to the Issuer's knowledge, no arrangements that may result in a change of control of the Issuer.

Recent Events

On 9 February 2012, the Issuer's Board of Directors gave notice to the Annual General Meeting to be held on 12 April 2012. The Board of Directors of the Issuer proposes for the Annual General Meeting a dividend of EUR 1.20 per share i.e. a total of EUR 672,000,000. The Board of Directors further proposes that the Annual General Meeting authorise the Board to decide on the repurchase of a maximum of 50,000,000 Sampo A shares (corresponding to 8.9 per cent of all A shares) using funds available for profit distribution.

Financial Development in 2011

Sampo Group has prepared the consolidated financial statements for 2011 in compliance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. Sampo Group's profit before taxes for 2011 amounted to EUR 1,228 million (EUR 1,320 million in 2010).

Sampo Group's total investment assets on 31 December 2011 amounted to EUR 17.6 billion (EUR 18.3 billion in 2010), of which 80 per cent was invested in fixed income instruments (78 per cent in 2010), 15 per cent in equities (18 per cent in 2010), and 5 per cent in other assets (4 per cent in 2010). Reported investment income was EUR 260 million (EUR 1,148 million in 2010).

Sampo Group's balance sheet total on 31 December 2011 amounted to EUR 30,107 million (EUR 29,851 million in 2010). On the asset side the total amount of financial assets decreased from EUR 17,508 million to EUR 16,745 million.

Sampo Group's equity on 31 December 2011 amounted to EUR 8,920 million (EUR 8,886 million in 2010). Equity was strengthened mainly by the comprehensive result for the year of EUR 686 million. The largest reduction was the dividends of EUR 645 million.

The Sampo Group solvency is based on the consolidation method defined in Chapter 3 of the Act on the Supervision of Financial and Insurance Conglomerates (2004/699). At the end of 2011, Sampo Group's own funds exceeded the minimum solvency requirements by EUR 1,892 million (EUR 3,038 million at the end of 2010) and the solvency ratio (Sampo Group's solvency as a percentage of the minimum solvency requirements) was 138.6 per cent (167.1 per cent at the end of 2010).

Directors, Senior Management and Employees

The Issuer's Board of Directors is responsible for the management of the company in compliance with laws and regulations, the Issuer's Articles of Association and the decisions of the Shareholders' Meetings. The Board of Directors elects the Group CEO and President, the members of the Group Executive Committee and the Group Chief Audit Executive, releases them from their duties, and decides on the terms and conditions of their employment and on other compensation.

The Issuer has a Managing Director who is simultaneously the Group CEO and President of Sampo Group. The Board of Directors elects and releases the Group CEO and decides on the terms of employment and other compensation. The Managing Director of the Issuer and the CEO and President of Sampo Group is Kari Stadigh as of 8 April 2009.

Board of Directors

The current members of the Issuer's Board of Directors were elected at the Annual General Meeting on 14 April 2011 in accordance with the proposal of the Nomination and Compensation Committee of the Board of Directors. At their first meeting following the Annual General Meeting, the Board of Directors annually elects a Chairman and Vice Chairman from its members. At the Annual General Meeting of 2011, the following members were re-elected to the Board of Directors: Anne Brunila, Veli-Matti Mattila, Eira Palin-Lehtinen, Jukka Pekkarinen, Christoffer Taxell, Matti Vuoria and Björn Wahlroos. Adine Grate Axén was elected as a new Board member

The Issuer's next Annual General Meeting will be held on 12 April 2012. The Nomination and Compensation Committee has proposed for the Annual General Meeting that Anne Brunila, Adine Grate Axén, Eira Palin-Lehtinen, Jukka Pekkarinen, Christoffer Taxell, Veli-Matti Mattila, Matti Vuoria and Björn Wahlroos be re-elected as members of the Board of Directors for a term continuing until the close of the following Annual General Meeting. The Nomination and Compensation Committee has proposed

that the number of Board members be increased with one to nine members and that Per Arthur Sørli be elected as a new member to the Board of Directors. The Nomination and Compensation Committee has further proposed that the Board of Directors re-elect Björn Wahlroos as the Chairman of the Board of Directors.

The members of the Board of Directors are annually elected by a simple majority of the shareholders' votes represented at the Annual General Meeting for a one-year term ending at the following Annual General Meeting.

The current members of the Board of Directors as well as the proposed new member are set forth below.

Chairman Björn Wahlroos, b. 1952 *Chairman of the Board of Directors of the Issuer since 2009. Board member since 2001.*

Group CEO and President and Managing Director of the Issuer (2001 to 2009). Chairman of the Board of Directors of Sampo Bank Plc (2005 to 2007) and of Mandatum Bank plc (1998 to 2000). Holder of various executive positions of Mandatum & Co Ltd (1992 to 1998) and of the Union Bank of Finland (1985 to 1992). Visiting Associate Professor of Managerial Economics and Decision Sciences at the Kellogg Graduate School of Management, Northwestern University, Evanston, Illinois (1983 to 1984). Visiting Assistant Professor of Economics at Brown University, Providence, Rhode Island (1980 to 1981). Assistant Professor and Lecturer in Finance (1974 to 1979) and Professor of Economics (1979 to 1985) at Swedish School of Economics and Business Administration (Helsinki).

Chairman of the Boards of Directors of UPM-Kymmene Corporation, the Swedish School of Economics and Nordea Bank AB (publ). Member of the Boards of Directors of the Finnish Business and Policy Forum EVA, the Research Institute of the Finnish Economy ETLA and the Mannerheim Foundation.

Vice Chairman Matti Vuoria, b. 1951 *CEO, President of Varma Mutual Pension Insurance Company. Board member since 2004.*

Executive Vice President of Varma Mutual Pension Insurance Company (2004). Executive Chairman of the Board of Directors of Fortum Corporation (1998 to 2003). Holder of various executive positions within the Ministry of Trade and Industry (1981 to 1998). Counsellor (Trade Policy Department) within the Ministry of Foreign Affairs (1984 to 1985).

Member of the Boards of Directors of Stora Enso Oyj and the Federation of Finnish Financial Services. Chairman of the Board of Directors of the Securities Markets Association (Finland). Vice Chairman of the Boards of Directors of Wärtsilä Corporation and the Finnish Pension Alliance TELA.

Anne Brunila, b. 1957 *Executive Vice President, Corporate Relations and Sustainability of Fortum Corporation. Board member since 2003.*

President of the Finnish Forest Industries Federation (2006 to 2009). Holder of various executive positions within the Ministry of Finance (2002 to 2005). Adviser to the Board of Directors of the Bank of Finland (2002). Adviser to the

Economic and Financial Affairs Directorate General at the European Commission (2000 to 2001). Holder of various managerial positions at the Bank of Finland (1992 to 2000). Senior researcher at the Labour Institute for Economic Research (1990 to 1992). Researcher and Economics Lecturer at the Helsinki School of Business (1982 to 1989 and 1993).

Member of the Boards of Directors of the Research Institute of the Finnish Economy ETLA, the Finnish Business and Policy Forum EVA, the Aalto University Foundation, Kone Corporation, the International Chamber of Commerce, Finland and Finnish Energy Industries.

Adine Grate Axén, b. 1961

Board member since 2011.

Executive Vice President and Managing Director (1999 to 2007) and holder of various other managerial positions (1994 to 2007) of Investor AB (IAB), Sweden. Team leader and advisor for traditional corporate finance projects in Gota Group and Hägglöf&Ponsbach, Sweden (1986 to 1994).

Advisor and Executive Board member of 3 Scandinavia, Sweden. Chairman of the Swedish Listing Committee of NASDAQ OMX, Sweden. Member of the Board of Directors and member of the Audit Committee of Sobi (Swedish Orphan Biovitrum). Member of the Board of Directors of Swedavia, Sweden. Vice Chairman of the Board of Directors of AP 7, Sweden.

Veli-Matti Mattila, b. 1961

President and CEO of Elisa Corporation. Board member since 2009.

CEO of Ericsson Finland (1997 to 2003). Holder of various positions in Ericsson Finland (1990 to 2001). Expert adviser of Ascom Hasler AG (Switzerland) (1989 to 1990).

Member of the Supervisory Board of the Finnish Fair Association. Member of the Representative Assembly of the Confederation of Finnish Industries EK.

Eira Palin-Lehtinen, b. 1950

Board member since 2008.

Holder of various executive positions at Nordea Bank AB (publ) (formerly MeritaNordbanken Plc, Merita Bank Ltd) and Merita Ltd (formerly Merita Bank Ltd, Union Bank of Finland Ltd) (1993 to 2007). Holder of various managerial positions at the Union Bank of Finland Ltd and its London Branch (1985 to 1993). Associate Lawyer and partner at Procopé & Hornborg law firm (1975 to 1984).

Member of the Boards of Directors of Elisa Corporation, Nordea Funds (Nordea Alternative Investment, Nordea Funds of Funds and Nordea I Sicav), Sibelius Academy Foundation and the Finnish Foundation for Share Promotion (Pörssisäätiö). Deputy member of the Board of Directors and member of the Finance Committee of Sigrid Jusélius Foundation. Member of the Investment Committee of the Society of Swedish Literature in Finland.

Jukka Pekkarinen, b. 1947

Director General, Ministry of Finance. Board member since 2006.

State Under-Secretary, Economic Affairs at the Prime Minister's Office (2010 to 2011). Director General at the Ministry of Finance (2006 to 2010). Deputy Director and Director at the Labour Institute for Economic Research (1989 to 2005). One-man Committee for Local Public Finance at the Ministry of the Interior (2000). Acting Professor at the Helsinki School of Economics (1996 to 1997). Principal Administrator at the OECD Secretariat in Paris (1991 to 1993). Senior Researcher at the Labour Institute for Economic Research (1984 to 1989). Research Adviser at the Bank of Finland (1981 to 1983). Lecturer, Associate and Acting Professor at the University of Helsinki (1978 to 1981 and 1983 to 1984).

Chairman of the Advisory Board to the Government Institute for Economic Research. Chairman of Incomes Policy Information Committee.

Christoffer Taxell, b. 1948

Board member since 1998.

President and CEO of Partek Oyj Abp (1990 to 2002). Chairman of the Swedish People's Party (1985 to 1990). Minister of Education (1987 to 1990). Minister of Justice (1979 to 1987). Member of Parliament (1975 to 1991).

Member of the Investment Committee of the Society of Swedish Literature in Finland. Chairman of the Boards of Directors of Stiftelsen för Åbo Akademi, Stockmann plc and Föreningen Konstsamfundet (Finland). Member of the Boards of Directors of Nordkalk Corporation and Luvata Oy.

Per Arthur Sørli, b. 1957

Proposed new Board member.

President and CEO (1999) and holder of various other managerial positions (1990 to 1999) of Orkla/Borregaard. Vice president Finance at Nora Industrier, Bjølsen Valsemølle (1988 to 1990). Vice President Finance and holder of various other positions at Hafslund Nycomed (1982 to 1988). Finance Consultant at Norwegian Petroleum Consultants (1981 to 1982).

Chairman of the Board in Umkomaas Lignin (Pty) Ltd (50/50 JV between SAPPI Saiccor/Brgd) and in Federation of Norwegian Industries (Norsk Industri). Member of the Assembly in Confederation of Norwegian Business and Industry (NHO) and Member of the Board in Inspiria Science Center.

The business address of the persons mentioned above is Fabianinkatu 27, FI-00100 Helsinki, Finland.

To the best of the Issuer's knowledge, there are no conflicts of interest between any of the Directors' duties to the Issuer and their private interests or duties.

Group Executive Committee

Sampo Group has a Group Executive Committee (the "**Sampo Group Executive Committee**"), the members of which are appointed by the Issuer's Board of Directors. The Sampo Group Executive Committee supports the Group CEO in the preparation of strategic issues relating to Sampo Group, in the handling of operating matters that are significant or involve questions of principle, and in ensuring a good internal flow of information. The Issuer's Board of Directors has further appointed a Group MD Committee to the Executive Committee, which supports the Group CEO in preparing matters to be

handled by the Group Executive Committee. The Group MD Committee comprises: Kari Stadigh (chairman), Peter Johansson, Torbjörn Magnusson, Patrick Lapveteläinen, Petri Niemisvirta and Ricard Wennerklint.

The current members of the Sampo Group Executive Committee are set forth below.

Kari Stadigh, b. 1955

Group CEO and President. Sampo Group Executive Committee member since 2001.

Deputy CEO of the Issuer (2001 to 2009). President of Sampo Life Insurance Company Limited (1999 to 2000). President of Nova Life Insurance Company Ltd (1996 to 1998). President and COO of Jaakko Pöyry Group (1991 to 1996). President of JP-Finance Oy (1985 to 1991). Vice President Marketing of Sanoma Corporation (1978 to 1985).

Member of the Boards of Directors of Nordea Bank AB (publ), Varma Mutual Pension Insurance Company and Nokia Corporation. Chairman of the Boards of Directors of the Federation of Finnish Financial Services, If P&C Insurance Holding Ltd (publ), Mandatum Life Insurance Company Limited and Kaleva Mutual Insurance Company. Vice Chairman of Confederation of Finnish Industries EK. Chairman of the Work Group for National Capital Market Strategy (Finland).

Line Hestvik, b. 1969

Group Executive Vice President and Head of Business Area Private of If P&C Insurance. Sampo Group Executive Committee member since 2005.

Vice President, Head of Nordic Product unit Business Area Private If of If P&C Insurance Ltd (2002 to 2005). Director, Head of Nordic Personal Insurance Product Business Area Commercial If of If P&C Insurance Ltd (2000 to 2001). Holder of various managerial positions in Storebrand (1997 to 1999). Finance consultant of Diners Club Nordic (1993 to 1994).

Member of the Board of Directors of FNH Norway (the organisation for the Financial Sector in Norway).

Peter Johansson, b. 1957

Group CFO. Sampo Group Executive Committee member since 2001.

Director of corporate planning, information management, financial and risk control of Leonia plc (1998 to 2001). Holder of various managerial positions in Postipankki Oyj (1985 to 1998). Researcher in the Bank of Finland (1983 to 1985).

Member of the Board of Directors of If P&C Insurance Holding AB (publ). Vice Chairman of the Board of Directors of Mandatum Life Insurance Company Limited.

Patrick Lapveteläinen, b. 1966

Group CIO. Sampo Group Executive Committee member since 2001.

Administrative officer of the Issuer (2001 to 2002). Deputy Managing Director and member of the Board of Directors of Mandatum Bank Plc (2000 to 2001). Director and member of the Board of Directors of Mandatum Bank Plc (1998 to 2000). Holder of various positions in Interbank Ltd (1989 to

1998).

Member of the Boards of Directors of If P&C Holding AB (publ) and Mandatum Life Insurance Company Limited.

Torbjörn Magnusson, b. 1963

President and CEO of If P&C Insurance Ltd. Sampo Group Executive Committee member since 2004.

Head of Commercial Business Area of If P&C Insurance Ltd (2001 to 2002). Head of Commercial Product Business Unit of If P&C Insurance Ltd. (publ.) (1999 to 2001). Head of P&C Support and Chief Actuary of Skandia P&C (1998 to 1999). Chief Controller of Skandia P&C (1996 to 1997). Chief Non-Life Actuary of Mercantile & General Re, London (1995 to 1996). Deputy Actuary of Mercantile & General Re, London (1994 to 1995). Non-Life Actuary of Skandia International (1990 to 1993). Information systems consultant of Arthur Andersen & Co (1988 to 1989).

Chairman of the Boards of Directors of If P&C Insurance Ltd (Sweden) and If P&C Insurance Company Ltd (Finland). Chairman of the Swedish Insurance Federation and Urzus A/S. Member of the Swedish Insurance Employer Association and AcadeMedia Aktiebolag.

Ivar Martinsen, b. 1961

Group Executive Vice President and Head of Business Area Commercial of If P&C Insurance. Sampo Group Executive Committee member since 2005.

Head of Commercial Product & Underwriting of If P&C Insurance (2001 to 2003). Head of Commercial Property Product & Underwriting of If P&C Insurance (2000 to 2001). Head of Commercial & Industrial Property Product and Underwriting & Claims handling of Storebrand (1998 to 2000). Head of Commercial & Industrial Property Product of Storebrand (1997 to 1998). Holder of various managerial positions in Storebrand (UNI) (1986 to 1997).

Chairman of the Executive committee of P&C Insurance of the Norwegian Financial Services Association (FNO).

Petri Niemisvirta, b. 1970

Managing Director of Mandatum Life Insurance Company Limited and Head of Life Insurance of the Issuer. Sampo Group Executive Committee member since 2001.

Managing Director of Evli Life Ltd (2000 to 2001). Product Manager (unit-linked insurance) of Sampo Life Insurance Company Limited (1999 to 2000). Life Insurance Sales Manager of Kaleva Mutual Insurance Company/Sampo Life Insurance Company Limited (1995 to 1999).

Member of the Boards of Directors of Silta Oy, BenCo Insurance Holding B.V. (Netherlands) and Alma Media Corporation. Member of the Life Insurance Executive Committee of the Federation of Finnish Financial Services.

Morten Thorsrud, b. 1971

Group Executive Vice President and Head of Business Area Industrial of If P&C Insurance. Sampo Group Executive Committee member since 2006.

Head of Industrial Underwriting and Claims of If P&C Insurance (2004 to 2005). Head of Corporate Strategy of If

P&C Insurance (2002 to 2004). Holder of various managerial positions in McKinsey & Company, Inc. Norway/Europe (1999 to 2002).

Chairman of the Board of Directors of CJSC If Insurance (Russia). Member of the Board of Directors of Forsikring & Pension (Denmark).

Timo Vuorinen, b. 1964

Group Executive Vice President, Head of Business Area Baltic of If P&C Insurance. Managing Director of If P&C Insurance Company (Finland). Sampo Group Executive Committee member since 2009.

Head of Business Area Baltic and Russia (2007 to 2011) and Head of Business Development, Business Area Commercial (2003 to 2005) of If P&C Insurance Ltd. (publ.). Country manager (Poland) and Development Director of Sampo Life (2000 to 2002). Vice President in Sampo Group Client Financing Unit, Collections Manager in Sampo Group Investments Unit and Credit Insurance Manager in Sampo Group Investments Unit of the Issuer (1994 to 2000). Credit Insurance Manager and Customer Financing Manager in Kansa Group Investments Unit of Kansa (1989 to 1994).

Chairman of the Board of Directors of If P&C Insurance AS (Baltic). Member of the Boards of Directors of CJSC If Insurance (Russia) and Mandatum Life Insurance Baltic SE.

Ricard Wennerklint, b. 1969

Deputy Managing Director of If P&C Insurance Holding Ltd, Managing Director of If P&C Insurance. Sampo Group Executive Committee member since 2005.

CFO of If P&C Insurance Ltd (2002 to 2008). Senior Vice President, Head of Business and Financial Control and Business Area Commercial of If P&C Insurance Ltd (1999 to 2001). Head of Control, Strategic Business Unit Property & Casualty of Skandia P&C (1997 to 1999). Head of Financial Control, Major Customer Division of Trygg-Hansa (1996 to 1997). Financial Controller and Project Manager, Business Unit Commercial of Trygg-Hansa (1994 to 1996).

Member of the Boards of Directors of If P&C Insurance Company Ltd (Finland), If P&C Insurance AS (Estonia), CJSC If Insurance (Russia) and IPSC Region (Russia).

The business address of the persons mentioned above is Fabianinkatu 27, FI-00100 Helsinki, Finland.

To the best of the Issuer's knowledge, there are no conflicts of interest between any of the Sampo Group Executive Committee members' duties to the Issuer and their private interests or duties.

Employees

On 31 December 2011, Sampo Group employed 6,810 people, compared with 6,844 employees on 31 December 2010. In P&C Insurance, the number of staff mainly decreased in Sweden and the Baltic and Russian operation. In life insurance the number of staff increased in Finland.

Selected Financial Information relating to the Issuer

The following tables set out in summary form balance sheet and income statement information relating to the Issuer. Such information is derived from the audited consolidated financial statements of the Issuer as at and for the years ended 2011 and 2010. The financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards. Such financial statements, together with the reports of Ernst & Young Oy and the accompanying notes, are incorporated by reference in this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

Consolidated Comprehensive Income Statement

EUR million	1-12/2011	1-12/2010
Insurance premiums written	5,050	5,096
Net income from investments	260	1,148
Other operating income	32	26
Claims incurred	-3,723	-3,533
Change in liabilities for insurance and investment contracts	241	-769
Staff costs	-543	-527
Other operating expenses	-548	-547
Finance costs	-82	-96
Share of associates' profit/loss	541	523
Profit before taxes	1,228	1,320
Taxes	-189	-217
Profit for the period	1,038	1,104
Other comprehensive income for the period		
Exchange differences	6	214
Available-for-sale financial assets	-520	605
Cash flow hedges	-2	-9
Share of associate's other comprehensive income	23	48
Income tax relating to components of other comprehensive income	141	-156
Other comprehensive income for the period, net of tax	-352	703
Total comprehensive income for the financial year	686	1,807
Profit attributable to		
Owners of the parent	1,038	1,104
Non-controlling interests	0	0
Total comprehensive income attributable to		
Owners of the parent	686	1,807
Non-controlling interests	0	0
Earnings per share (eur)	1.85	1.97

Consolidated Balance Sheet

EUR million	12/2011	12/2010
Assets		
Property, plant and equipment.....	26	29
Investment property.....	118	122
Intangible assets.....	745	742
Investments in associates.....	6,593	5,699
Financial assets.....	16,745	17,508
Investments related to unit-linked insurance contracts.....	3,053	3,127
Tax assets.....	64	68
Reinsurers' share of insurance liabilities.....	532	514
Other assets.....	1,659	1,515
Cash and cash equivalents.....	572	527
Total assets	30,107	29,851
Liabilities		
Liabilities for insurance and investment contracts.....	13,796	13,749
Liabilities for unit-linked insurance and investment contracts.....	3,054	3,124
Financial liabilities.....	2,768	2,187
Tax liabilities.....	474	640
Provisions.....	37	36
Employee benefits.....	98	105
Other liabilities.....	960	1,124
Total liabilities	21,187	20,965
Equity		
Share capital.....	98	98
Reserves.....	1,531	1,530
Retained earnings.....	6,844	6,459
Other components of equity.....	447	799
Equity attributable to owners of the parent	8,920	8,886
Non-controlling interests.....	0	0
Total equity	8,920	8,886
Total equity and liabilities	30,107	29,851

TAXATION

The following is a general description of certain Finnish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Finland or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

The Republic of Finland

The comments below are of a general nature based on the Issuer's understanding of current law and practice in Finland. They relate only to the position of persons who are the absolute beneficial owners of the Notes and who are not resident in Finland for tax purposes. They may not apply to certain classes of person such as dealers. Prospective holders of the Notes who are not resident in Finland for tax purposes and are in any doubt as to their personal tax position or who may be subject to tax in any other jurisdiction should consult their professional advisers. It should be noted that the tax laws of Finland may be amended with retrospective application.

Taxation of payments in respect of the Notes

Under present Finnish domestic tax law, payments in respect of the Notes will be exempt from all taxes, duties, fees and imports of whatever nature, imposed or levied by or within the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein, except in the case of a holder of any Note which is liable to such taxes, duties, fees and imports in respect of such Note or Coupon by reason of such holder being connected with the Republic of Finland other than the mere holding of such Note or the receipt of income therefrom.

Finnish capital gains taxes

Holders of Notes who are not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland will not be subject to Finnish taxes or duties on gains realised on the sale or redemption of the Notes.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Tax Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Belgium has replaced this withholding tax with a regime of exchange of information to the member state as residence as from 1 January 2010.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Limited, Danske Bank A/S, Deutsche Bank AG, London Branch, J.P. Morgan Securities Ltd., Nordea Bank Danmark A/S, Pohjola Bank plc and Skandinaviska Enskilda Banken AB (publ) (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated 4 April 2012 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors:* at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) *Fewer than 100 offerees:* at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to

obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (c) *Other exempt offers:* at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

General

Each Dealer has represented, warranted and agreed that and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or

change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The establishment and the update of the Programme have been authorised by resolutions of the Board of Directors of the Issuer passed on 20 March 2009 and on 14 March 2012. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Legal and Arbitration Proceedings

2. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

Significant/Material Change

3. Since 31 December 2011 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries nor any significant change in the financial or trading position of the Issuer or the Issuer and its Subsidiaries.

Auditors

4. The consolidated financial statements of the Issuer have been audited without qualification for the years ended 2011 and 2010 by Ernst & Young Oy, Elielinaukio 5 B, FI-00100, Helsinki, Finland, members of the Finnish Institute of Authorised Public Accountants.

Documents on Display

5. Copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Issuer at Fabianinkatu 27, FI-00100 Helsinki, Finland and the Fiscal Agent at Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB, United Kingdom for 12 months from the date of this Base Prospectus:
 - (a) the extract from the trade register of the Finnish National Board of Patents and Registration and Articles of Association of the Issuer;
 - (b) the audited consolidated financial statements of the Issuer for the years ended 2011 and 2010;
 - (c) the Agency Agreement;
 - (d) the Deed of Covenant;
 - (e) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
 - (f) the Issuer-ICSDs Agreement.

Each translation referred to above constitutes a direct and accurate translation of the original Finnish language text. The English language information has been provided for information purposes only and, in the event of a discrepancy, the Finnish version shall prevail.

Material Contracts

6. There are no contracts having been entered into outside the ordinary course of any of the Issuer's or a member of the Group's businesses, which are, or may be, material and contain provisions under which the Issuer or any member of the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

Clearing of the Notes

7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and/or the VPS. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Use of Proceeds

8. The net proceeds of the issue of each Tranche of Notes will be used by the Issuer for the general corporate and financing purposes of Sampo Group.

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