

Sampo Group's **Annual Report 2013**

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Board of Directors' Duties Board of Directors' Duties

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The operating procedures and main duties of the Board of Directors have been defined in the Board's Charter.

Among other things, the Board of Directors decides on Sampo Group's strategy, approves the principles governing the Group's risk management, remuneration, compliance and internal control, takes responsibility for the proper organization of the Group's operations, defines the required internal minimum capitalization for Group companies and supervises Group's profitability and liquidity position as well as capitalization. The Board also decides, within the framework of the company's business area, on other exceptional and far-reaching matters with respect to the scope and nature of Sampo Group.

In addition, the Board regularly evaluates its own activities and cooperation with the management.

The Board elects the Group CEO and President, the members of the Group Executive Committee and the Group Chief Audit Executive, and releases them from their duties. The Board also decides on the terms and conditions of their employment and on other compensation. In addition, the Board confirms the Group's staff planning targets and monitors their fulfillment, determines the grounds for the Group's compensation system and decides on other far-reaching matters concerning the staff.

In order to secure the proper running of operations, Sampo's Board of Directors has approved internal rules concerning general corporate governance, risk management, remuneration, compliance, internal control and reporting in Sampo Group.