

BASE PROSPECTUS



storaenso

STORA ENSO OYJ

(incorporated with limited liability in Finland)

Euro 4,000,000,000 Euro Medium Term Note Programme

Enso-Gutzeit Oy was the Issuer under the U.S.\$300,000,000 Euro Medium Term Note Programme (the "Programme"), which has subsequently been updated, most recently on the date of this base prospectus (the "Base Prospectus"). With effect from 1 May 1996, Enso-Gutzeit Oy and Veitsiluoto Oy merged to form Enso Oy and increased the Programme to U.S.\$1,000,000,000. With effect from 23 December 1998, Enso Oy, acquired, through a public offer, Stora Kopparbergs Bergslags Aktiebolag (publ) ("Stora") and subsequently changed its name to Stora Enso Oy. With effect from 4 May 2000 Stora Enso Oy increased the Programme to Euro 2,000,000,000 and from 10 May 2001 to Euro 3,000,000,000 and from the 30 May 2002 to Euro 4,000,000,000. Any Notes (as defined below) issued under the Programme are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under this Euro 4,000,000,000 Euro Medium Term Note Programme, Stora Enso Oy (the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency as agreed between the Issuer and the relevant Dealer (as defined below). This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed Euro 4,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the "**Luxembourg Act**") on prospectuses for securities, to approve this document as a base prospectus. The CSSF gives no undertaking as to the economic and financial opportunities of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with provisions of Article 7(7) of the Luxembourg Act on prospectuses for securities. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU as amended, "**MiFID II**"). Under Part II of the Luxembourg Act on prospectuses for securities, prospectuses relating to trading of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of part II of that Act. This Base Prospectus supersedes and replaces the Base Prospectus dated 27 March 2018.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set forth in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on the Official List of the Luxembourg Stock Exchange will be filed with the CSSF.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes of each Tranche will initially be represented by a Temporary Global Note or, if so specified in the applicable Final Terms, a Permanent Global Note (each as defined under "Form of the Notes") which will be deposited on or prior to the issue date thereof in the case of Notes which are intended to be issued in new global note ("NGN") form, with a common safekeeper (or a nominee) for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") or in the case of Notes which are not intended to be issued in NGN form (a "**Classic Global Note**" or "**CGN**") with a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearance system. A Temporary Global Note will be exchangeable, as specified in the applicable Final Terms, for either a Permanent Global Note or Notes in definitive form, in each case upon certification as to non-US beneficial ownership as required by US Treasury regulations. A Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances, as further described in "Form of the Notes" below.

The Programme has been rated BBB- by Fitch Ratings Ltd ("**Fitch Ratings**") and Baa3 by Moody's Deutschland GmbH ("**Moody's**"). Fitch and Moody's (the "**Rating Agencies**") are established in the European Economic Area ("**EEA**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). The Rating Agencies are included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Base Prospectus. This list is available on the European Securities and Markets Authority ("**ESMA**") website at www.esma.europa.eu/page/List-registered-and-certified-CRAs. According to Fitch's rating system, the BBB rating indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity. The modifier - denotes the relative status within the major rating category. According to Moody's rating system, the Baa rating indicates that the obligations are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. The numerical modifier 3 indicates a ranking in the lower end of Moody's relevant generic rating category.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Any person (an "**Investor**") intending to acquire or acquiring any Notes from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each Member State of the European Economic Area in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

Amounts payable on Floating Rate Notes may be calculated by reference to one of LIBOR, EURIBOR and STIBOR as specified in the relevant Final Terms. As at the date of this Base Prospectus, the administrators of EURIBOR and STIBOR are not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**") and ICE Benchmark Administration Ltd, the administrator of LIBOR, is included in ESMA's register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the European Money Markets Institute (as administrator of EURIBOR) and the Swedish Bankers' Association (as administrator of STIBOR) are not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Arranger
Citigroup

Dealers

Barclays
Citigroup
Deutsche Bank
Goldman Sachs International
NatWest Markets
OP Corporate Bank plc

BNP PARIBAS
Crédit Agricole CIB
DNB
J.P. Morgan
Nordea
SEB

The date of this Base Prospectus is 21 March 2019

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all of the Elements required to be included in a summary for these types of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not applicable".

Section A – Introduction and Warnings	
A.1	<p>Introduction:</p> <p>Warning that:</p> <ul style="list-style-type: none"> • <i>this summary should be read as an introduction to the Base Prospectus;</i> • <i>any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor;</i> • <i>where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated; and</i> • <i>civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes.</i>
A.2	<p>Consent:</p> <p>[Not Applicable. The Notes are not subject to a Public Offer.]</p> <p>[The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU) on the following basis:</p> <p>(a) <i>the relevant Public Offer must occur during the period from and including [•] to but excluding [•](the "Offer Period");</i></p> <p>(b) <i>the relevant Authorised Offeror must satisfy the following conditions: [•].</i></p> <p>[The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by [•] on the following basis:</p> <p>(a) <i>the relevant Public Offer must occur during the period from and including [•] to but excluding [•](the "Offer Period");</i></p> <p>(b) <i>the relevant Authorised Offeror must satisfy the following conditions: [•].</i></p>
	<p>An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to</p>

		an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Public Offer").
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Section B – Issuer		
B.1	Legal name of the Issuer: Commercial name of the Issuer:	Stora Enso Oyj ("Stora Enso"). Stora Enso.
B.2	Domicile, legal form, legislation and country of incorporation of the Issuer:	Stora Enso is a public limited liability company and was incorporated in the Republic of Finland under the Finnish Companies Act and is domiciled in the City of Helsinki.
B.4b	Trends:	<p>The following trends are affecting the Issuer and the industry in which it operates:</p> <ul style="list-style-type: none"> • Climate change threatens to increase the risk of extreme weather patterns, which can have major consequences on societies around the world if carbon dioxide emission levels are not reduced. • The global population is expected to reach eight billion by 2025 (source: UN), which will further increase pressure on natural resources and use of renewable solutions. • Urbanisation has resulted in over half the world's population living in towns and cities, altering the way we live, consume resources and produce waste. Stora Enso promotes carbon-neutral and renewable construction solutions for residential housing and commercial buildings, as well as reusable and renewable products and packaging. • Digitalisation is changing how products are made, delivered, sold and bought. Stora Enso focuses on providing cost-efficient logistics and packaging solutions for online shopping, smart packaging that can be tracked and sensed, and digitalised business processes for enhanced efficiency. • Lifestyle changes due to increased incomes, urbanisation, digitalisation and the expansion of the service economy affect human behaviour and how people live their lives. Stora Enso's renewable and recyclable pulp-based packaging and products can meet consumer lifestyle changes while reducing environmental impacts. • The growing middle class in emerging markets has increased consumerism and places greater pressure on natural resources. Stora Enso meets growing consumer demand for tissue, packaging and housing with solutions based on renewable materials.

		<ul style="list-style-type: none"> Eco-awareness influences attitudes and consumer behaviour more than ever before, with greater interest in what we buy and how it is made. Stora Enso works with product development and along the entire value chain to ensure that its products meet high standards of sustainability. 																																																												
B.5	The Group:	Stora Enso (together with its subsidiaries, the " Group ") is the parent company of the Group providing renewable solutions in packaging, biomaterials, wooden constructions and paper globally.																																																												
B.9	Profit Forecast:	Not applicable. The Issuer does not make a profit forecast.																																																												
B.10	Audit Report Qualifications:	Not applicable. There are no qualifications to the audit reports of the Issuer.																																																												
B.12	Selected Key Financial Information:	<p>The following information comprises an overview of consolidated financial information of the Issuer as at and for the years ended 31 December 2018 and 2017:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="2" style="text-align: center; font-weight: normal;">As at and for the Year Ended 31 December</th> </tr> <tr> <th style="text-align: left; font-weight: normal;"><i>(€ million, except for earnings per share)</i></th> <th style="text-align: center; font-weight: normal;">2018</th> <th style="text-align: center; font-weight: normal;">2017</th> </tr> </thead> <tbody> <tr> <td colspan="3">INCOME STATEMENT DATA</td> </tr> <tr> <td>Sales</td> <td style="text-align: right;">10,486</td> <td style="text-align: right;">10,045</td> </tr> <tr> <td>Operating profit</td> <td style="text-align: right;">1,390</td> <td style="text-align: right;">904</td> </tr> <tr> <td>Net profit for the year</td> <td style="text-align: right;">988</td> <td style="text-align: right;">614</td> </tr> <tr> <td colspan="3">Attributable to:</td> </tr> <tr> <td>Owners of the parent</td> <td style="text-align: right;">1,013</td> <td style="text-align: right;">625</td> </tr> <tr> <td>Non-controlling interests</td> <td style="text-align: right;">(24)</td> <td style="text-align: right;">(11)</td> </tr> <tr> <td colspan="3">Earnings per Share</td> </tr> <tr> <td>Basic and diluted earnings per share, €</td> <td style="text-align: right;">1.28</td> <td style="text-align: right;">0.79</td> </tr> <tr> <td colspan="3">FINANCIAL POSITION DATA</td> </tr> <tr> <td>Non-current assets</td> <td style="text-align: right;">8,601</td> <td style="text-align: right;">8,434</td> </tr> <tr> <td>Current assets</td> <td style="text-align: right;">4,248</td> <td style="text-align: right;">3,336</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">12,849</td> <td style="text-align: right;">11,770</td> </tr> <tr> <td>Equity attributable to owners of the parent</td> <td style="text-align: right;">6,714</td> <td style="text-align: right;">6,008</td> </tr> <tr> <td>Non-current liabilities</td> <td style="text-align: right;">2,970</td> <td style="text-align: right;">2,752</td> </tr> <tr> <td>Current liabilities</td> <td style="text-align: right;">3,147</td> <td style="text-align: right;">2,963</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">6,117</td> <td style="text-align: right;">5,715</td> </tr> <tr> <td>Total equity and liabilities</td> <td style="text-align: right;">12,849</td> <td style="text-align: right;">11,770</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2018.</p> <p>Except as described below, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 December 2018.</p> <p>On 13 February 2019, Stora Enso announced it had priced its first Green Bonds under the Programme. The total aggregated principal amount of the bonds is SEK 6,000 million. The bonds have three tranches as follows: (i) SEK 3,000 million maturing in August 2021 with a variable coupon linked to STIBOR +0.85 per cent.; (ii) SEK 1,250 million maturing in February 2024 with a variable coupon linked to STIBOR +1.45 per cent.; and (iii) SEK 1,750 million maturing in February 2024 with a fixed coupon of 1.875 per cent.</p>		As at and for the Year Ended 31 December		<i>(€ million, except for earnings per share)</i>	2018	2017	INCOME STATEMENT DATA			Sales	10,486	10,045	Operating profit	1,390	904	Net profit for the year	988	614	Attributable to:			Owners of the parent	1,013	625	Non-controlling interests	(24)	(11)	Earnings per Share			Basic and diluted earnings per share, €	1.28	0.79	FINANCIAL POSITION DATA			Non-current assets	8,601	8,434	Current assets	4,248	3,336	Total assets	12,849	11,770	Equity attributable to owners of the parent	6,714	6,008	Non-current liabilities	2,970	2,752	Current liabilities	3,147	2,963	Total liabilities	6,117	5,715	Total equity and liabilities	12,849	11,770
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B.13	Recent Events:	<p><i>Bergvik Skog Restructuring</i></p> <p>On 30 November 2018, Stora Enso announced that the shareholders of Bergvik Skog had signed a binding agreement regarding the previously announced intent to restructure its ownership. With this agreement, the parties aim to complete the transaction during the first half of 2019.</p>																																																												

		<p>Stora Enso's forest holdings in Sweden will increase to 1.4 million hectares, of which 1.15 million hectares is productive forest land. The total value of the transaction in Stora Enso's balance sheet is estimated to be approximately EUR 1.0 billion.</p> <p><i>Profit Protection Programme</i></p> <p>On 1 February 2019, Stora Enso announced that it is implementing a profit protection programme intended to achieve an annual cost reduction of EUR 120 million as well as reduction of capital expenditure forecast for 2019 to EUR 540-590 million (including capitalized leasing contracts according to IFRS 16 of approximately EUR 40 million). The programme includes plans to reduce costs at the Ala and Imavere sawmills and a plan to close Paper Machine 6 at Imatra Mills.</p> <p><i>Green Bonds</i></p> <p>On 13 February 2019, Stora Enso announced it had priced its first Green Bonds under the Programme as disclosed in Element B.12 above.</p> <p><i>Dividend</i></p> <p>On 14 March 2019, Stora Enso's annual general meeting of shareholders (the "AGM") resolved that a dividend of EUR 0.50 per share would be distributed with respect to the fiscal year 2018.</p>
B.14	Dependence upon other entities within the Group:	Not applicable for the Issuer. The Issuer is not dependent on other entities.
B.15	The Issuer's Principal Activities:	<p>Stora Enso's reporting segments are Consumer Board, Packaging Solutions, Biomaterials, Wood Products, Paper and Other. Stora Enso's five Divisions are Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper.</p> <p>Stora Enso's Consumer Board Division develops and provides virgin fibre cartonboard for use in the premium end-use packaging and graphical segments. Its products include a wide board and barrier coating selection that is suitable for consumer packaging for liquid, food, pharmaceutical and luxury goods. The Consumer Board Division operates five mills in Finland, Sweden and China.</p> <p>Stora Enso's Packaging Solutions Division provides fibre-based board materials and corrugated packaging products and services designed for a wide array of applications. Its renewable high-end packaging solutions serve leading converters, brand owners and retailers. The containerboard mills are located in Finland and Poland, and the converting plants in eight countries in Europe and Asia.</p>
		<p>Stora Enso's Biomaterials Division offers a wide variety of pulp grades to meet the demands of paper, board, tissue, textile and hygiene product producers. In addition, it aims to maximise the by-products extracted in its processes, such as tall oil and turpentine from biomass. All fractions of biomass, such as sugars and lignin hold potential for use in a range of applications. The Biomaterials Division has a global presence with operations in Brazil, Finland, Sweden, Uruguay and the United States.</p> <p>Stora Enso's Wood Products Division provides wood-based solutions. Its product range covers all areas of construction including massive wood elements and wood components. It also offers a variety of sawn</p>

		<p>timber goods and pellets for sustainable heating. The emerging product range of Biocomposites aims to address the opportunities to replace plastics in consumer goods and to create potential in various demanding exterior applications in a cost-competitive way. The Wood Products Division has more than 20 production units in Europe and serves customers globally.</p> <p>Stora Enso's Paper Division provides paper solutions for print media and office use. Its product selection covers papers made from virgin wood and recycled fibre. The main customer groups include publishers, retailers, printing houses, merchants, converters and office suppliers. The Paper Division has nine paper mills with 18 production lines in Europe and one joint venture paper machine in China.</p> <p>The segment Other includes the Nordic forest equity accounted investments, Stora Enso's shareholding in Pohjolan Voima Oy ("PVO"), operations supplying wood to the Nordic and Baltic mills, plantations not connected to any mill site and group shared services and administration.</p>
B.16	Ownership and Control of the Issuer:	As at 31 December 2018, the two largest shareholders of Stora Enso were Solidium Oy (10.7 per cent. of shares and 27.3 per cent. of votes) and FAM AB (10.2 per cent. of shares and 27.3 per cent. of votes).
B.17	Ratings assigned to the Issuer or its Debt Securities:	<p>The Issuer has a long-term debt rating of Baa3 (stable outlook) from Moody's Deutschland GmbH ("Moody's") and BBB- (stable outlook) from Fitch Ratings Ltd. ("Fitch Ratings").</p> <p><i>[The Notes have been separately rated [•].]</i></p> <p><i>[The Notes have not been separately rated.]</i></p>

Section C – Securities		
C.1	A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number	<p>Notes shall be issued in bearer form.</p> <p>The Notes are [£/€/U.S.\$/other] [[•] per cent /Floating rate/Zero coupon/] Notes due [•]</p> <p>International Securities Identification Number (ISIN): [•]</p> <p>Common Code(s): [•]</p>
C.2	Currency of the Securities Issue:	<p>Notes may be denominated in Euro, pounds sterling, U.S. dollars, Japanese yen and, subject to any applicable legal or regulatory restrictions, any other currency as may be agreed between the Issuer and the relevant Dealer.¹</p> <p><i>[The Notes are denominated in [•].]</i></p>
C.5	Restrictions on Free Transferability:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including Belgium, the United Kingdom and The Netherlands), Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes.

¹ Delete this paragraph when preparing an issue specific summary.

		<p>The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and may not be offered and 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.</p> <p>In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each dealer appointed in relation to the Programme (each a "Dealer") has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 to the public in that Relevant Member State [except with the consent of the Issuer given in accordance with Element A.2 above]².</p> <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.</p> <p>The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.</p>
		<p>[Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam by NYSE Euronext in full compliance with the Dutch Savings Certificates Act (<i>Wet inzake spaarbewijzen</i>) of 21 May 1985 (as amended) and its implementing regulations.]³</p>
C.8	<p>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</p>	<p><i>Negative Pledge:</i> The Notes will have the benefit of a negative pledge in respect of any obligation assured by the Issuer or a principal subsidiary of the Issuer which is in the form of bonds, notes, debentures, loan stock or any other type of security which is, or is capable of being, listed, quoted or traded on any stock exchange with the proviso that the Notes will not have the benefit of the negative pledge if more than 50 per cent. of the relevant Tranche or Series is initially offered to persons resident in Finland.</p>

² Delete this paragraph when preparing an issue specific summary if no consent has been provided by the Issuer in accordance with Element A.2.

³ Delete this paragraph when preparing an issue specific summary if the Notes are not Zero Coupon Notes.

		<p><i>Status of the Notes:</i> The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p> <p><i>Limitations:</i> Not applicable. The rights described above apply to all Noteholders equally.</p>
C.9	The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:	<p>See C.8 for a description of the rights attaching to the Notes, ranking and limitations.</p> <p><i>Interest:</i> Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.⁴</p> <p>[<i>Interest: The Notes bear interest from [•] at a fixed rate of [•] per cent. per annum payable in arrear on [•].</i>]</p>
		<p>[<i>Interest: The Notes bear interest from [•] at a rate equal to the [floating rate that would be determined under an interest rate swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.] [sum of [•] per cent. per annum and [period] [currency] [EURIBOR/LIBOR/STIBOR] determined in respect of each Interest Period on the day which is [[•] [London business days] before] the first day of the Interest Period and payable in arrear on [•]. [EURIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute]/[LIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration]/[STIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently NASDAQ OMX Stockholm) in accordance with the requirements from time to time of the Swedish Bankers' Association.]</i>]</p>
		<p>[<i>Interest: The Notes do not bear interest.</i>]</p> <p><i>Maturities:</i> Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.⁵</p> <p>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</p>

⁴ Delete this paragraph when preparing an issue specific summary.

⁵ Delete this paragraph when preparing an issue specific summary.

		<p>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 by the Issuer.⁶</p> <p><i>[Maturity Date: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on [•].]</i></p> <p><i>Redemption:</i> Payments of principal shall be made only against presentation and surrender of Notes at the Specified Office of any Paying Agent outside the United States. The Notes will be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount.⁷</p> <p><i>[Final Redemption Amount: Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at [•] per cent. of its nominal amount.]</i></p> <p><i>Optional Redemption:</i> Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders.⁸</p> <p><i>[Redemption at the Option of the Issuer: The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or in part] on [•] at [[•]/a make-whole amount], plus accrued interest (if any) to such date, on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders.]</i></p> <p><i>[Redemption at the Option of the Noteholders: The Issuer shall, at the option of the holder of any Note redeem such Note on [•] at [•] together with interest (if any) accrued to such date, on the Noteholders giving not less than 15 nor more than 30 days' notice to the Issuer.]</i></p> <p><i>Tax Redemption:</i> Except as described in "Optional Redemption" above, early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the country of Finland.</p> <p><i>Yield:</i> The yield of each Tranche of Fixed Rate Notes will be calculated on an annual or semi-annual basis using the relevant Issue Price at the relevant Issue Date.⁹</p> <p><i>[Yield: Based upon the Issue Price of [•], at the Issue Date the anticipated yield of the Notes is [•] per cent. per annum.]</i></p> <p><i>Representative of the Noteholders:</i> Not applicable as the Fiscal Agent is the agent of the Issuer and there is no representative of Noteholders.</p>
C.10	Derivative Components in interest payment:	See C.9. Not applicable. Payments of interest on the Notes shall not involve any derivative component.
C.11	Admission to trading of the	Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to trading on the regulated

⁶ Delete this paragraph when preparing an issue specific summary.

⁷ Delete this paragraph when preparing an issue specific summary.

⁸ Delete this paragraph when preparing an issue specific summary.

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	Notes on a regulated market:	<p>market of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to trading by any competent authority, stock exchange or to be admitted to trading by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.¹⁰</p> <p><i>[Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.]</i></p> <p><i>[Application has been made for the Notes to be admitted to trading [•].]</i></p>
		<p><i>[Not applicable, the Issuer does not intend to make any application for the Notes to be admitted to trading and/or quotation by any competent authority, stock exchange and/or quotation system.]</i></p>

Section D – Risks		
D.2	Risks Specific to the Issuer:	<ul style="list-style-type: none"> • Risk Factors Relating to Current Macroeconomic Conditions <ul style="list-style-type: none"> - Any deterioration of the economy could have a material adverse effect on our business, financial condition or results of operations. • Risk Factors Relating to Our Business <ul style="list-style-type: none"> - Changes in consumer behaviour and new technologies may have an adverse effect on demand for our products and our profitability. - Competition in the packaging, pulp, wood products and paper industries is intense and measures taken by national governments or the EU may distort competition in these industries. - We may not be able to successfully implement our cost reduction and efficiency improvement measures. - Changes in raw material and energy costs affect our profitability. - We may not be able to realise some or all of the anticipated benefits of our strategic investment in China or there may be delays and unexpected higher costs or other difficulties in realising such benefits. - The failure to make successful mergers and acquisitions and divestments could have a negative impact on our competitiveness. Additional acquisitions may also expose us to new liabilities. - Exchange rate fluctuations may have a material adverse effect on our business, financial condition or results of operations. - We may not be able to realise the anticipated benefits of our strategic plans.

¹⁰ Delete this paragraph when preparing an issue specific summary.

		<ul style="list-style-type: none"> - The availability of fibre may affect the prices paid by us for this key raw material or require us to alter our manufacturing operations. - We may face high costs for compliance with and remediation activities under environmental laws and regulations, which would reduce profit margins and earnings. - Future impairments and restructuring costs may have a material adverse effect on our business, financial condition or results of operations.
		<ul style="list-style-type: none"> - The value of our investments may be adversely affected by political, economic and legal developments in the countries concerned. - Certain of our operations are carried out in joint ventures over which we share control. - Risks related to our tree plantations and forests. - Climate change risks. - We maintain a diverse and broad customer base as part of our sales approach; the loss of one or more of our major customers or the realisation of customer credit risk could have a material adverse effect on our business, financial condition or results of operations. - We rely on outside suppliers and subcontractors and are therefore susceptible to disruptions in our supply chain. - A few significant shareholders may influence or control the direction of our business. - A significant portion of our employees and our suppliers' employees are members of labour unions and we may face labour disruptions that could interfere with our operations and have a material adverse effect on our business, financial condition or results of operations. - Valuations of our financial assets and liabilities could have a material adverse effect on our business, financial condition or results of operations. - Reduced levels of capital expenditure may have an adverse effect on our business, financial condition or results of operations. - We depend on technology and advanced information systems that may fail or be subject to disruptions. - We may not be able to attract and retain key officers, managers or other key personnel, which could have an adverse effect on our business, financial condition or results of operations. - A fire, accident or other calamity at our production facilities could have a material adverse effect on our business, financial condition or results of operations.

		<ul style="list-style-type: none"> - Legal proceedings could have a material adverse effect on our business, financial condition or results of operations. • <i>Reputational Risks</i> <ul style="list-style-type: none"> - Our governance, internal controls and compliance processes could fail to prevent regulatory penalties, reputational harm and fraud, both at operating subsidiaries and joint ventures. - We may be subject to product safety claims.
		<ul style="list-style-type: none"> • <i>Social Risks</i> • <i>Risks Related to Financing</i> <ul style="list-style-type: none"> - We could encounter difficulty in financing our operations, including the investments that are necessary to achieve our strategic plans. - We are exposed to interest rate risk on our floating rate debt. - Any downgrade in our credit ratings could adversely affect the availability of new financing and increase our cost of capital.
D.3	Risks Specific to the Notes:	<ul style="list-style-type: none"> • <i>[Notes subject to optional redemption by the Issuer – An optional redemption feature is likely to limit the market value of the Notes.</i> • <i>Notes issued at a substantial discount or premium – The market value of Notes of this type tends to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.</i> • <i>Fixed Rate Notes – Fixed Rate Notes bear interest at a fixed rate rather than by reference to an underlying index or reference rate and if interest rates rise, the then income payable on such Notes might become less attractive.</i> • <i>Floating Rate Notes – Floating Rate Notes bear interest by reference to an underlying reference rate which is variable. Investors are not able to determine a yield for Floating Rate Notes at the time of purchase and the return on investment cannot be compared with that of investments which have fixed interest periods.</i> • <i>Fixed/Floating Rate Notes – An issuer's ability to convert from a floating to a fixed rate or from a fixed to a floating rate such Notes will affect the secondary market and the market value of such Notes.</i> • <i>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 his investment.</i> <p><i>Benchmarks – The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".</i></p>

		<ul style="list-style-type: none"> • <i>Minimum specified denominations</i> – Investors who hold less than the minimum specified denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued. • <i>Modification</i> – 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.¹¹
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Section E - Offer		
E.2b	Reasons for the Offer and Use of Proceeds:	<p><i>[The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which includes making a profit.]</i></p> <p><i>[The Issuer will apply the net proceeds from this offer of Notes specifically to finance or refinance projects and activities that meet the eligibility requirements defined and detailed in the Issuer's Green Bond Framework, March 2018 ("Green Projects").]¹²</i></p>
E.3	Terms and Conditions of the Offer:	<p>Notes may be issued at any price and on a fully paid basis. The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. Notes will only be offered and sold to investors in compliance with the requirements of element C.5.¹³</p> <p><i>[Offer Price:]</i> <i>[Issue Price/Not applicable/specify]</i></p> <p><i>[Conditions to which the offer is subject:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Time Period, including any possible amendments, during which the offer will be open]</i> <i>[Not applicable/give details]</i></p> <p><i>[Description of the application process:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Details of the minimum and/or maximum amount of application:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Details of the method and time limits for paying up and delivering the Notes:]</i> <i>[Not applicable/give details]</i></p>

¹¹ Delete risk factors that are not applicable when preparing an issue specific summary.

¹² Delete this paragraph unless the Notes are intended to constitute "Green Bonds".

¹³ Delete this paragraph when preparing an issue specific summary.

		<p><i>[Manner in and date on which results of the offer are to be made public:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]</i> <i>[Not applicable/give details]</i></p> <p><i>[Public Offer Jurisdictions:]</i> <i>[Not applicable/Luxembourg]</i></p> <p><i>[Name(s) and address(es), to the extent known to the Issuer, of the placers]</i> <i>[None/give details]</i></p>
E.4	Interests Material to the Issue/offer:	<p><i>[A description of any interest that is material to the issue/offer including conflicting interests.]</i></p> <p>The Issuer has appointed Barclays Bank Ireland PLC, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, DNB Bank ASA, Goldman Sachs International, J.P. Morgan Securities plc, NatWest Markets Plc, NatWest Markets N.V., Nordea Bank Abp, OP Corporate Bank plc and Skandinaviska Enskilda Banken AB (publ), and any other Dealer appointed from time to time as Dealers for the Programme. 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 the Dealer Agreement made between the Issuer and the Dealers.¹⁴</p> <p><i>[Syndicated Issue: The Issuer has appointed [•],[•] and [•] (the "Managers") as Managers of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Managers are set out in the Subscription Agreement made between the Issuer and the Managers]</i></p> <p><i>[Non-Syndicated Issue: The Issuer has appointed [•] (as Dealer in respect of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Dealer are set out in the Dealer Agreement made between, amongst others, the Issuer and the Dealer.]</i></p>
E.7	Estimated Expenses charged to the Investor:	<p>No expenses will be chargeable by the Issuer to an Investor in connection with any offer of Notes. Any expenses chargeable by an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer.</p>

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Delete this paragraph when preparing an issue specific summary.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most 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.

The Issuer believes that the risks described below represent the 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. 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.

In this section "Risk Factors Relating to our Business" the terms "we", "us" and "our" refer to Stora Enso Oyj or Stora Enso Oyj and its subsidiaries and associates, as the context may require.

Risk Factors Relating to Current Macroeconomic Conditions

Any deterioration of the economy could have a material adverse effect on our business, financial condition or results of operations.

Demand for our products is primarily driven by demand for our customers' end products, such as industrial and consumer packaging, wood products, newspapers and magazines. Economic downturns, such as the global economic downturn in 2008 and 2009 and subsequent years of economic uncertainty, characterised by declines in consumer and government spending, advertising, business investment or construction activity typically result in decreased demand for our products. Furthermore, the economic conditions have been, and are likely to continue to be, affected by concerns over increased geopolitical tensions, including those related to the Middle East (including the impact of oil prices on the global economy) and North Korea, and political developments, such as the ongoing negotiations regarding the U.K.'s exit from the European Union (the "EU") and the policies of the U.S. presidential administration. Furthermore, as the global economy is moving into a new phase where central banks may begin to reduce or reverse their lenient monetary policy positions in response to vigorous growth rates, such developments may give rise to significant uncertainty and also negatively affect our business conditions. In addition, turmoil in the capital and credit markets may result in decreased availability of credit, which could have an adverse effect on the global economy and, consequently, on the markets for our products. The current geopolitical circumstances pose a notable risk of an increase in protectionist measures, including further direct or indirect government support for certain participants in the countries in which we or our competitors operate, which could distort competition in the market and require companies not benefiting from such support to curtail capacity and take other measures to remain competitive. An increase in protectionist measures could materially shrink global trade. Any economic downturn or slowing in economic growth could have a material adverse effect on our business, financial condition or results of operations. These conditions are beyond our control and our management is not in a position to reliably estimate their effects on us. See also "*Risk Factors Relating to Our Business—Competition in the packaging, pulp, wood products and paper industries is intense and measures taken by national governments or the EU may distort competition in these industries*" below.

Risk Factors Relating to Our Business

Changes in consumer behaviour and new technologies may have an adverse effect on demand for our products and our profitability.

Changes in consumer behaviour have affected the demand for paper and board in general, with the demand for paper declining, especially in mature economies which are important for our sales. Some of the most significant changes in such consumer behaviour include the decrease in mailed advertising, increased use of e-mail and electronic media and increased use of personal computers. In addition, the distribution channels for music and video entertainment through the Internet require less packaging.

New technologies and processes may emerge and existing technologies further developed in the fields in which we operate. These technologies or processes could have an impact on our production methods or on product quality or offerings. Rapid changes in our employed technologies or the development of new processes that affect our operations and product range could render the technologies we utilise or the products we produce obsolete or less competitive in the future.

Changes in technology may also change consumer behaviour in terms of construction materials. Wood may be replaced by plastic or steel materials, which would have an adverse impact on the sales of the Wood Products Division. Our ability to meet shifts in consumer demand will depend upon our ability to respond to changes in consumer behaviour and our ability to develop and produce new products on a competitive and economic basis, which requires continuous capacity management, production curtails and structural development. There can be no assurance that we will be able to meet changes in consumer behaviour and technology in the future, which could have a material adverse effect on our business, financial condition or results of operations.

Competition in the packaging, pulp, wood products and paper industries is intense and measures taken by national governments or the EU may distort competition in these industries.

The packaging, pulp, wood products and paper industries in which we operate are mature, capital intensive and highly competitive. We have, from time to time, experienced pricing pressure from competitors in many of our product lines and geographic markets. Our principal competitors include a number of large international paper, packaging and forest product companies, and we also face competition from numerous regional and more specialised competitors. The competitive environment and imbalances between supply and demand in the packaging, pulp, wood products and paper markets have been principal factors behind fluctuations in product prices in recent years. There can be no assurance that we will be able to compete successfully in the future, and a failure to do so could have a material adverse effect on our competitive position. In addition, we are subject to the risk that local competitors following lower social responsibility standards enter the market with lower compliance, labour and other costs than ours, and we may not be able to compete with such companies for the most price-conscious customers.

Competition in the packaging, pulp, wood products and paper industries may be distorted by measures taken by national governments or the EU. For example, a number of national governments and the EU have taken measures to support companies operating in these industries in response to an economic downturn or to support economic development in particular regions. These measures may include direct support to build new production capacity in an industry already characterised by overcapacity and indirect support through tax and other incentives that are not available to all market participants. Such support measures may have a significant effect on the supply/demand balance in the industry and, therefore, distort competition in the market. Companies that do not benefit from such support may also have to curtail capacity and take other measures to remain competitive. In addition, competition in the packaging, pulp, wood products and paper industries may be distorted by regulatory measures that, for example, support specific energy sources or impose additional taxes, charges or penalties for certain practices. Such regulatory measures may require us to make significant additional investments or change our trade practices, which could have a significant adverse effect on our profitability and on our ability to compete against companies that are not subject to the same requirements.

The prices for our products are cyclical and are affected by changes in capacity and production and by demand for our products, which, in turn, is influenced by general economic conditions and customers' inventory levels, among other factors. The timing and magnitude of price increases or decreases in the packaging, pulp, wood products and paper markets have generally varied by region and by type of packaging, pulp, wood products and paper. Changes in capacity, production and demand may result in periods of imbalance between supply and demand, during which periods the prices of our products can fluctuate significantly. In addition, movements in currency exchange rates can result in changes in global trade flows, which, in turn, can exacerbate the imbalance between supply and demand. We may not be able to maintain our current price levels, or increase the prices for our products, unless there is a strong demand for packaging, pulp, wood products and paper products or a further decrease in production capacity. Decreases in demand or unfavourable price levels for our products could have a material adverse effect on our business, financial condition or results of operations.

We may not be able to successfully implement our cost reduction and efficiency improvement measures.

We have taken a number of measures to reduce our costs and achieve operating efficiencies over the past years, and we announced on 1 February 2019 that we have started to implement a profit protection programme of EUR 120 million to better prepare for potential market weakness. These measures have included the restructuring of our business areas and management, mill closures to address overcapacity and improve profitability, redundancies and divestments of certain mills and businesses. While these measures have generated savings, we may not be able to realise the full intended benefits of these measures or any additional initiatives that we may take in the future. Actual cost savings may differ materially from original estimates for a number of reasons. In addition, cost reduction measures are based on current conditions and do not take into account future cost increases that may result from changes in the industry or our operations. Further, some of the measures taken by us are irreversible and we may incur significant costs should we want to recommence certain terminated operations in the future as a result of, for example, industry consolidation or unexpected changes in industry trends. Any failure to successfully implement these or additional future measures, or the failure of these measures to generate the anticipated level of savings, could have a material adverse effect on our business, financial condition or results of operations.

Changes in raw material and energy costs affect our profitability.

The main raw material required in the manufacture of paper and board products is pulp, which is made from wood or recovered fibre. Different types of paper and board products are produced with the appropriate type of pulp and chemicals as their principal raw materials. The prices for energy and many of our raw materials, especially petroleum-based chemicals, have been volatile in recent years. For example, oil prices declined significantly between 2014 and 2016 and remain subject to significant volatility. These prices are expected to remain volatile for the foreseeable future, and this affects the profitability of the packaging, pulp, wood products and paper industries. Chemical suppliers that use petroleum-based products in the production of their chemicals may, due to supply shortages, cost increases or other reasons, limit the amount of chemicals available to us and/or we may not be able to obtain the chemicals needed to operate our business at favourable prices or without delays.

For the years ended 31 December 2018 and 2017, fibre procurement accounted for 50 per cent. and 51 per cent., respectively, of our total variable costs. We expect the Nordic wood supply situation to continue to be tight. In addition, energy is one of the most significant components of our production costs. Despite our internal energy generation, we are, to a significant extent, dependent on external energy suppliers. Our contracts with energy suppliers vary as to price, quantity and duration and our energy costs are also affected by various market factors, including fuel and energy market prices and local and national regulatory decisions. Increases in prices for raw materials and energy have had a significant adverse impact on our production costs, including in 2018, and increases in prices for raw materials or energy could have a material adverse effect on our business, financial condition or results of operations if we are unable to increase our product prices sufficiently to maintain our margins.

We may not be able to realise some or all of the anticipated benefits of our strategic investment in China or there may be delays and unexpected higher costs or other difficulties in realising such benefits.

Our operations at our Beihai Mill site in Beihai city in Guangxi, southern China, comprise a consumer board machine, a polyethylene extrusion coating line and a bleached chemi-thermomechanical pulp plant. The 450,000 tonne per year consumer board machine commenced production during the second quarter of 2016 and reached its designed capacity level in the fourth quarter of 2017. The project investment for the project was approximately EUR 800 million. The 80,000 tonne per year polyethylene coating plant commenced production during the fourth quarter of 2017. A chemical pulp mill was originally planned to be constructed in phase two, which was planned to commence after the consumer board machine was completed.

As a result of changes in market conditions or other unexpected factors, we may not be able to realise the anticipated benefits of the project. An inability to realise the full extent of the anticipated benefits of our strategic investment in China could have a material adverse effect on our business, financial condition or results of operations.

The failure to make successful mergers and acquisitions and divestments could have a negative impact on our competitiveness. Additional acquisitions may also expose us to new liabilities.

As part of our development, we may seek opportunities through mergers with, or acquisitions of, pulp and packaging, wood product and/or other companies to stay competitive or to enhance our position in our core areas of operation or to expand outside of current businesses. Risks relating to mergers and acquisitions include unidentified liabilities of the companies we may acquire or merge with, the possible inability to successfully integrate and manage acquired operations and personnel as well as the risk that the anticipated economies of scale or synergies do not materialise. In addition, past practices by acquired companies, such as in relation to pollution, competition law breaches or corruption, could result in additional costs for us and cause reputational damage. We may not be able to identify attractive acquisition or merger opportunities and might not be able to carry out acquisitions or mergers on attractive terms. Failure to participate in industry consolidation may have an adverse effect on our strategic competitive position. Regulation of merger or acquisition activity by competition authorities may also limit our ability to make future acquisitions or mergers. We have in the past recorded significant impairment charges related to goodwill or other intangible assets in connection with acquisitions and may be required to do so in the future in connection with any future acquisitions.

We have made a number of divestments in recent years in order to focus our operations. We may divest additional mills or operations to focus on strategic areas. Any future divestments may be affected by many factors that are beyond our control, such as the availability of bank financing to potential buyers, interest rates and competitors' capacity, and may also lead to exposure to indemnity claims. Furthermore, divestments may involve additional costs due to historical and unaccounted liabilities. There can be no assurance that we will be able to divert assets in a profitable way, or that such divestments will be possible on acceptable terms, or at all. The market situation may also affect our ability to accurately predict the length of time needed for any acquisitions or divestments. Therefore, the profitability of transactions may differ from our expectations, which could have a material adverse effect on our business, financial condition or results of operations. Any transactions may also require extensive management attention, which would divert the attention of our management away from the ongoing business.

Exchange rate fluctuations may have a material adverse effect on our business, financial condition or results of operations.

Currency transaction risk consists of the impact of exchange rate fluctuations on our results of operations and cash flows. Currency fluctuations affect us because the majority of our operating costs are denominated in Euro, Swedish kronor, Chinese renminbi and Brazilian real, while a proportionately larger share of our sales are denominated in certain other currencies, including U.S. dollars and British pounds sterling.

Because our consolidated financial statements are prepared in Euro, we also face a currency translation risk to the extent that the assets, liabilities, revenues and expenses of our non-Euro subsidiaries are denominated in currencies other than the Euro. Our reported earnings may be affected by fluctuations between the Euro and the non-Euro currencies in which our various subsidiaries report their results of operations. In addition, the appreciation of the Euro and/or Swedish krona against the U.S. dollar has in the past reduced, and could in the future reduce, the competitiveness of the products we produce in Europe against imports from North America or South America or limit our ability to export such products to North America or South America, which could lead to lower sales and earnings. Furthermore, the Euro value of our sales and earnings in U.S. dollars would be reduced if the Euro were to appreciate against the U.S. dollar.

While we use hedging instruments to mitigate the impact of exchange rate fluctuations, there can be no assurance that we will be able to manage our foreign exchange risk successfully and/or on favourable terms. As a result of all the above factors, currency exchange rate fluctuations between the Euro and/or Swedish krona and certain other currencies, such as the U.S. dollar, British pound sterling, Swedish krona, Brazilian real, Russian rouble or Chinese renminbi, could have a material adverse effect on our business, financial condition or results of operations.

We may not be able to realise the anticipated benefits of our strategic plans.

Our business strategy is to transform from a traditional paper and board producer to a customer-focused renewable materials growth company. The success of this transformation depends of our ability to understand the needs of our customers and find the best possible ways to serve them with the right offering and production asset portfolio. This transformation is sought through innovation, organic growth and selective mergers and acquisitions, mainly in growth markets, and through operational improvements to the existing production base. Due to their nature, the investments usually require considerable amounts of capital and have long lead times to generate returns. In addition, due to the size, location and complexity of the strategic projects, there is always a risk of cost overruns and delays. Specifically in the current market situation, inadequate utilisation of production facilities or individual paper machines and an unanticipated low demand for products after completion in general may occur. Any of these factors could have a material adverse effect on our business, financial condition or results of operations. In addition, competition for qualified personnel is intense in the growth markets in which we operate and seek to implement our strategic projects and this competition is likely to intensify in the future. We may not be able to locate suitable personnel at a reasonable cost or at all. If we are unable to attract, retain and motivate qualified employees at all levels, such failures could have a material adverse effect on our ability to execute our strategy in these markets and have a material adverse effect on our business, financial condition or results of operations. In addition, our intellectual property is an increasingly important tool supporting our transformation from a traditional paper and board producer to a customer-focused renewable materials group. During 2018, we filed 56 priority founding patent applications and were granted more than 324 patents worldwide. If we are unable to protect our intellectual property rights, such failure could have a material adverse effect on our business, financial condition or results of operations.

The availability of fibre may affect the prices paid by us for this key raw material or require us to alter our manufacturing operations.

Any disruptions on delivery of procured wood fibre to our mills may oblige us to pay higher prices or alter our manufacturing operations by, for example, changing the product mix or downscaling production. Stakeholder concerns, economic, political, legal or other difficulties or restrictions leading to lower logging activities in countries from which we import fibre or increasing domestic demand for wood due to further development of the forest products industries in such countries may halt or limit the supply of fibre to our mills, which could have a material adverse effect on our business, financial condition or results of operations. In particular, the EU energy and carbon policies may have an impact on the availability and price of wood fibre.

Furthermore, environmental and social responsibility in wood procurement and forest management is a key requirement for our stakeholders, and we maintain policies for sustainable sourcing of wood and fibre as well as land management setting the basic requirements for all our wood procurement operations. If we fail to ensure that the origin of the wood we use is acceptable, this could have adverse consequences in the markets. Unpredicted changes in forest certification schemes and increased customer requirements could limit the availability of certified raw material. These adverse consequences could increase our raw material costs relating fibre and wood, which, in turn, could have a material adverse effect on our business, financial condition or results of operations.

We may face high costs for compliance with and remediation activities under environmental laws and regulations, which would reduce profit margins and earnings.

We are subject to various environmental laws and regulations in the jurisdictions in which we operate that govern, among other things, wood procurement, the use of recycled material and different forms of production discharges and emissions. We have, from time to time, had incidents relating to, among other things, odours emitted from our mills, soil contamination and high levels of organic matter and mercury near our mills. For the year ended 31 December 2018, our environmental costs, excluding interest and including depreciation, were EUR 184 million, as compared to EUR 170 million in 2017. As at 31 December 2018, our provision for environmental remediation was EUR 99 million.

The risk of substantial environmental costs and liabilities is inherent in industrial operations, including the forest products industry, and there can be no assurance that we will not incur significant costs and liabilities in the future in connection with our operations, mill closures or otherwise or that the adoption

of increasingly strict environmental laws, regulations and enforcement policies will not result in substantially increased costs and liabilities in the future. Similarly, the interpretation of the existing laws and regulations may change, which may require stricter controls and increase our costs. Additionally, certain mill sites have been in industrial use for decades and may give rise to unanticipated environmental liabilities as scientific knowledge, environmental laws and regulations develop. Higher regulatory, environmental and similar costs would reduce our profit margins and earnings. We expect to continue to incur significant expenditures and may face operational constraints to maintain compliance with applicable environmental laws, to upgrade equipment at our mills, to clean up closed sites and to meet new regulatory requirements. Significant increases in environmental remediation and compliance costs could have a material adverse effect on our business, financial condition or results of operations.

Future impairments and restructuring costs may have a material adverse effect on our business, financial condition or results of operations.

The valuation of goodwill, intangible assets and fixed assets on our consolidated balance sheet is, to a significant degree, dependent on our estimates of the future cash generation capacity of the relevant assets or cash generating units. In accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**"), we review the carrying amounts of our intangible assets and fixed assets at each balance sheet date to determine whether there is any indication of impairment. Goodwill is tested annually for impairment or more frequently when impairment indicators exist. If any such indication exists, we will estimate the recoverable amount of the asset and impair the asset to the recoverable amount through the income statement. The recoverable amount is estimated as the higher of the net selling price and the value in use with an impairment loss being recognised whenever the carrying amount exceeds the recoverable amount. Our total impairment charges relating to operations, presented as total impairment charges on other intangible assets and property, plant and equipment, in 2018 and 2017 amounted to EUR 1 million and EUR 27 million, respectively. Further restructuring and/or any downturn or weakness in the global economy may require us to make further impairments, which, depending on the amounts impaired, may have a material adverse effect on our business, financial condition or results of operations.

In recent years, we have taken a number of measures to restructure our operations. Restructuring costs incurred in connection with restructuring cover the costs for closing down operations, demolition, clearance, cleaning and site restoration as well as redundancy costs. As at 31 December 2018, our total restructuring provisions amounted to EUR 8 million. As we continue to review our operations for additional operational efficiency and cost competitiveness, our restructuring costs may be significant in the foreseeable future and there can be no assurance that the actual cash outflows will not exceed the provisioned amounts. Such events could have a material adverse effect on our business, financial condition or results of operations.

The value of our investments may be adversely affected by political, economic and legal developments in the countries concerned.

We have operations in countries where the political, economic and legal systems are less predictable than in countries with more developed institutional structures. In particular, as our strategy includes an increased focus on growth markets, we are expected to become increasingly exposed to risks relating to operating in countries with less developed institutional, legal and political structures. In addition, social risks may harm the development of our investments in these countries and our relationship with local shareholders. Political or economic upheaval, civil unrest, changes in laws and other factors could have a material adverse effect on our operations in any of the countries in which we operate and, in turn, the amount of income from, and the value of, the investments we have made, and may in future make, in relation to our operations in these countries. Furthermore, political changes in China, Russia, Brazil and Uruguay may have a material financial impact on our operations. We are also exposed to similar risks when undertaking reorganisations, closures and improvements to our operations in the EU. Any such issues, or a public perception of such issues, would also harm our reputation and affect our operations in such markets.

In addition, risks of operating in emerging market countries arise from the establishment or enforcement of foreign exchange restrictions, which could effectively prevent us from receiving profits from, or from

selling our investments in, these countries. While none of the countries in which our operations are located currently have foreign exchange controls that have a significant effect on us, most of these countries have imposed foreign exchange controls in the recent past and no assurance can be given that these countries will not reinstitute these controls in the future.

Certain of our operations are carried out in joint ventures over which we share control.

Certain of our current operations are carried out in joint ventures and we expect to use joint ventures when starting new operations in growth markets also in the future. One of our current key joint ventures is Veracel Celulose S.A. ("**Veracel**") in Brazil. Both we and our Brazilian partner Suzano (formerly Fibria and Aracruz Celulose S.A.) have a 50 per cent. interest in Veracel and are entitled to one-half of the Veracel pulp mill's output. During 2009, we established a joint venture, Montes del Plata, with Celulosa Arauco y Constitucion S.A. ("**Arauco**") to combine assets in Uruguay. Each of the joint-venture shareholders has a 50 per cent. stake in the pulp mill's equity and is entitled to one-half of its output. In addition, the operations of our Beihai Mill site in Beihai city in Guangxi, southern China are managed by an equity joint-venture company established by us and Guangxi Forestry Group, a state-owned company under the Guangxi provincial government. We own 83 per cent. of the joint venture, with the remainder owned by Guangxi Forestry Group Co. Ltd, Beihai Forestry Investment & Development Company Ltd and International Finance Corporation.

Due to their nature, we have and likely will have only shared control with other investors over our current and future joint ventures. Our current and future partners may have different approaches with respect to each joint venture, their control and any changes in control involving the joint venture or the parties thereto, and we may be unable to reach agreement with our joint venture partners. In the event of disagreements between the joint venture partners, we may fail to exit the joint venture at an acceptable price or at all. Strategic or joint venture partners may also choose not to, or may be subject to changes in control that may impact the ability to, continue partnerships they have with us or we may have to assume full ownership of joint venture companies. Our joint venture partners may also face financial difficulties, which may prevent such partners from supporting the operations of, or investing further capital in, the respective joint ventures. This could have a material adverse effect on our business, financial condition or results of operations.

Risks related to our tree plantations and forests.

Currently, we manage plantations through joint ventures in Brazil, Uruguay and China, as well as small-scale trial plantations in Laos. In addition, we lease forests in Russia and the Czech Republic. We also have a 41 per cent. interest in Tornator Oyj ("**Tornator**"), a Finnish company owning approximately 0.6 million hectares of forest land in Finland and a 49.8 per cent. interest in Bergvik Skog AB ("**Bergvik**"). Bergvik is a Swedish company owning approximately 2.3 million hectares of forest land in Sweden. On 30 November 2018, we announced that Bergvik had divested its ownership in its subsidiaries in Latvia owning approximately 0.1 million hectares of forest land in Latvia. In November 2017, we announced that shareholders representing 98 per cent. of the owners in Bergvik, including us, had agreed to initiate discussions to divide Bergvik's assets between the owners. On 30 November 2018, we announced that the shareholders of Bergvik Skog had signed a binding agreement regarding the previously announced intent to restructure its ownership. With this agreement, the parties aim to complete the transaction during the first half of 2019. As a result of this transaction, we will transform our ownership of 49.8 per cent. in Bergvik Skog, to a direct holding of 69.8 per cent. of the value of the forest assets in Bergvik Väst AB.

Our tree plantations and forests may be destroyed as a result of natural disasters, including storms, fires, drought or floods. In summer 2014, we suffered losses due to a forest fire in Sweden, which was one of the largest forest fires in recent decades in the Nordic countries. See also "*Description of the Issuer – Legal Proceedings – Legal Proceedings in Sweden*". At our tree plantations, there is also a risk of other catastrophic events, such as pathogen and pest infestations. Pathogens and plant diseases may spread quickly and destroy entire plantations, which would result in significant additional costs and delay in the delivery of fibre to the associated mills.

Establishing land ownership structures that comply with local law is a challenging process in emerging markets as a result of undeveloped regulatory frameworks, unclear licensing and permit requirements and changing legislation. In emerging markets, certain issues concerning land ownership remain unresolved

and the laws governing investment in, and the operation of, forestry assets are new and untested. In China and Brazil, for example, we have faced social movements against plantations, which have also resulted in negative publicity. Competition for land (with, for example, the demands of energy and food production and pasture land) may also increase the price of land or restrict the availability of suitable land for plantations. Further, we announced in July 2008, that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's joint operations company Veracel were not valid. For more information, see "*Description of the Issuer – Legal Proceedings – Legal Proceedings in Latin America – Veracel*".

Climate change risks

Climate change, including the impact of global warming, creates physical and financial risk. Physical risks from climate change include an increase in sea level and changes in weather conditions, such as an increase in changes in weather patterns, including temperatures and precipitation, and extreme weather events. Such changes could adversely affect, among others, tree populations and the harvesting and transportation of wood. In addition, the increasing global demand for water could, in the long term, adversely affect our operations through our supply chains. Further, the high temperatures and dry weather during the summer of 2018 lowered water levels in lakes and affected water treatment processes in Sweden. These can lead to increasing risk of production limitations. Accordingly, climate change could have a material adverse effect on our results of operations, financial condition and liquidity.

We may become subject to legislation and regulation regarding climate change, and compliance with any new rules could be difficult and costly. Concerned parties, such as legislators and regulators, shareholders and non-governmental organisations, as well as companies in many business sectors, are considering ways to reduce GHG emissions. Various governmental and local regulatory and legislative bodies have proposed legislative and regulatory measures relating to climate change, regulating GHG emissions and energy policies. If such legislation is enacted, we could incur increased energy, environmental and other costs and capital expenditures to comply with the limitations. Due to the uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, we cannot currently determine the effect such legislation and regulation may have on our operations. Furthermore, we could face increased costs related to defending and resolving legal claims and other litigation related to climate change and the alleged impact of our operations on climate change.

We maintain a diverse and broad customer base as part of our sales approach; the loss of one or more of our major customers or the realisation of customer credit risk could have a material adverse effect on our business, financial condition or results of operations.

A significant portion of our products are sold to a number of major customers, including significant printing houses and packaging industry companies. Although we are not dependent on any specific customer or group of customers, the loss of one or more of our major customers, if not replaced could have a material adverse effect on our business, financial condition or results of operations. Further, each of our Divisions and reporting segments, in particular the Consumer Board Division, Packaging Solutions Division, Biomaterials and Paper Division, sell significant volumes to certain major customers that, although not necessarily material to our business as a whole, are significant to the operations of the respective individual Division. In addition, we are exposed to customer credit risk arising from deterioration in the financial health of customers. We use various measures to reduce credit risks, including but not limited to letters of credit, prepayments and bank guarantees; however, there can be no assurance that these measures will be successful in preventing the realisation of customer credit risk.

We rely on outside suppliers and subcontractors and are therefore susceptible to disruptions in our supply chain.

We rely on outside suppliers and subcontractors and their ability to deliver products or services at the right time and of the right quality. Our most important production inputs are fibre, transport, chemicals and energy, machinery and equipment as well as various outsourced business support services. For some of these inputs, there are a limited number of potential suppliers. In the event of a significant interruption or limitation in the supply of these production inputs from our current suppliers, we would seek to obtain them from other sources. However, there can be no assurance that we would be able to do so without an adverse impact on our manufacturing operations, such as an interruption or downscaling of production or

change in the product mix, or increased costs. Any economic slowdown could also motivate our suppliers to decrease capacity, and consolidation among suppliers may occur. As a result, should the demand for our products increase faster than anticipated, there may not be sufficient volume of certain production inputs to meet the increased needs or the price of these inputs may increase. This could result in production delays and an increase in costs, and, if such delays are prolonged or cost increases are substantial, have a material adverse effect on our business, financial condition or results of operations.

We are also subject to the risk that our suppliers and subcontractors fail to comply with our sustainability requirements and thereby damage our reputation. This risk relates particularly to suppliers not complying with labour, health and safety regulations in high-risk countries in emerging markets such as China and Brazil. If our suppliers do not comply with our sustainability requirements, we may be required to take measures to remedy the situation, as well as terminating the relevant supplier relationships, which may limit the number of suppliers available to us. Any of the above could have a material adverse effect on our business, financial condition or results of operations.

A few significant shareholders may influence or control the direction of our business.

Stora Enso's largest shareholders, Solidium Oy ("**Solidium**"), a company wholly-owned by the Finnish State, and FAM AB ("**FAM**") held 10.7 per cent. and 10.2 per cent., respectively, of the Shares outstanding and 27.3 per cent. and 27.3 per cent., respectively, of the related voting rights as at 31 December 2018. Accordingly, Solidium and FAM have significant power to influence matters submitted to a vote of shareholders, such as the approval of the annual financial statements, declarations of annual reserves and dividends, capital increases, amendments to our articles of association and the election of the members of our board of directors (the "**Board of Directors**"). To the extent matters presented to our shareholders require approval of a particular percentage of shares represented at a meeting of shareholders or of a super majority of outstanding shares, these shareholders may be able to significantly influence the outcome of the vote.

A significant portion of our employees and our suppliers' employees are members of labour unions and we may face labour disruptions that could interfere with our operations and have a material adverse effect on our business, financial condition or results of operations.

We are subject to the risk of labour disputes and adverse employee relations, which could disrupt our business operations (or the business operations of our suppliers) and adversely affect our business, financial condition or results of operations. The majority of our employees, and in particular employees in Finland, Sweden and Germany, are represented by labour unions under several collective bargaining agreements in the various countries in which we operate. However, organisations collectively representing us and other employers in our industry may not be able to renegotiate satisfactory collective labour agreements when they expire. Furthermore, the existing collective bargaining agreements may not prevent a strike or work stoppage at any of our facilities in the future, and any such work stoppage could have a material adverse effect on our business, financial condition or results of operations. Additionally, public dissatisfaction with our labour-related decisions may, in extreme cases, lead to unanticipated boycotts or disruptions at our facilities. We have experienced work stoppages in the past. For example, the Finnish Paper Workers' Union declared two-week work stoppage in Finland in April 2010. The work stoppage was associated with a mill restructuring at a competitor's paper mill in Finland. There can be no assurance that there will not be labour disputes and/or adverse employee relations in the future.

Valuations of our financial and biological assets and liabilities could have a material adverse effect on our business, financial condition or results of operations.

The value of certain financial assets and liabilities on our balance sheet is determined by using the fair value for those assets and liabilities at the balance sheet date. For publicly traded securities, the fair value is based upon publicly quoted market prices, whereas the fair value of financial assets and liabilities for which there is no publicly quoted market price is determined by our management using a variety of valuation techniques. For us, the largest item subject to fair valuation is the interests in **PVO**. PVO is a privately owned company in Finland that produces electricity and heat for its shareholders, including us. The fair value of our ownership interest in PVO largely depends on the price of electricity and the used discount rate. As at 31 December 2018, the fair value of PVO's shares was EUR 415 million, as compared to EUR 308 million as at 31 December 2017. A significant decrease in the fair value of our financial

assets could have a material adverse effect on our business, financial condition or results of operations. Further, due to the subjective nature of the assumptions used in estimating the fair value of our financial assets, any changes in the assumptions used may impact the reported fair value of the financial instruments.

The Group has biological assets in equity accounted investment companies, joint operation companies and in subsidiaries. Biological assets, in the form of standing trees, are accounted for under IAS 41, which requires that the assets are measured at fair value less the costs to sell them. Fair value is determined using discounted cash flows from continuous operations based on sustainable forest management plans taking into account the growth potential of one cycle. These discounted cash flows require estimates of growth, harvest, sales price and costs, and changes in these premises are included in the consolidated income statement, for directly owned interests and for joint operations, in the line item "Change in Net Value of Biological assets". For those assets shown in the consolidated statement of financial position of equity accounted investments, changes are included in the line item "Share of results of equity accounted investments". It is therefore important that the Group's joint operation companies' and the equity accounted investments companies' management makes appropriate estimates of future price levels and trends for sales and costs, and undertakes regular surveys of the forest to establish the volumes of wood available for cutting and their current growth rates. The value of biological assets disclosed in the Group's consolidated statement of financial position from subsidiary companies and from joint operations amounted to EUR 457 million as at 31 December 2018 (31 December 2017: EUR 448 million). The Group's indirect share of biological assets held by equity accounted investments amounted to EUR 2,871 million as at 31 December 2018 (31 December 2017: EUR 2,906 million). A significant change in the fair value of our biological assets could have a material adverse effect on our business, financial condition or results of operations.

Reduced levels of capital expenditure may have an adverse effect on our business, financial condition or results of operations.

As our asset transformation is nearing completion, we have reduced the level of our capital expenditures and focused on selected key assets in recent years, and we announced on 1 February 2019 that we will reduce our capital expenditure in 2019 by about EUR 50 million compared to the earlier announced forecast as part of our profit protection programme. The depreciation and operational decrease in biological asset values forecast is EUR 590-630 million, including the IFRS 16 impact. Reduced levels of capital expenditure may result in deterioration in the quality of our production facilities, which may result in higher maintenance and replacement costs in the long term. In addition, postponing capital expenditure may subject production facilities to a higher risk of accidents, result in us losing our competitive advantage and reduce the value of our production facilities. Therefore, long periods of reduced capital expenditure levels could have a material adverse effect on our business, financial condition or results of operations.

We depend on technology and advanced information systems that may fail or be subject to disruptions.

The integrity, reliability and operational performance of our IT systems are important to our internal and external communications and daily operations. Our IT systems may be damaged or interrupted by increases in usage, human error, damaged hardware, our suppliers' failure to follow service level agreements, network connection issues, cyber security issues, natural hazards or disasters or similarly disruptive events. Any failure of our IT systems could lead to significant costs and disruptions that could harm our reputation and have a material adverse effect on our business, financial condition or results of operations. In addition, cyber threats and other security threats could exploit possible weaknesses in our IT systems and security controls, which could result in leakage of sensitive information, theft of intellectual property, violation of data privacy regulations, production outage or damage to our facilities, personnel or reputation.

We may not be able to attract and retain key officers, managers or other key personnel, which could have an adverse effect on our business, financial condition or results of operations.

Recruiting, retaining and developing a competent workforce and managing key talent throughout our global organisation are crucial to business development, for example within strategic investment projects and research and development, or during restructuring and redundancies due to divestments and closures.

We seek to manage the risks and loss of key personnel through a combination of different actions, including assessment of key personnel, annual succession planning and various development activities. However, there can be no assurance that we will be able to retain and attract key personnel in the future and our inability to attract or retain an adequate number of certain key personnel could have an adverse effect on our business, financial condition or results of operations.

A fire, accident or other calamity at our production facilities could have a material adverse effect on our business, financial condition or results of operations.

A fire, accident or other calamity resulting in significant damage to our manufacturing facilities could have a material adverse effect on our business, financial condition or results of operations. Our operations would be interrupted if any of our production facilities were to experience a major accident or were forced to shut down or curtail production due to unforeseen events. Any failure to maintain high levels of safety management could also result in harm to our employees or contractors and communities near our operations as well as the environment. Impacts in addition to physical injury, health effects and environmental damage could include liability to employees or third parties, impairment of the Group's reputation, or inability to attract and retain skilled employees. Government authorities could in addition enforce the closure of our operations on a temporary basis. Such incidents could result in delayed delivery timetables and additional costs to us and there can be no assurance that our insurance coverage would adequately cover all such costs, if at all. Further, there can be no assurance that funding would be available in such circumstances to repair any unforeseen damage at our production facilities. This could have a material adverse effect on the quality of our products, the efficiency of our production facilities and our business in general. In addition, turmoil and volatility in the global financial markets may adversely affect the insurance market. This may result in some of the insurers in our insurance portfolio failing and being unable to pay their share of claims.

Legal proceedings could have a material adverse effect on our business, financial condition or results of operations.

The international nature of our operations expose us to the potential risk of claims, litigation and arbitration proceedings. Acquisitions or divestments could also give rise to litigation. In addition, we operate in certain countries where land and resource ownership rights could be unclear, which could give rise to related disputes. Claims and legal proceedings may be costly, divert management attention and may result in reputational damage. Any unfavourable outcome of such proceedings could have a material adverse effect on our business, financial condition or results of operations. See also "*Description of the Issuer – Legal Proceedings*".

Reputational Risks

Our governance, internal controls and compliance processes could fail to prevent regulatory penalties, reputational harm and fraud, both at operating subsidiaries and joint ventures.

We operate globally and our activities span multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity and initiatives in areas such as competition law and anti-corruption. There can be no assurance that our internal control measures will ensure the implementation and maintenance of adequate controls over our financial reporting processes or that our operational risk management procedures will detect and prevent misbehaviour by individual employees as well as violations at our joint ventures and other companies in which we have an interest, particularly if we only have a minority stake and do not control accounting or other rules and protocols for the conduct of business. Our failure to comply with applicable laws and other standards could subject us to fines, loss of operating licenses and reputational harm.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent and detect fraud. If we cannot provide reliable financial reports or prevent fraud, our financial results could be negatively affected. Additionally, at the operational level, individual employees may not comply with our policies and guidelines and as a result may cause us to incur compliance costs and cause us reputational damage. Inadequate internal controls could also cause investors and other third parties to lose confidence in our reported financial information, which could have a material adverse effect on our business, financial condition or results of operations.

We may be subject to product safety claims.

Some of our paper, board and packaging products are used for, among other things, packaging food products. There is a risk that individuals, entities or authorities may allege that our products have contaminated food products, which could result in liability claims and product recalls. Although we have established systems to manage hygiene at the mills producing these products, there can be no assurance that these measures will eliminate the risk of liability claims, or that we will be able to successfully dispose of such claims. In addition, any failures in structural design, product selection or installation could result in liability claims related to our wood products. A material product liability claim, even if concluded in our favour, could harm our reputation, which could have a material adverse effect on our business, financial condition or results of operations.

Social Risks

Risks related to social issues may harm our existing operations, the development of our investments, especially in growth markets, and our relationship with local stakeholders and non-governmental organizations. Regardless of the fact that we aim to comply with applicable laws and regulations, and that sustainability management, including our Environmental and Social Impact Assessments (ESIA), are an important part of our business practices, we are sensitive to stakeholder activism and may face campaigns that can have adverse consequences on sales to our customers and/or on the availability of certain raw materials we need in our operations and/or our ability to obtain financing. These adverse consequences may have a material adverse effect on our business, financial condition or results of operations.

Human rights related issues have a material impact on our license to operate and our reputation. We are committed to the ten principles of the United Nation's Global Compact and to the United Nation's Guiding Principles on Business and Human Rights and we are striving to operate by these principles. In 2014, we performed and completed a series of comprehensive human rights assessments covering all of our production, wood supply and forestry operations including their supply chains and impact on the neighbouring communities. In addition, we have implemented a Supplier Code of Conduct. However, we may continue to encounter challenges relating to human rights issues as our strategy includes an increased focus on growth markets including countries with less developed institutional, legal and political structures. There is a risk that our policies and procedures relating to the human rights are not properly integrated into the daily business in our operations and supply chains, which could result in violations of international human rights standards, and this may lead to reputational damage and loss of business. There is also a risk that we may not operate or continue our operations in markets where human rights issues persist. These adverse consequences may have a material adverse effect on our business, financial condition or results of operations.

Risks Related to Financing

We could encounter difficulty in financing our operations, including the investments that are necessary to achieve our strategic plans.

Our strategic plans continue to require significant investments. Our ability to meet these capital requirements depends on a number of factors, such as the availability of cash flows from operations and access to additional debt and equity financing, and there can be no assurance that such funds will be available. Our ability to refinance our debt, incur additional debt, the terms of our existing and any future debt and our liquidity could be affected by a number of adverse developments. Although credit conditions have stabilised since the credit crisis, any future adverse developments, such as deterioration in the financial markets and a worsening of general economic conditions, may negatively impact our ability to borrow additional funds as well as the cost and other terms of the funding. Incurrence of additional debt would increase the amounts we must pay to service our debt obligations and could involve the imposition of restrictive covenants that could negatively impact our ability to operate in the desired manner. The failure to obtain sufficient funds necessary for running our operations or the increased costs or unfavourable terms of financing could have a material adverse effect on our business, financial condition or results of operations. Further, difficulties we may encounter in financing our capital investments may prevent the realisation of our strategic plans and could, in particular, force us to forego opportunities that may arise in the future. This could, in turn, have a negative impact on our competitive position.

We are exposed to interest rate risk on our floating rate debt.

As at 31 December 2018, our total floating rate net interest-bearing liability position, excluding cash and cash equivalents but including floating rate components of interest rate swaps, was some EUR 0.6 billion. As a result of the net floating rate debt position, an increase in interest rates would cause an increase in the amount of our interest payments and could have a material adverse effect on our business, financial condition or results of operations. To manage our interest rate risk, we use derivative contracts. While these derivative contracts may limit our exposure to changes in interest rates, they may not offer complete protection from increased interest rates. Significant future fluctuations in interest rates could result in significant changes in the value of our derivative contracts, which could have a material adverse effect on our business, financial condition or results of operations.

Any downgrade in our credit ratings could adversely affect the availability of new financing and increase our cost of capital.

In November 2018, Moody's upgraded its rating for our long-term debt from Ba1 to Baa3 with stable outlook. The rating for our short-term debt was upgraded to P-3. In August 2018, Fitch Ratings assigned Stora Enso a rating of BBB- with stable outlook. If the ratings were to be downgraded by the rating agencies, our cost of capital would increase. Any downgrade could also negatively affect our business and the availability of future financing.

The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Moody's and Fitch Ratings upon registration pursuant to the CRA Regulation. Moody's and Fitch Ratings are established in the EU and registered under the CRA Regulation.

Risk Factors Relating to the Notes

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

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.

Fixed Rate Notes

Fixed Rate Notes bear interest at a fixed rate rather than by reference to an underlying index or reference rate. Accordingly, investors should note that if interest rates rise, then the income payable on the Fixed Rate Notes might become less attractive and the price that they could realise on a sale of the Fixed Rate Notes may fall. However, the market price of Notes issued under the Programme from time to time has no effect on the total income investors receive on maturity of the Notes if they hold the Notes until the relevant maturity date.

Further, inflation will reduce the real value of the Fixed Rate Notes over time, which may affect what investors could buy with their investment in the future and may make the fixed rate payable on the Fixed

Rate Notes less attractive in the future, again affecting the price that they could realise on a sale of the Fixed Rate Notes.

Floating Rate Notes

Floating Rate Notes bear interest by reference to an underlying reference rate. Unlike Fixed Rate Notes, the interest income on Floating Rate Notes is variable and, at the time of purchase, investors are not able to determine a yield for Floating Rate Notes. As such, the return on investment cannot be compared with that of investments which have fixed interest periods. Investors are also exposed to the reinvestment risk of the interest income if the market interest rates decline.

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 his investment.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, 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, 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, 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 (such as Zero Coupon Notes) or premium from 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.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and the Stockholm inter-bank offered rate ("**STIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other requirements of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation. Such changes could, among other things,

have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("FCA") confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "FCA Announcements"). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("SONIA") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("ESTER") as the new risk free rate. ESTER is expected to be published by the ECB by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR and STIBOR will continue to be supported going forwards. This may cause LIBOR, EURIBOR and STIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR, EURIBOR or STIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR, EURIBOR or STIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR, EURIBOR or STIBOR rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by Reference Banks (as defined in the "Terms and Conditions of the Notes") of offered quotations for the LIBOR, EURIBOR or STIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR, EURIBOR or STIBOR.

If Reference Rate Replacement is specified in the applicable Final Terms as being applicable and Screen Rate Determination is specified in the applicable Final Terms as the manner in which the rate of interest is to be determined (any such Notes "**Relevant Notes**"), such fallback arrangements will include the possibility that:

- (a) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a successor rate or an alternative rate (as applicable) determined by an Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser or the Independent Adviser appointed by the Issuer fails to make such determination, the Issuer; and
- (b) such successor rate or alternative rate (as applicable) may be adjusted (if required) by the relevant Independent Adviser or the Issuer (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark,

in any such case, acting in good faith and in a commercially reasonable manner as described more fully in the Conditions of the Relevant Notes.

In addition, the relevant Independent Adviser or the Issuer (as applicable) may also determine (acting in good faith and in a commercially reasonable manner) that other amendments to the Conditions of the Relevant Notes are necessary in order to follow market practice in relation to the relevant successor rate or alternative rate (as applicable) and to ensure the proper operation of the relevant successor rate or alternative rate (as applicable).

No consent of the Noteholders shall be required in connection with effecting any relevant successor rate or alternative rate (as applicable) or any other related adjustments and/or amendments described above.

In certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should note that, in the case of Relevant Notes, the relevant Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant successor rate or alternative rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes referencing a benchmark.

In respect of any Notes issued with a specific use of proceeds, such as a Green Bond, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically to finance or refinance projects or activities that meet the eligibility requirements defined and detailed in the Issuer's Green Bond Framework, March 2018 ("**Green Projects**") incorporated by reference herein. Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer that the use of such proceeds for any Green Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or

investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Green Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Green Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Green Projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Green Projects in, or substantially in, the manner described in the relevant Final Terms, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Green Projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Green Projects. Nor can there be any assurance that such Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Green Projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Risks related to Notes generally

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

Modification

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.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of 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 his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive 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 severely 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

One or more independent credit rating agencies may assign credit ratings to the Notes. The 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.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings referred to in this Base Prospectus and/or the Final Terms, is set out in of this Base Prospectus and will be disclosed in the Final Terms.

Calculation Agent interests

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

IMPORTANT NOTICES

MiFID II product governance / target market – The Final Terms in respect of any Notes include a legend entitled "**MiFID II product governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the "**SFA**") – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Base Prospectus and any applicable Final Terms. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus and any applicable Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of this Base Prospectus and any applicable Final Terms in respect of a Series of Notes will be available free of charge from (i) the head office of the Issuer and the specified office of each of the Paying Agents (as defined below), in each case at the address given at the end of this Base Prospectus and (ii) on the website of the Luxembourg Stock Exchange at www.bourse.lu, save where any such Notes are unlisted, in which case the applicable Final Terms will be available for inspection only by the holders of such Notes as described in (i) above.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the

Notes or their distribution or for any acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes under the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named on or identifiable following the applicable Final Terms as the Authorised Offerors (as defined below).

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including Belgium, the United Kingdom and The Netherlands), Japan and Singapore (see "*Subscription and Sale*").

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraphs (ii) or (iii) below may apply, 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, as implemented in that Relevant Member State, 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 in relation to the offer of those Notes may only do so

(i) 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, (ii) if authorised to do so in accordance with the relevant Final Terms, or (iii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent that sub-paragraphs (ii) or (iii) above may apply, 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. For the purposes of this paragraph, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Relevant Member State.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a public offer ("**Public Offer**") of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either (1) in Luxembourg by any financial intermediary which is authorised to make such offers under MiFID II and which satisfies the conditions (if any) specified in the relevant Final Terms or (2) by the financial intermediaries specified in the relevant Final Terms, in Luxembourg and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers (each an "**Authorised Offeror**") under MiFID II. The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if they do so, the Issuer will publish the above information in relation to them on their website. The Issuer accepts responsibility for the content of the Base Prospectus with respect to subsequent resale or final placement of the Notes by any financial intermediary given consent to use the Base Prospectus.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto. Any Authorised Offeror must also (i) comply with the restrictions set out under "*Subscription and Sale*" which would apply if the relevant Authorised Offeror were a Dealer and (ii) consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms.

To the extent specified in the relevant Final Terms, a Public Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in Luxembourg and subject to any relevant conditions, as specified in the relevant Final Terms.

Neither the Issuer nor any of the Dealers has authorised the making of any Public Offer of any Notes by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made on behalf of the Issuer, any Dealer or any Authorised Offeror and none of the Issuer, any Dealer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH

ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATION, SETTLEMENT ARRANGEMENTS AND ANY EXPENSES OR TAXES TO BE CHARGED TO THE INVESTOR (THE "TERMS AND CONDITIONS OF THE PUBLIC OFFER"). THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE TERMS AND CONDITIONS OF THE PUBLIC OFFER SHALL BE PROVIDED TO INVESTORS BY THAT AUTHORISED OFFEROR AT THE RELEVANT TIME. NONE OF THE ISSUER, ANY OF THE DEALERS OR OTHER AUTHORISED OFFERORS HAS ANY RESPONSIBILITY OR LIABILITY FOR SUCH INFORMATION.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions and may perform services for the Issuer and its affiliates in the ordinary course of business.

The Dealers make no assurances as to (i) whether any Notes will meet any investor criteria and expectations with regard to environmental impact and sustainability performance for any investors and (ii) whether the use of the net proceeds specified by the Issuer in connection with any offering of Notes will be used for such purposes.

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended (the "**Securities Act**"), and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*").

References in this document to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S. dollars**" and "**U.S.\$**" refer to the currency of the United States of America, those to "**Swedish krona**", "**Swedish kronor**" or "**SEK**" refer to the currency of the Kingdom of Sweden, those to "**Chinese renminbi**" refer to the currency of the People's Republic of China, those to "**Brazilian real**" or "**BRL**" refer to currency of Brazil, those to "**Japanese yen**" refer to the currency of Japan, those to "**pounds sterling**" and "**£**" refer to the currency of the United Kingdom and those to "**Euro**", "**EUR**" or "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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, stabilisation may not necessarily occur. 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 cease 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 relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

Certain statements included in this Base Prospectus may constitute "forward-looking statements". Forward-looking statements are all statements in this Base Prospectus that do not relate to historical facts and events, and include statements concerning the Issuer's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. The Issuer uses the words "may", "will", "could", "believes", "assumes", "intends", "estimates", "expects", "plans", "seeks", "approximately", "aims", "projects", "anticipates" or similar expressions, or the negative thereof, to generally identify forward looking statements.

Forward-looking statements may be set forth in a number of places in this Base Prospectus, including (without limitation) in the sections "*Risk Factors*" and "*Description of the Issuer*". The Issuer has based these forward-looking statements on the current view with respect to future events and financial performance. These views involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements contained in this Base Prospectus and from past results, performance or achievements. Although the Issuer believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Issuer has identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or incorrect, the Issuer's actual results of operations may vary from those expected, estimated or projected.

These forward-looking statements are made only as at the date of this Base Prospectus. Except to the extent required by law, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Base Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

GENERAL DESCRIPTION OF THE PROGRAMME

The Programme is a Euro 4,000,000,000 Euro Medium Term Note Programme under which the Issuer may, from time to time, issue Notes including, without limitation, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes and other Notes subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The applicable terms of any Notes will be agreed between the Issuer and the Dealers prior to the issue of the Notes and will be set out in the Final Terms of the Notes endorsed on, or attached to, the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF (www.bourse.lu) shall be incorporated by reference in, and form part of, this Base Prospectus:

- the terms and conditions of the Notes, as set out on pages 58 to 79 of the Base Prospectus dated 25 March 2015;
- the terms and conditions of the Notes, as set out on pages 56 to 77 of the Base Prospectus dated 23 March 2016;
- the terms and conditions of the Notes, as set out on pages 62 to 83 of the Base Prospectus dated 12 April 2017;
- the terms and conditions of the Notes, as set out on pages 64 to 85 of the Base Prospectus dated 27 March 2018;
- the Issuer's Full Year Financial Results, January–December 2018, Q4, except for the paragraphs titled "Outlook for 2019" on page 1, the paragraph titled "Guidance for Q1/2019" on page 1 and the seventh paragraph of the section titled "CEO comment" on page 4;
- the auditors' report and audited consolidated annual financial statements (including the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement and statement of changes in equity as well as the notes related thereto) of the Issuer as at and for the year ended 31 December 2018 included in the Issuer's "Financials", Part of Stora Enso's Annual Report 2018;
- the auditors' report and audited consolidated annual financial statements (including the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement and statement of changes in equity as well as the notes related thereto) of the Issuer as at and for the year ended 31 December 2017 included in Issuer's "Financials", Part of Stora Enso's Annual Report 2017; and
- the Issuer's Green Bond Framework, March 2018, except for the picture titled "Our Sustainability Agenda" on page 1 (available at www.storaenso.com/-/media/documents/non-download-center/financial/green-bond-framework.ashx).

The information incorporated by reference above is available as follows:

Information Incorporated by Reference

Reference

Financials, Part of Stora Enso's Annual Report 2018

Consolidated Income Statement	Page 20
Consolidated Statement of Comprehensive Income	Page 20
Consolidated Statement of Financial Position	Page 21
Consolidated Cash Flow Statement	Pages 22-23
Statement of Changes in Equity	Page 24
Notes to the Consolidated Financial Statements	Pages 25-73
Auditors' Report	Pages 77-79

Financial Report, Part of Stora Enso's Annual Report 2017

Consolidated Income Statement	Page 29
Consolidated Statement of Comprehensive Income	Page 30
Consolidated Statement of Financial Position	Pages 31-32
Consolidated Cash Flow Statement	Pages 33-35

Statement of Changes in Equity	Page 36
Notes to the Consolidated Financial Statements	Pages 37-120
Auditors' Report	Pages 125-127

Full Year Financial Results, January–December 2018, Q4

Results summary (except for the paragraphs titled "Outlook for 2019" on page 1 and the paragraph titled "Guidance for Q1/2019" on page 1)	Pages 1-3
CEO comment (except for the seventh paragraph on page 4)	Page 4
Results	Pages 5-8
Segments	Pages 9-14
Events	Pages 17-19
Financials	Pages 27-34

Green Bond Framework, March 2018

Introduction	Pages 1-2
Eligible Activities	Pages 3-5
Processes and Governance	Page 6
Internal accounting	Page 6
Reporting and impact	Page 7

The information incorporated by reference that is not included in the cross-reference list is considered additional information that is not required by the relevant schedules of the Prospectus Regulation (809/2004).

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any information incorporated by reference in the above documents does not form part of this Base Prospectus and to the extent that only certain parts of the above documents are specified to be incorporated by reference herein, the non-incorporated parts of such documents are either not relevant for investors or covered elsewhere in this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the office of the Issuer and the specified office of the Paying Agents (as defined below), in each case at the address given at the end of this Base Prospectus. In addition, such documents will be available free of charge from the principal office in Luxembourg of Banque Internationale à Luxembourg, *société anonyme*, for Notes listed on the official list of the Luxembourg Stock Exchange and will also be published on the Luxembourg Stock Exchange's website (www.bourse.lu).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes (as defined under "*Terms and Conditions of the Notes*") will be in bearer form and will be initially issued in the form of a temporary global Note (a "**Temporary Global Note**") without receipts, interest coupons or talons, or, if so specified in the applicable Final Terms, a permanent global Note (a "**Permanent Global Note**" and, together with any Temporary Global Note the "**Global Notes**"). Each Global Note which is intended to be issued as a CGN, as specified in the relevant Final Terms, will be deposited on or prior to the original issue date of the Tranche with a common depository for Euroclear and Clearstream, Luxembourg and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited with a common safekeeper (or a nominee) for Euroclear and/or Clearstream, Luxembourg. Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note (if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person ("**Certification**"), as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "*Form of the Notes*" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent and/or specified in the applicable Final Terms.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The common safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

On and after the date (the "**Exchange Date**") which is 40 days after the date on which a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable in whole or in part (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note without receipts, interest coupons or talons of the same Series or (ii) for definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against Certification of beneficial ownership as described above and as required by U.S. treasury regulations unless such Certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due Certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused. If the Specified Denomination of the Notes stated in the final terms includes language substantially to the following effect: "*[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]*", the Notes cannot be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

No Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR1,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*" below) the Agent as so defined shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any

other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form without any requirement for Certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available or (iii) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7 which would not be required were the Notes represented by a Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 30 days after the date of receipt of the first relevant notice by the Agent. Temporary and Permanent Global Notes and definitive Notes will be authenticated and, in the case of an NGN, effectuated, (if applicable) and delivered by the Agent on behalf of the Issuer. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

The following legend will appear on all Notes (other than Temporary Global Notes) having an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"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".

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment has not been made in full of the amount due in accordance with the terms of such Global Note, then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 12 April 2017 executed by the Issuer.

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, 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.

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 (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 bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global 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 the Global 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 bearer of the Global Note.

Conditions applicable to Global Notes

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

Payments: All payments in respect of the Global Note 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 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, the Payment Business Day 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.

Exercise of put option: In order to exercise the option contained in Condition 6(d) (*Redemption at the option of the Noteholders (Investor Put)*) the bearer of the Permanent Global 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 6(c) (*Redemption at the option of the Issuer (Issuer Call)*) in relation to some only of the Notes, the Permanent Global 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 13 (*Notices*), while all the Notes are represented by a Permanent Global Note or a Temporary Global Note and the Permanent Global Note or the Temporary Global Note are 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 13 (*Notices*) on the date of delivery to Euroclear and/or Clearstream,

Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be Luxemburger Wort) or published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than €100,000 (or its equivalent in another currency).

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

OR

[MiFID II product governance / Retail investors, professional investors and ECPs – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") **EITHER** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the "**SFA**") - *[Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].*¹⁵

Final terms dated [Date]

STORA ENSO OYJ

¹⁵ Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

Legal entity identifier (LEI): 7437000ZP669LKUTZ738

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Green Bond]
under the Euro 4,000,000,000 Euro Medium Term Note Programme**

[Any person making or intending to make an offer of the Notes may only do so [:

- (i) in the Public Offer Jurisdiction mentioned in Paragraph 32 of Part A below, provided such person is a Dealer or Authorised Offeror (as such term is defined in the Base Prospectus (as defined below)) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (ii) otherwise] 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 to 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 21 March 2019 [and the Prospectus Supplement No. [] dated []] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended or superseded (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. 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. Copies of such Base Prospectus may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. A summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[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.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended or superseded (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 21 March 2019 [and the Prospectus Supplement No. [] dated []] [which [together] constitute] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated [25 March 2015]/[23 March 2016]/[12 April 2017]/[27 March 2018]. 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 Prospectuses dated 21 March 2019 and [25 March 2015]/[23 March 2016]/[12 April 2017]/[27 March 2018]. Copies of such documents may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. A summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectuses and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

- 1. (a) Series Number: [•]

- (b) Tranche Number: [•]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount:
- (a) Series: [•]
- (b) Tranche: [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [•]]
5. (a) Specified Denominations: [•]
- (b) Calculation Amount: [•]
6. (a) Issue Date: [•]
- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
7. Maturity Date: [•]
8. Interest Basis: (As referred to in Condition 4) [[•] per cent. Fixed Rate]
[[[•] month] [LIBOR/EURIBOR/STIBOR] +/- [•] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
9. Redemption/Payment Basis: (As referred to in Condition 6) [Redemption at [par/above par]]
[Partly Paid]
[Instalment]
10. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
11. Date [Board] approval for issuance of Notes obtained: [•]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** (as referred to in Condition 4(a)) [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: (As referred to in Condition 4(a)) [•] per cent, per annum [payable [annually/semi annually/quarterly] in arrear]
- (b) Interest Payment Date(s): (As [[•] in each year up to and including the

	referred to in Condition 4(a))	Maturity Date]/[specify other]]
(c)	Fixed Coupon Amount(s):	[•] per Calculation Amount
(d)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
(e)	Day Count Fraction: (As referred to in Condition 4(a))	[30/360][Actual/Actual (ICMA)]
(f)	Determination Date(s): (As referred to in Condition 4(a))	[[•] in each year][Not Applicable]
		<i>Only relevant where Day Count Fraction is Actual/Actual (ICMA)</i>
13.	Floating Rate Note Provisions (As referred to in Condition 4(b))	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a)	Specified Period(s): (As referred to in Condition 4(b))	[•]
(b)	Specified Interest Payment Dates: (As referred to in Condition 4(b))	[•]
(c)	Business Day Convention: (As referred to in Condition 4(b))	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(d)	Additional Business Centre(s): (As referred to in Condition 4(b)(i))	[•]
(e)	Manner in which the Rate of Interest and Interest Amount is to be determined: (As referred to in Condition 4(b)(ii))	[Screen Rate Determination/ ISDA Determination]
(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[•]
(g)	Screen Rate Determination:	[Applicable/Not Applicable]
	- Reference Rate: (As referred to under Condition 4(b)(ii)(B))	[•]
	- Interest Determination Date(s):	[•]
	- Specified Time:	[•]
	- Relevant Screen Page:	[•]
(h)	Reference Rate Replacement:	[Applicable/Not Applicable]

- (i) ISDA Determination: (As referred to in Condition 4(b)(ii)(A))
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (j) Margin(s): [+/-][] per cent. per annum
- (k) Minimum Rate of Interest: [•] per cent, per annum
- (l) Maximum Rate of Interest: [•] per cent, per annum
- (m) Day Count Fraction: (As referred to under Condition 4(b)) [Actual/Actual (ISDA) or Actual/Actual];

Actual/365 (Fixed);

Actual/365 (sterling);

Actual/360;

30/360;

30E/360;

30E/360 (ISDA)]

- 14. **Zero Coupon Note Provisions** (as referred to in Condition 4(c)) [Applicable/Not Applicable]

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

- (a) Accrual Yield: [•] per cent. per annum
- (b) Reference Price: [•]
- (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Not Applicable/Conditions 6(e)(iii) and 6(j) apply]

PROVISIONS RELATING TO REDEMPTION

- 15. Issuer Call: (As referred to in Condition 6(c)) [Applicable/Not Applicable]

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

- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount: [[•] per Calculation Amount/Make-Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period (the "**Par Call Period**") from and including [insert date 3 months prior to maturity]/[other date] (the "**Par Call Period Commencement Date**") to but excluding [•]]];

[and [[•]] per Calculation Amount/Make-Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/in the period from and including [date] to but excluding [•]]

- (c) If redeemable in part:
 - (i) Minimum Redemption Amount: [•]
 - (ii) Higher Redemption Amount: [•]
 - (d) Notice period (if other than as set out in the Conditions): [•]
 - (e) Benchmark Security: [•]
 - (f) Reference Time: [•]
 - (g) Make-Whole Margin: [•]
 - (h) Linear Interpolation: [Applicable/Not Applicable]
16. Investor Put: (As referred to in Condition 6(d)) [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
 - (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[•] per Calculation Amount]
 - (c) Notice period (if other than as set out in the Conditions): [•]
17. Final Redemption Amount: (As referred to in Condition 6(a)) [[•] per Calculation Amount]
- (Notes must be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount)*
18. Early Redemption Amount payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (As referred to in Condition 6(e)): [[•] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only upon an Exchange Event]
- [Temporary Global Note exchangeable for definitive Notes on and after the Exchange

- Date]
- [Permanent Global Note exchangeable for definitive Notes only upon Exchange Event]
20. New Global Note: [Yes] [No]
21. Additional Financial Centre(s): [Not Applicable/give details]
22. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): [Yes/No].
23. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made: [Not Applicable/give details]
24. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
25. Redenomination applicable: Redenomination [not] applicable

DISTRIBUTION

26. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]
- (b) Date of Subscription Agreement: [•]
27. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
28. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
39. Whether TEFRA D or C Rules Applicable: [TEFRA D/TEFRA C]
30. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
31. Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
32. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify names and addresses of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in

non-exempt offers (e.g. "other parties authorised by the Managers") or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdiction during the Offer Period, if not known]] (together with the Managers, the "Authorised Offerors") other than pursuant to Article 3(2) of the Prospectus Directive in Luxembourg ("Public Offer Jurisdiction") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [] Business Days thereafter"] ("Offer Period"). See further Paragraph 8 of Part B below.

For and on behalf of STORA ENSO OYJ:

By:

Duly authorised

PART B - OTHER INFORMATION

2. **LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be [listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on its Regulated Market]/[listed on [•] and admitted to trading on [•]] with effect from [•]. [Not Applicable]]
3. **RATINGS**
- Ratings:** [The Notes to be issued have not been rated.]/ [The Notes to be issued have been rated:]
- [Fitch Ratings Ltd: [•]]
- [Moody's Deutschland GmbH: [•]]
- [[Other (specify)]: [•]]
- [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.)*
- [[•] [are]/[is] established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). [•] appear(s) on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>]
4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**
- [Save for the fees [of [•]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. - *Amend as appropriate if there are other interests*]
5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**
- (i) Reasons for the offer [The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes.]
- [The Issuer will apply the net proceeds from this issue of Notes to finance or refinance projects or activities that meet the eligibility requirements defined and detailed in the Issuer's Green Bond Framework, March 2018 ("**Green Projects**").]

[See "Use of Proceeds" wording in 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: [•]
- (iii) Estimated total expenses: [•]

6. **YIELD**

Indication of yield: [Not Applicable/ [•]]

7. **HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/STIBOR] rates and their further performance and volatility can be obtained from Reuters.

8. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) CFI: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]
- [(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. 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.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

9. **TERMS AND CONDITIONS OF THE OFFER**

- | | | |
|--------|--|---|
| (i) | Offer Price: | [Issue Price/Not applicable/ <i>specify</i>] |
| (ii) | [Conditions to which the offer is subject:] | [Not applicable/ <i>give details</i>] |
| (iii) | [Time Period, including any possible amendments, during which the offer will be open] | [Not applicable/ <i>give details</i>] |
| (iv) | [Description of the application process:] | [Not applicable/ <i>give details</i>] |
| (v) | [Details of the minimum and/or maximum amount of application:] | [Not applicable/ <i>give details</i>] |
| (vi) | [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] | [Not applicable/ <i>give details</i>] |
| (vii) | [Details of the method and time limits for paying up and delivering the Notes:] | [Not applicable/ <i>give details</i>] |
| (viii) | [Manner in and date on which results of the offer are to be made public:] | [Not applicable/ <i>give details</i>] |
| (ix) | [Whether tranche(s) have been reserved for certain countries:] | [Not applicable/ <i>give details</i>] |
| (x) | [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] | [Not applicable/ <i>give details</i>] |
| (xi) | [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is | [Not applicable/ <i>give details</i>] |

made:]

- (xii) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not applicable/*give details*]

- (xiii) [Name(s) and address(es), to the extent known to the Issuer, of the placers] [None/*give details*]

ANNEX – SUMMARY OF THE ISSUE

*This summary relates to [insert description of Notes] described in the final terms (the "**Final Terms**") to which this summary is annexed. This summary contains that information from the summary set out in the Base Prospectus which is relevant to the Notes together with the relevant information from the Final Terms. Words and expressions defined in the Final Terms and the Base Prospectus have the same meanings in this summary.*

[Insert completed summary by amending and completing the summary of the base prospectus as appropriate to the terms of the specific issue].

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

OR

[MiFID II product governance / Retail investors, professional investors and ECPs – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") **EITHER** [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (the "**SFA**") - *[Insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].*¹⁶

Final terms dated [Date]

STORA ENSO OYJ

Legal entity identifier (LEI): 7437000ZP669LKUTZ738

¹⁶ Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Green Bond] under the Euro
4,000,000,000 Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 March 2019 [and the Prospectus Supplement No. [] dated []] [which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended or superseded (the "**Prospectus Directive**")]. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] and must be read in conjunction with the Base Prospectus. 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. Copies of such Base Prospectus may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[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.]

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]*. This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC), as amended or superseded (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated 21 March 2019 [and the Prospectus Supplement No. [] dated []] [which [together] constitute] a base prospectus (the "**Base Prospectus**") (for the purposes of the Prospectus Directive], save in respect of the Conditions which are extracted from the Base Prospectuses dated [25 March 2015]/[23 March 2016]/[12 April 2017]/[27 March 2018]. 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 Prospectuses dated 27 March 2018 and [25 March 2015]/[23 March 2016]/[12 April 2017]/[27 March 2018]. Copies of such documents may be obtained from the head office of the Issuer and the specified offices of the Paying Agents. The Base Prospectuses and, in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote instructions for completing the Final Terms].

- 1. (a) Series Number: [•]
- (b) Tranche Number: [•]
- 2. Specified Currency or Currencies: [•]
- 3. Aggregate Nominal Amount:
 - Tranche: [•]
 - Series: [•]
- 4. Issue Price [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
- 5. (a) Specified Denominations: [•]
- (b) Calculation Amount [•]
- 6. (a) Issue Date: [•]

- (b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
7. Maturity Date: [•]
8. Interest Basis: [[•] per cent. Fixed Rate]
 (As referred to under Condition 4) [[[•] month] [LIBOR/EURIBOR/STIBOR]+/- [•] per cent. Floating Rate]
 [Zero Coupon]
9. Redemption/Payment Basis: [Redemption at [par/above par]]
 (As referred to in Condition 6)
 [Partly Paid]
 [Instalment]
10. Put/Call Options: [Investor Put]
 (As referred to under Condition 6) [Issuer Call]
 [(further particulars specified below)]
11. Date [Board] approval for issuance of [•]
 Notes obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** (As referred to under Condition 4a) [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [•] per cent, per annum [payable [annually/semi-annually/quarterly] in arrear]
 (As referred to under Condition 4(a))
- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]
 (As referred to under Condition 4(a))
- (c) Fixed Coupon Amount(s): [•] per Calculation Amount
- (d) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
 (As referred to in Condition 4(a))
- (f) Determination Date(s): [[•] in each year][Not Applicable]
 (As referred to in Condition 4(a)(i))

NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)

13. **Floating Rate Note Provisions** (as [Applicable/Not Applicable]
referred to under Condition 4(b))
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Specified Period(s): [•]
(as referred to in Condition 4(b))
 - (b) Specified Interest Payment Dates [•]
(as referred to in Condition 4(b))
 - (c) First Interest Payment Date: [•]
 - (d) Business Day Convention: [Floating Rate Convention/Following Business
(as referred to in Condition 4(b)) Day Convention/Modified Following Business Day
Convention/Preceding Business Day Convention]
 - (e) Additional Business Centre(s): [•]
(as referred to in Condition
4(b)(i))
 - (f) Manner in which the Rate of [Screen Rate Determination/ISDA Determination]
Interest and Interest Amount is to
be determined:
(as referred to in Condition
4(b)(ii))
 - (g) Party responsible for calculating [•]
the Rate of Interest and Interest
Amount (if not the Agent):
 - (h) Screen Rate Determination: [Applicable/Not Applicable]
(as referred to in Condition
4(b)(ii)(B))
 - Reference Rate: [•]
 - Interest Determination [•]
Date(s):
 - Specified Time: [•]
 - Relevant Screen Page: [•]
 - (i) Reference Rate Replacement: [Applicable/Not Applicable]
 - (j) ISDA Determination:
(as referred to in Condition
4(b)(ii)(A))
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - (k) Margin(s): [+/-] [•] per cent. per annum

- (l) Minimum Rate of Interest: [•] per cent. per annum
- (m) Maximum Rate of Interest: [•] per cent. per annum
- (n) Day Count Fraction: [Actual/Actual (ISDA) or Actual/Actual;
(As referred to under Condition 4(b)) Actual/365 (Fixed);
Actual/365 (sterling);
Actual/360;
30/360;
30E/360;
30E/360 (ISDA)]
14. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(As referred to under Condition 4(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Accrual Yield: [•] per cent. per annum
- (b) Reference Price: [•]
- (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Not Applicable/Conditions 6(e)(iii) and 6(j) apply]

PROVISIONS RELATING TO REDEMPTION

15. Issuer Call: [Applicable/Not Applicable]
(as referred to in Condition 6(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount: [[•] per Calculation Amount/Make-Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period (the "**Par Call Period**") from and including [insert date 3 months prior to maturity]/[other date] (the "**Par Call Period Commencement Date**") to but excluding [•]]; [and [[•]] per Calculation Amount/Make-Whole Redemption Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period from and including [date] to but excluding [•]]
- (c) If redeemable in part: [[Applicable]/[Not Applicable]]
- (i) Minimum Redemption Amount: [•]
- (ii) Higher Redemption Amount: [•]

- (d) Notice period (if other than as set out in the Conditions) [•]
- (e) Benchmark Security: [•]
- (f) Reference Time: [•]
- (g) Make-Whole Margin: [•]
- (h) Linear Interpolation: [Applicable/Not Applicable]
16. Investor Put: [Applicable/Not Applicable]
 (as referred to in Condition 6(d)) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): [•]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[•] per Calculation Amount]
- (c) Notice period (if other than as set out in the Conditions): [•]
17. Final Redemption Amount [•] per Calculation Amount
 (as referred to in Condition 6(a)) *(Notes must be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount)*
18. Early Redemption Amount payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same: [•] per Calculation Amount
 (as referred to in Condition 6(e))

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes only on an Exchange Event.]
 [Temporary Global Note exchangeable for definitive Notes on and after the Exchange Date.]
 [Permanent Global Note exchangeable for definitive Notes only upon an Exchange Event]
20. New Global Note: [Yes] [No]
21. Additional Financial Centre(s): [Not Applicable/give details]
22. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): [Yes/No]
23. Details relating to Partly Paid Notes: [Not Applicable/give details]
 amount of each payment comprising the Issue Price and date on which each payment is to be made:

24. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/*give details*]
- (b) Instalment Date(s): [Not Applicable/*give details*]
25. Redenomination applicable: Redenomination [not] applicable
26. Whether TEFRA D or C Rules applicable: [TEFRA D/TEFRA C/TEFRA Not Applicable]
27. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)*
28. Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]

For and on behalf of STORA ENSO OYJ:

By: _____
Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be [listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on its Regulated Market]/[listed on [•] and admitted to trading on [•]] with effect from [•].[Not Applicable]]
- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

- Ratings: [The Notes to be issued have not been rated]/[The Notes to be issued have been rated:]
- [Fitch Ratings Ltd:[•]]
- [Moody's Deutschland GmbH: [•]]
- [[*(specify)*]; [•]]
- [[•] [are]/[is] established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). [•] appear(s) on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for the fees [of [•]] payable to the [Managers/Dealer(s)], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *Amend as appropriate if there are other interests*]

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

- [(i) Reasons for the offer [The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes.]
- [The Issuer will apply the net proceeds from this issue of Notes to finance or refinance projects or activities that meet the eligibility requirements defined and detailed in the Issuer's Green Bond Framework, March 2018 ("**Green Projects**").]
- [See "Use of Proceeds" wording in Base Prospectus] (*if reasons for offer different from making profit and/ or hedging certain risks will*

need to include those reasons here).]

5. **YIELD**

Indication of yield: [Not Applicable/ [•]]

6. **OPERATIONAL INFORMATION**

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) CFI: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]
- [(viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. 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.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being

satisfied that Eurosystem eligibility criteria have been met.]]

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes (the "Terms and Conditions" or the "Conditions") to be issued which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, attached to, or incorporated by reference in each Temporary Global Note, Permanent Global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Stora Enso Oyj (the "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a Global Note; and
- (iii) any Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 12 April 2017 and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to "**Coupons**" or "**coupons**" shall, unless the context otherwise requires, be deemed to include a reference to "**Talons**" or "**talons**". Definitive Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Coupons, Talons or Receipts attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the "**Conditions**"). References herein to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) which are attached to, incorporated by reference in, or endorsed on this Note.

Any reference herein to "**Noteholders**" or "**holders**" in relation to any Notes shall mean the holders of the Notes, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 12 April 2017 and made by the Issuer. The original of the

Deed of Covenant is held by a common depository or common safekeeper, as the case may be, on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms (if this Note is a listed Note) are available for viewing at www.bourse.lu and copies may be obtained from the office of the Issuer and the specified offices of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms and the Deed of Covenant which are applicable to them. The statements in the Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, "**Euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

1. **Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Replacement Agent (as defined in the Agency Agreement) and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held, on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**"), the bearer of the relevant Global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent and specified in the applicable Final Terms or as may otherwise be approved by the Issuer and the Agent.

2. **Status of the Notes**

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. **Negative Pledge**

So long as any of the Notes remains outstanding (as defined in the Agency Agreement) the Issuer undertakes that if it shall, or any Principal Subsidiary shall, in the future, secure any Relevant Obligation now or hereafter existing, by any mortgage, charge, pledge, lien or other encumbrance upon any of the present or future revenues, properties or assets of the Issuer or any Principal Subsidiary, the Issuer shall procure that the Notes and the relative Receipts and Coupons shall be secured by such mortgage, charge, pledge, lien or other encumbrance equally and rateably with such Relevant Obligation or such other security for the Notes and the relative Receipts and Coupons shall be provided as shall be approved by Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

As used in these Conditions:

- (i) **"Principal Subsidiary"** means any Subsidiary (as defined in the Agency Agreement) of the Issuer other than Stora Enso (Guangxi) Packaging Company Ltd., Stora Enso (Guangxi) Forestry Company Ltd., Guangxi Stora Enso Forestry Co Ltd. and any other Subsidiary incorporated in China that may from time to time be established solely for the purposes of the construction, development or operation of the project in Guangxi, China:
 - (A) whose net sales attributable to the Issuer (consolidated in the case of a Subsidiary which itself has subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has subsidiaries) represent not less than 10 per cent, of the consolidated net sales attributable to the shareholders of the Issuer, or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries; or
 - (B) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary,all as more particularly described in the Agency Agreement; and
- (ii) **"Relevant Obligation"** means any loan, debt or other obligation for borrowed moneys of the Issuer or the relevant Principal Subsidiary (excluding any such obligation arising in respect of the purchase of goods in the ordinary course of business of the Issuer or the relevant Principal Subsidiary) which is (A) initially offered, as to at least 50 per cent, of the principal amount thereof, to non-residents of Finland and (B) is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be, or are capable of being, quoted, listed, dealt in or traded on any stock exchange or over the counter or other securities market (for which purpose any such obligation shall be deemed not to be capable of being quoted, listed, dealt in or traded as aforesaid if the terms of its issue expressly so provide).

4. **Interest**

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period

and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(ii) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

In the Conditions:

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

(b) Interest on Floating Rate Notes

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment

Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the "**Floating Rate Convention**", such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis*, or (ii) in the case of (y), above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the "**Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the "**Modified Following Business Day Convention**", such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the "**Preceding Business Day Convention**", such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means (unless otherwise stated in the applicable Final Terms) a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney and if New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms, which may be, without limitation:

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph-(A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-Zone inter-bank offered rate ("**EURIBOR**") or on the Stockholm inter-bank offered rate ("**STIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero, and a copy of the ISDA Definitions will be available for inspection (free of charge) at the registered office of the Issuer.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 4(b)(iv) as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR, or Stockholm time, in the case of STIBOR, the "**Specified Time**") on the Interest Determination Date in question plus or minus (as indicated in the

applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if in the case of Condition (B)(i) above, no such offered quotation appears or, in the case of Condition (B)(ii) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter bank market (if the Reference Rate is LIBOR), the Euro Zone inter bank market (if the Reference Rate is EURIBOR) or the Stockholm interbank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London inter bank market (if the Reference Rate is LIBOR), the Euro Zone inter bank market (if the Reference Rate is EURIBOR) or the Stockholm interbank market (if the Reference Rate is STIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR or STIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

In the Conditions, "**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of STIBOR, the principal Stockholm office of four major banks in the Stockholm inter-bank market, in each case selected by the Agent in consultation with the Issuer or as specified in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

Subject to the provisions of Condition 4(b)(ii)(A), if the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph-(ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Reference Rate Replacement*

If:

(A) Reference Rate Replacement is specified in the applicable Final Terms as being applicable and Screen Rate Determination is specified in the applicable Final Terms as being applicable; and

(B) notwithstanding the provisions of Condition 4(b)(ii)(B), the Agent (in consultation with the Issuer) determines that the Reference Rate (being either LIBOR, EURIBOR or STIBOR) has ceased to be published on the Relevant Screen Page as a result of the Reference Rate ceasing to be calculated or administered when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

(1) the Issuer shall use reasonable endeavours to appoint an Independent Adviser to determine:

(a) a Successor Reference Rate; or

(b) if such Independent Adviser fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**IA Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv) during any other future Interest Period(s));

(2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by the Issuer fails to determine a

Successor Reference Rate or an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine:

- (a) a Successor Reference Rate; or
- (b) if the Issuer fails so to determine a Successor Reference Rate, an Alternative Reference Rate,

and, in each case, an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the “**Issuer Determination Cut-off Date**”), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

- (3) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 4(b)(iv):
 - (a) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv));
 - (b) if the relevant Independent Adviser or the Issuer (as applicable):
 - (i) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv)); or
 - (ii) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv)); and

(c) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

- (i) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) the Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Additional Financial Centre(s) and/or Relevant Screen Page applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and
- (ii) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(b)(iv)); and

- (4) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 4(b)(iv)(b) to the Agent and the Noteholders in accordance with Condition 13.

No consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 4(b)(iv) or such other relevant changes pursuant to Condition 4(b)(iv)(b), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Agency Agreement (if required).

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 4(b)(iv) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 4(b)(ii)(B).

- (v) *Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest 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 specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D₂ will be 30; and

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

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

where:

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

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

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

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

"D₁" is the first calendar day, expressed as a number, of the Interest 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 Interest 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.

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"Alternative Reference Rate" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"Reference Rate" means, subject as provided in Condition 4(b)(iv), the rate specified in the applicable Final Terms.

"Relevant Nominating Body" means, in respect of a reference rate:

- (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

"Successor Reference Rate" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(vi) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 6(b) and notified in accordance with Condition 4(b)(v), *mutatis mutandis*.

(d) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes.

(e) Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13 or individually.

5. **Payments**

(a) Method of payment

Subject as provided below:

- (i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney, or if New Zealand dollars, shall be Auckland); and
- (ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender (or in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmaturing Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmaturing Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmaturing Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmaturing Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmaturing Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmaturing Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is

less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the payment obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes "**Payment Day**" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

- (A) in relation to any definitive Notes only, the relevant place of presentation;
- (B) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which, if the Specified Currency is Australian dollars, shall be Sydney or, if New Zealand dollars, shall be Auckland) or in relation to any sum payable in Euro, a day on which the TARGET2 System is open.
- (f) Interpretation of principal and interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. **Redemption and Purchase**

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice to the Agent and in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent 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 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.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days (in the case of Notes in definitive form), seven days (in the case of Notes in global form) or such other period as is specified in the applicable Final Terms before the giving of the notice referred to in (i), notice to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such notice of redemption may, at the Issuer's discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. If applicable, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Higher Redemption Amount, in each case as may be specified in the applicable Final Terms.

If the Optional Redemption Amount specified in the relevant Final Terms is the "**Make-Whole Redemption Amount**", the amount payable on the relevant Optional Redemption Date will be the higher of:

- (i) the nominal amount of the Notes; and
- (ii) the price, expressed as a percentage of the nominal amount of the Notes (rounded to four decimal places with 0.00005 being rounded upwards), at which the then current yield to maturity or, if Par Call Period is specified in the applicable Final Terms, the yield to the Par Call Period Commencement Date, on such Notes on the Reference Date would be equal to the current yield (determined by reference to the middle market price) at the Reference Time on the Reference Date of the relevant Benchmark Security plus the Make-Whole Margin, as determined by the Calculation Agent.

The "**Benchmark Security**", the "**Reference Time**" and the "**Make-Whole Margin**" will be specified in the relevant Final Terms, provided however that, if "**Linear Interpolation**" is specified as applicable in the relevant Final Terms, the current yield of the Benchmark Security shall be determined by linear interpolation (calculated to the nearest one twelfth of a year) of the yields of the two Benchmark Securities specified in the Final Terms.

The "**Reference Date**" means the date which is three London Business Days prior to the date fixed for redemption.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) or such other period of notice as is specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem, subject to and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the

Issuer to withdraw the notice given pursuant to this Condition 6(d) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) Early Redemption Amounts

For the purpose of Condition 6(b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

(f) Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(e) above.

(g) Partly Paid Notes

If the Notes are Partly Paid Notes, unless otherwise specified in the applicable Final Terms, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the applicable Final Terms.

(h) Purchases

The Issuer may, subject as provided in the next paragraph, at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so

cancelled and the Notes purchased and cancelled pursuant to Condition 6(h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) Late payment on Zero Coupon Notes

Except as provided in the applicable Final Terms, if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. **Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(e)); or
- (iii) where such withholding or deduction is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, or any law or regulation implementing an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing.

As used herein,

- (i) "**Tax Jurisdiction**" means Finland or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys

having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. **Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. **Events of Default**

If any one or more of the following events (each an "**Event of Default**") shall occur:

- (i) default is made in the payment of any principal of any of the Notes for a period of seven days or of any interest in respect of any of the Notes for a period of 15 days after written notice of such default, given by the holder of such Note, has been received by the Agent on behalf of the Issuer; or
- (ii) the Issuer or any Principal Subsidiary is adjudicated or found insolvent by any competent court; or
- (iii) winding up, insolvency, administration or moratorium proceedings are instituted against the Issuer or any Principal Subsidiary and are not dismissed or stayed within 30 days after institution, or the Issuer or any Principal Subsidiary applies for institution of such proceedings, or makes an arrangement for the benefit of its creditors; or
- (iv) any order is made by any competent court, or any resolution is passed by the Issuer or any Principal Subsidiary to apply, for judicial composition or administration proceedings with its creditors or for the appointment of a receiver or administrator or other similar official in insolvency or administration proceedings in relation to the Issuer or any Principal Subsidiary or a substantial part of the assets of the Issuer or any Principal Subsidiary's assets, except for any winding-up, dissolution, liquidation or other similar proceedings involving a Principal Subsidiary while solvent; or
- (v) the Issuer or any Principal Subsidiary stops or threatens to stop payment or is wound up or dissolved (except for the purposes of a merger, demerger or solvent liquidation (or other similar arrangement) in which any Principal Subsidiary merges with or demerges into any other Subsidiary of the Issuer or is wound-up or dissolved while solvent) or ceases to carry on the whole or substantially the whole of its business or is unable to pay its debts as they fall due; or
- (vi) any Indebtedness in an aggregate amount of at least €50,000,000 (or its equivalent in any other currency or currencies) for borrowed money of the Issuer or any Principal Subsidiary (including Indebtedness arising under a guarantee for borrowed money) becomes repayable prior to the due date for repayment thereof by reason of a default by the Issuer or any Principal Subsidiary and any steps are taken to obtain repayment or any such Indebtedness is not repaid on such due date as extended by any applicable grace period therefor (unless the Issuer or the relevant Principal Subsidiary is contesting in good faith the fact that such indebtedness has become so repayable or has not been repaid) or any security granted in respect of such indebtedness is enforced on behalf of or by the creditor(s) entitled thereto (except for any enforcement which is frivolous or vexatious and is dismissed within 30 days); or
- (vii) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on it under the Notes or the Agency Agreement insofar as

it relates to the Notes (other than any obligation for the payment of any principal or interest in respect of the Notes) and such default continues for 30 days after written notice thereof has been given by any holder of a Note to the Agent on behalf of the Issuer requiring the same to be remedied; or

- (viii) any governmental order, decree or enactment is made in Finland whereby the Issuer will or would, but for the provisions of this sub-paragraph-(viii), be prevented from observing or performing in full its obligations under the Notes and these circumstances are not cured within three months of the making of such order, decree or enactment,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purpose of paragraph (vi) above, (a) "**Indebtedness**" means any bonds, debentures, notes or other instruments of indebtedness or any other loan indebtedness, and (b) any Indebtedness which is in a currency other than Euro shall be translated into Euro at the "spot" rate for the sale of the Euro against the purchase of the relevant currency as quoted by the Agent on the calendar day in London corresponding to the calendar day on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

10. **Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent, subject to relevant stock exchange requirements and all applicable laws, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (ii) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph-of Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any

entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

13. **Notices**

All notices regarding the Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. 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 or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. **Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent, in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent, in nominal amount of the Notes for the time being outstanding or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions

of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the quorum shall be one or more persons holding or representing not less than 75 per cent, in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. **Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes ranking *pari passu* in all respects and having the same Terms and Conditions (save for their Issue Date, Interest Commencement Date, Issue Price and/or the amount and date of the first payment of interest thereon), and so that the same shall be consolidated and form a single Series with, the outstanding Notes.

16. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. **Governing law and submission to jurisdiction**

- (a) The Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.
- (b) The Issuer agrees, for the exclusive benefit of the Paying Agents, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipt and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts and the Coupons) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 17 shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer appoints Stora Enso Holdings UK Limited at its registered office at New Mill Road, Orpington, Kent BR5 3TW as its agent for service of process, and undertakes that, in the event of Stora Enso Holdings UK Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings.

Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

The Issuer hereby irrevocably and unconditionally waives with respect to the Agency Agreement, the Notes, the Receipts and/or the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which includes making a profit, unless otherwise specified in the relevant Final Terms.

In particular, if so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes specifically to finance or refinance "Green Projects" that meet the eligibility requirements defined and detailed in the Issuer's Green Bond Framework, March 2018 incorporated by reference herein. Such Notes may also be referred to as "**Green Bonds**".

DESCRIPTION OF THE ISSUER

Overview

Stora Enso Oyj ("**Stora Enso**" or the "**Company**" and with its subsidiaries, the "**Group**") is a leading provider of renewable solutions in packaging, biomaterials, wooden constructions and paper globally. The Group's customers include packaging producers, brand owners, paper and board producers, publishers, retailers, printing houses, converters and joinery and construction companies. Its aim is to replace fossil-based materials by innovating and developing new products and services based on wood and other renewable materials. Today, Stora Enso's solutions are found in such segments as building, retail, food and beverages, manufacturing, publishing, pharmaceutical, cosmetics, confectionary, hygiene and textiles. The Group's sales totalled EUR 10.5 billion in 2018, with an operating profit of EUR 1,390 million. As at 31 December 2018, the Group had 26,129 employees and an annual production capacity of 5.9 million tonnes of chemical pulp, 5.4 million tonnes of paper and 4.7 million tonnes of board, 1.4 billion square metres of corrugated packaging and 5.8 million cubic metres of sawn wood products, including 2.7 million cubic metres of value-added products. Stora Enso's shares are listed on Nasdaq Helsinki Ltd and Nasdaq Stockholm AB.

Stora Enso's reporting segments are Consumer Board, Packaging Solutions, Biomaterials, Wood Products, Paper and Other. Stora Enso's five Divisions are Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper.

Stora Enso Oyj is a public limited liability company and was incorporated for an unlimited duration under the Finnish Companies Act and is domiciled in the City of Helsinki. It was registered with the Finnish Trade Register on 1 May 1996 with business identity code 1039050-8. The registered office of Stora Enso Oyj is at Kanavaranta 1, FI-00160 Helsinki, Finland, and its telephone number is +358 20 46 131.

The Company's Objects

Article 1 Section 2 of the Company's Articles of Association sets out the Company's objects. The objects comprise operating, directly or through subsidiaries and associated companies, in the forest, engineering and chemical industries and other manufacturing industries; engaging in agriculture, forestry and merchant shipping, as well as in mining industry, supply of hydro-power, building of hydro-electric facilities and financing. The Company may also engage in the sale of know-how and services in its own field of operations and carry out construction, operational, marketing and other corresponding assignments both in Finland and abroad.

Share Capital

As at 31 December 2018, the Company's fully paid-up share capital entered in the Finnish Trade Register was EUR 1,342 million.

The Company's shares are divided into A and R shares. The A and R shares entitle holders to the same dividend but different voting rights. Each A share and each ten R shares carry one vote at a shareholders' meeting. However, each shareholder has at least one vote.

As at 31 December 2018, Stora Enso had 176,312,672 A shares and 612,307,315 R shares in issue, of which the Company held no A shares or R shares. The total number of Stora Enso shares in issue was 788,619,987 and the total number of votes was 237,543,403.

On 14 February 2019, Stora Enso announced that a total of 53,236 A shares were converted into R shares during the 1–31 January 2019 conversion period. The shares were recorded in the Finnish Trade Register on 14 February 2019 and trading in the new R shares commenced on 15 February 2019.

As at the date of this Base Prospectus, Stora Enso has 176,259,436 A shares and 612,360,551 R shares in issue.

Shareholders

As at 31 December 2018, 684,723,508 shares were registered in Euroclear Finland Ltd, 87,765,967 in Euroclear Sweden AB and 16,130,512 in American depositary receipt ("ADR") form in Citibank, N.A. Shares registered in Euroclear Sweden AB and ADRs are nominee-registered in Euroclear Finland Ltd. As at 31 December 2018, approximately 70 per cent. of the Company's shares were registered in the name of a nominee. Each nominee register is entered in the share register as one shareholder.

As at 31 December 2018, the two largest shareholders of the Company were Solidium (10.7 per cent. of shares and 27.3 per cent. of votes) and FAM (10.2 per cent. of shares and 27.3 per cent. of votes).

The following table sets forth the Company's major shareholders as at 31 December 2018:

By voting power		A shares	R shares	Percentage of shares	Percentage of votes
1	Solidium Oy ⁽¹⁾	62,655,036	21,792,540	10.7	27.3
2	FAM AB ⁽²⁾	63,123,386	17,000,000	10.2	27.3
3	Social Insurance Institution of Finland	23,825,086	973,982	3.1	10.1
4	Varma Mutual Pension Insurance Company	8,513,018	1,140,874	1.2	3.6
5	Ilmarinen Mutual Pension Insurance Company	3,352,286	17,778,548	2.7	2.2
6	MP-Bolagen i Vetlanda AB (incl. Stiftelsen Seydlitz Småland)	4,818,000	1,390,000	0.8	2.1
7	Erik Johan Ljungberg's Education Foundation	1,780,540	2,336,224	0.5	0.8
8	Swedbank Robur Funds.....	–	10,674,443	1.4	0.4
9	Bergslaget's Healthcare Foundation	626,269	1,609,483	0.3	0.3
10	The State Pension Fund	–	7,200,000	0.9	0.3
11	Nordea Investment Funds.....	–	5,913,015	0.7	0.2
12	Keva (Local Government Pensions Institution).....	–	5,251,101	0.7	0.2
13	Elo Mutual Pension Insurance Company	–	4,680,000	0.6	0.2
14	Unionen (Swedish trade union).....	–	3,477,750	0.4	0.1
15	SEB Investment Management	–	3,157,906	0.4	0.1
Total		168,693,621	104,375,866	36.1 ⁽³⁾	75.9 ⁽³⁾
Nominee-registered shares		74,382,979	473,956,786	69.5 ⁽³⁾⁽⁴⁾	51.3 ⁽³⁾⁽⁴⁾

(1) Entirely owned by the Finnish State.

(2) As confirmed to Stora Enso.

(3) As some of the shareholdings on the list are nominee registered, the percentage figures do not add up to 100 per cent.

(4) As registered with Euroclear Finland Ltd.

The list has been compiled by the Company on the basis of shareholder information obtained from Euroclear Finland Ltd, Euroclear Sweden AB and a database managed by Citibank N.A. This information includes only directly registered holdings, thus certain holdings (which may be substantial) of ordinary shares and ADRs held in nominee or brokerage accounts cannot be included. The list is therefore incomplete.

Legal Structure

Stora Enso Oyj is the parent company of the Group. For a description of the Company's 50 principal operating subsidiary undertakings, see note 30 to the Company's consolidated financial statements for the year ended 31 December 2018 incorporated by reference into this Base Prospectus.

Business Divisions

Overview

The Group's reporting segments are Consumer Board, Packaging Solutions, Biomaterials, Wood Products, Paper and Other. The Group's five Divisions are Consumer Board, Packaging Solutions, Biomaterials, Wood Products and Paper. All of the Divisions report directly to Stora Enso's Chief Executive Officer.

	<u>Sales by Destination</u>	
	<u>2018</u>	<u>2017</u>
Europe.....	7,662	7,412
Australia/New Zealand.....	192	156
Brazil.....	70	62
China (including Hong Kong).....	932	918
Japan.....	285	303
Middle East.....	261	238
Uruguay.....	23	28
United States.....	236	236
Others.....	825	692
Total Operations.....	<u>10,486</u>	<u>10,045</u>

Consumer Board

Stora Enso's Consumer Board Division develops and provides virgin fibre cartonboard for use in the premium end-use packaging and graphical segments. Its products include a wide board and barrier coating selection that is suitable for consumer packaging for liquid, food, pharmaceutical and luxury goods. The Consumer Board Division operates five mills in Finland, Sweden and China.

Packaging Solutions

Stora Enso's Packaging Solutions Division provides fibre-based board materials and corrugated packaging products and services designed for a wide array of applications. Its renewable high-end packaging solutions serve leading converters, brand owners and retailers. The containerboard mills are located in Finland and Poland, and the converting plants in eight countries in Europe and Asia.

Biomaterials

Stora Enso's Biomaterials Division offers a wide variety of pulp grades to meet the demands of paper, board, tissue, textile and hygiene product producers. In addition, it aims to maximise the by-products extracted in its processes, such as tall oil and turpentine from biomass. All fractions of biomass, such as sugars and lignin, hold potential for use in a range of applications. The Biomaterials Division has a global presence with operations in Brazil, Finland, Sweden, Uruguay and the United States.

Wood Products

Stora Enso's Wood Products Division provides wood-based solutions. Its product range covers all areas of construction including massive wood elements and wooden components. It also offers a variety of sawn timber goods and pellets for sustainable heating. The emerging product range of Biocomposites aims to address the opportunities to replace plastics in consumer goods and to create potential in various demanding exterior applications in a cost-competitive way. The Wood Products Division has more than 20 production units in Europe and serves customers globally.

Paper

Stora Enso's Paper Division provides paper solutions for print media and office use. Its product selection covers papers made from virgin wood and recycled fibre. The main customer groups include publishers, retailers, printing houses, merchants, converters and office suppliers. The Paper Division has nine paper mills with 18 production lines in Europe and one joint venture paper machine in China.

Other

The segment Other includes the Nordic forest equity accounted investments, Stora Enso's shareholding in PVO, operations supplying wood to the Nordic and Baltic mills, plantations not connected to any mill site and group shared services and administration.

Trends

Stora Enso is responding proactively to global trends by developing products and technologies based on renewable materials, to meet the changing needs and expectations of our customers and stakeholders.

Climate change threatens to increase the risk of extreme weather patterns, which can have major consequences on societies around the world. Stora Enso's products are based on renewable and relatively low-carbon materials that can help our customers and society in general to reduce carbon dioxide emissions.

The global population is expected to reach eight billion by 2025 (source: UN), which will further increase pressure on natural resources. Stora Enso's core business is to provide renewable solutions for paper, packaging, biomaterials and wood products, which contributes toward the efficient and responsible use of natural resources while also meeting greater demand.

Urbanisation has resulted in over half the world's population living in towns and cities, altering the way we live, consume resources and produce waste. Among Stora Enso's solutions, Stora Enso promotes carbon-neutral and renewable construction solutions for residential housing and commercial buildings, as well as reusable and renewable products and packaging.

Digitalisation is changing how products are made, delivered, sold and bought. Stora Enso focuses on providing cost-efficient logistics and packaging solutions for online shopping, smart packaging that can be tracked and sensed, and digitalised business processes for enhanced efficiency.

Lifestyle changes due to increased incomes, urbanisation, digitalisation and the expansion of the service economy affect human behaviour and how people live their lives. Stora Enso's renewable and recyclable pulp-based packaging and products can meet consumer lifestyle changes while reducing environmental impacts.

The growing middle class in emerging markets has increased consumerism and places greater pressure on natural resources. Stora Enso meets growing consumer demand for tissue, packaging and housing with solutions based on renewable materials.

Eco-awareness influences attitudes and consumer behaviour more than ever before, with greater interest in what we buy and how it is made. Stora Enso works with product development and along the entire value chain to ensure that its products meet high standards of sustainability.

Recent Developments

Bergvik Skog Restructuring

On 30 November 2018, Stora Enso announced that the shareholders of Bergvik Skog had signed a binding agreement regarding the previously announced intent to restructure its ownership. With this agreement, the parties aim to complete the transaction during the first half of 2019. Stora Enso's forest holdings in Sweden will increase to 1.4 million hectares, of which 1.15 million hectares is productive forest land. The total value of the transaction in Stora Enso's balance sheet is estimated to be approximately EUR 1.0 billion.

As at the date of the announcement, Bergvik Skog's Swedish forest assets were owned by its subsidiaries Bergvik Väst AB and Bergvik Öst AB, representing approximately 83 per cent. and 17 per cent. of these assets respectively. As a result of this transaction, Stora Enso will transform its ownership of 49.8 per cent. in Bergvik Skog AB, to a direct holding of 69.8 per cent. of the value of the forest assets in Bergvik Väst AB.

Once all of the steps in the transaction have been finalised during the first half of 2019, it is expected that the financial impact for Stora Enso will be as follows:

- Bergvik Skog is currently reported as an equity accounted investment. Upon closure of the deal, Stora Enso's Swedish forest assets will be placed in a fully owned subsidiary and then consolidated line by line in Stora Enso's results.

- The transaction will result in a cash out effect of approximately EUR 200 million. Stora Enso's interest-bearing debt will increase by approximately EUR 800 million. The net debt to operational EBITDA ratio will increase by approximately 0.5x at the end of the sequence of the transactions, but will temporarily increase up to 0.8x prior to a special dividend being distributed by Bergvik Skog. The ratio was 1.1x as at 31 December 2018.
- Capital employed will increase by approximately EUR 1.0 billion, resulting in a decrease in the operational return on capital employed (ROCE) of approximately 1 percentage point.

Profit Protection Programme

On 1 February 2019, Stora Enso announced that it is implementing a profit protection programme intended to achieve an annual cost reduction of EUR 120 million as well as reduction of capital expenditure forecast for 2019 to EUR 540-590 million (including capitalised leasing contracts according to IFRS 16 of approximately EUR 40 million). The programme includes plans to reduce costs at the Ala and Imavere sawmills and a plan to close Paper Machine 6 at Imatra Mills.

The profit protection programme targets reductions in variable and fixed costs, as market uncertainty increases. The programme will include all divisions and corporate functions. Stora Enso estimates that some effects will be visible already during 2019 with full impact by the end of 2020.

As part of the programme, Stora Enso is planning to close Paper Machine 6 at Imatra Mills in Finland and to start co-determination negotiations at the mill related to this plan. With annual production capacity of 90,000 tonnes, Paper Machine 6 is a small machine that has reached the end of its life. The planned closure would result in a reduction of maximum 80 FTEs (full-time equivalents) and reorganisation of some tasks. The plan is to continue production until the maintenance break during the third quarter of 2019 or until the end of 2019, with an ability to deliver the committed volumes. The planned closure would cost approximately EUR 4 million related to asset write-off and costs of the co-determination process. The amount would be recorded as an item affecting comparability (IAC).

Stora Enso is also planning to take performance improvement measures at the Ala sawmill in Sweden and the Imavere sawmill in Estonia. The plan includes actions to increase productivity and reduce costs. The planned actions would result in a reduction of maximum 35 FTEs and required co-determination negotiations related to this plan have been initiated.

The detailed plans of the profit protection programme are subject to appropriate information and/or consultation of the relevant employee representative bodies where applicable, and is also subject to the relevant legal procedures and approvals.

Stora Enso announced in November 2018 that it would maintain its capital expenditure (including investments to biological assets), at EUR 550-600 million in 2019, excluding the impact of IFRS 16, Leases. Stora Enso's new capital expenditure forecast for 2019 is EUR 540-590 million, but now including the capitalised leasing contracts according to IFRS 16, Leases, of approximately EUR 40 million. The new capital expenditure forecast takes into account a reduction of EUR 50 million as part of the profit protection programme. The depreciation and operational decrease in biological asset values forecast is EUR 590-630 million. This also includes the IFRS 16 impact.

Green Bonds

On 13 February 2019, Stora Enso announced it had priced its first Green Bonds under the Programme. The total aggregated principal amount of the bonds is SEK 6,000 million. The bonds have three tranches as follows: (i) SEK 3,000 million maturing in August 2021 with a variable coupon linked to STIBOR +0.85 per cent.; (ii) SEK 1,250 million maturing in February 2024 with a variable coupon linked to STIBOR +1.45 per cent.; and (iii) SEK 1,750 million maturing in February 2024 with a fixed coupon of 1.875 per cent. The bonds were issued at par and equivalent to SEK-swap +145 basis points. There are no financial covenants for the bonds. The bonds are listed on the Luxembourg Stock Exchange.

Dividend

On 14 March 2019, the AGM resolved that a dividend of EUR 0.50 per share would be distributed with respect to the fiscal year 2018. The dividend will be paid to shareholders who on the record date of the dividend payment, 18 March 2019, were recorded in the shareholders' register maintained by Euroclear Finland Ltd or in the separate register of shareholders maintained by Euroclear Sweden AB for Euroclear Sweden registered shares. The AGM resolved that the dividend would be paid on or about 25 March 2019.

Board of Directors and Management

Board of Directors

Jorma Eloranta

Chairman of Stora Enso's Board of Directors since April 2017 and Vice Chairman between April 2016 and April 2017. Independent of the Company and the significant shareholders.

Born 1951. M.Sc. (Tech.), D. Sc. (Tech.) h.c. Finnish citizen.

Member of Stora Enso's Shareholders' Nomination Board since April 2016. Chairman of the Remuneration Committee since April 2017 and member since April 2016. Member of the Financial and Audit Committee since April 2017.

Chairman of the Board of Directors of Finnish Fair Foundation. Member of the Board of Directors of Cargotec. Vice Chairman of the Supervisory Board of Finnish Naval Foundation. Chairman of the Board of Directors and CEO of Pienelo Ltd.

President and CEO of Metso between 2004 and 2011, President and CEO of Kvaerner Masa-Yards between 2001 and 2003 and President and CEO of Patria Industries Group between 1997 and 2000. Executive Vice President of Finvest Group and Jaakko Pöyry Group in 1996 and President of Finvest between 1985 and 1995.

Hans Stråberg

Vice Chairman of Stora Enso's Board of Directors since April 2017 and member since April 2009. Independent of the Company and the significant shareholders.

Born 1957. M.Sc. (Eng.). Swedish citizen.

Member of Stora Enso's Shareholders' Nomination Board since April 2017 and Remuneration Committee since March 2010.

Chairman of the Boards of Directors of Atlas Copco AB, Roxtec AB, CTEK Holding AB, Nikkarit Holding AB and AB SKF. Vice Chairman of the Board of Directors of Orchid First Holding AB. Member of the Boards of Directors of Investor AB, N Holding AB, Mellby Gård AB and Hedson Technologies International AB.

President and CEO of AB Electrolux between 2002 and 2010. Several management positions at Electrolux in Sweden and the United States between 1983 and 2002.

Elisabeth Fleuriot

Member of Stora Enso's Board of Directors since April 2013. Independent of the Company and the significant shareholders.

Born 1956. M.Sc. (Econ). French citizen.

Member of Stora Enso's Remuneration Committee since April 2017.

Board member and Chairman of CSR Committee at G45 since July 2018. President and CEO of Thai Union Europe Africa between 2013 and 2017. Senior Vice President, Emerging Markets and Regional

Vice President, France, Benelux, Russia and Turkey, in Kellogg Company between 2001 and 2013. General Manager, Europe, in Yoplait, Sodial Group between 1998 and 2001 and several management positions in Danone Group between 1979 and 1997.

Hock Goh

Member of Stora Enso's Board of Directors since April 2012. Independent of the Company and the significant shareholders.

Born 1955. B.Eng. (Hons) in Mechanical Engineering. Singaporean citizen.

Member of Stora Enso's Sustainability and Ethics Committee since April 2017.

Chairman of the Boards of Directors of Advent Energy Limited. Member of the Boards of Directors of AB SKF, Santos Australia and Vesuvius Plc.

Operating Partner of Baird Capital Partners Asia between 2005 and 2012. Several managerial positions in Schlumberger Ltd between 1995 and 2005.

Christiane Kuehne

Member of Stora Enso's Board of Directors since April 2017. Independent of the Company and the significant shareholders.

Born 1955. LL.M., B.B.A. Swiss/German citizen.

Member of Stora Enso's Financial and Audit Committee since April 2017.

Member of the Boards of Directors of James Finlays Ltd., Wetter Foundation, Whitestone Foundation and Foundation Pierre du Bois.

Various operative positions at Nestlé Group between 1977 and 2015, including most recently Head of Strategic Business Unit Food.

Richard Nilsson

Member of Stora Enso's Board of Directors since April 2014. Independent of the Company but not of its significant shareholders due to his employment at FAM.

Born 1970. B.Sc. (BA and Econ.). Swedish citizen.

Chairman of Stora Enso's Financial and Audit Committee since April 2016 and member since April 2015.

Member of the Board of Directors of IPCO AB and group companies. Investment Manager at FAM since 2008.

Pulp & paper research analyst at SEB Enskilda between 2000 and 2008, Alfred Berg between 1995 and 2000 and Handelsbanken between 1994 and 1995.

Göran Sandberg

Member of Stora Enso's Board of Directors since April 2017. Independent of the Company but not of its significant shareholders due to his position as executive director of majority shareholders of FAM, a significant shareholder of the Company.

Born 1951. Ph.D. Swedish citizen.

Member of Stora Enso's Sustainability and Ethics Committee since April 2017.

Professor in Plant Biology and professor at the Swedish University of Agricultural Science and the Umeå University. Executive Director of the Knut and Alice Wallenberg Foundation and the Marianne and

Marcus Wallenberg Foundation. Member of the Boards of Directors of the Marcus Wallenberg Foundation for Promoting Scientific Research in the Forest Industry and the Wallenberg Foundations AB. Member of the Royal Swedish Academy of Science, the Royal Swedish Academy for Agriculture and Forestry Sciences and the Royal Swedish Academy of Engineering Sciences.

Vice Chancellor of Umeå University between 2005 and 2010, Chairman of the Boards of Directors of Umeå Plant Science Center between 1996 and 2004 and SciLifeLab Sweden between 2013 and 2016. Member of the Boards of Directors of the Human Protein Atlas project and the Wallenberg Wood Science Center.

Antti Mäkinen

Member of Stora Enso's Board of Directors since March 2018. Independent of the Company but not of the significant shareholders due to his position as the CEO of Solidium.

Born 1961. LL.M. Finnish citizen.

Member of Stora Enso's Financial and Audit Committee since March 2018.

CEO of Solidium since May 2017. Member of the Board of Directors of Rake Oy, Metso Oyj and Sampo Oyj. Chairman or a member of the shareholders' nomination boards of several listed companies.

Several leading management positions between 2010 and 2017 within Nordea Corporate & Investment Banking, most notably as Head of Corporate Finance in Finland, Head of Strategic Coverage unit and as Co-Head for Corporate & Investment Banking, Finland. CEO of eQ Corporation and its main subsidiary eQ Bank Ltd. between 2005 and 2009.

Mikko Helander

Member of Stora Enso's Board of Directors since March 2019. Independent of the Company and of its significant shareholders.

Born 1960. M.Sc. (Tech.). Finnish citizen.

President and CEO of Kesko Oyj since January 2015.

CEO of Metsä Board Oyj between 2006 and 2014. CEO of Metsä Tissue Oyj between 2003 and 2006. Several positions in Valmet Oyj between 1984 and 1990 and between 1993 and 2003, including head of the operative management in Italy and Managing Director of the Valmet Converting business in the United Kingdom. Managing Director of Kasten Hövik Oy between 1990 and 1993.

Director Independence and Conflicts

The independence of the members of the Board of Directors is evaluated in accordance with Recommendation 10 of the Finnish Corporate Governance Code 2015. According to the recommendation, a significant shareholder is a shareholder that holds at least 10 per cent. of all company shares or the votes carried by all the shares or a shareholder that has the right or the obligation to acquire the corresponding number of already issued shares.

The business address of each member of the Board of Directors is Kanavaranta 1, FI-00160 Helsinki, Finland.

Other than as disclosed above, Stora Enso confirms that there is no potential conflict of interest between the duties of each of the members of the Board of Directors and his/her private interests or other duties.

Group Leadership Team

Karl-Henrik Sundström

Chief Executive Officer.

Born 1960. B.Sc. (Business Studies). Swedish citizen.

Chief Executive Officer since 2014. Member of the Group Leadership Team since August 2012. Joined the Company in August 2012. Executive Vice President, Printing and Living until 31 July 2014. CFO of the Company between 2012 and 2013.

Prior to joining Stora Enso, CFO of NXP Semiconductors between 2008 and 2012 and prior to that CFO and several managerial positions in Ericsson.

Chairman of the Board of Directors of Skogsindustrierna. Member of the Boards of Directors of Sustainable Energy Angels AB, Confederation of European Paper Industries (CEPI), Confederation of Swedish Enterprise and Mölnlycke Health Care AB.

Seppo Parvi

Chief Financial Officer, Deputy to the CEO, Country Manager Finland.

Born 1964. M.Sc. (Econ.). Finnish citizen.

Member of the Group Leadership Team since February 2014 when he joined the Company.

Prior to joining Stora Enso, CFO and EVP, Food and Medical Business Area, Ahlstrom Corporation from 2009 to 2014 and CFO for Metsä Board (M-real) from 2006 to 2009. Prior to that various line management positions at packaging company Huhtamäki, including responsibilities in paper manufacturing within Rigid Packaging Europe and as General Manager for Turkey.

Deputy Chairman of the Board of Directors of the Finnish Forest Industries Federation. Member of the Board of Directors of PVO and Ilmarinen Mutual Pension Insurance Company.

Malin Bendz

Executive Vice President, HR.

Born 1976. B.Sc. (Personnel Management & Organisational Development), MBA. Swedish citizen.

Member of the Group Leadership Team since November 2016. Joined the Company in 2000.

Prior to joining Stora Enso, has held several international positions in human resources, business development and purchasing.

Annica Bresky

Executive Vice President, Division Consumer Board.

Born 1975. M.Sc. (Engineering), Executive MBA. Swedish citizen.

Member of the Group Leadership Team since May 2017 when she joined the Company. President and CEO of Iggesund Paperboard AB, part of the Swedish Holmen Group, between 2013 and 2017. Mill Director at BillerudKorsnäs AB between 2010 and 2013. Prior to that, held engineering and superintendent positions at Stora Enso's Kvarnsveden Mill between 2001 and 2010.

Johanna Hagelberg

Executive Vice President, Sourcing and Logistics.

Born 1972. M.Sc. (Industrial Eng. & Mgmt) and M.Sc. (Eng. and Mgmt of Manufacturing Systems). Swedish citizen.

Member of the Group Leadership Team since November 2014. Joined the Company in 2013 as SVP Sourcing, Printing and Living.

Prior to joining Stora Enso, Chief Procurement Officer at Vattenfall AB between 2010 and 2013. Prior to that leading Sourcing positions at NCC, RSA Scandinavia and within the Automotive Industry.

Member of the Board of Directors of Bufab AB.

Kati ter Horst

Executive Vice President, Division Paper.

Born 1968. MBA (International Business) and M.Sc. (Marketing). Finnish citizen.

Member of the Group Leadership Team since September 2014. Joined the Company in 1996. Senior Vice President, Paper Sales, Stora Enso Printing and Living until 2014.

Prior to joining Stora Enso, has held several managerial positions in the paper business.

Member of the Boards of Directors of Finnish Forest Industries Federation, Outokumpu Oyj and EURO-GRAPH asbl.

Ulrika Lilja

Executive Vice President, Communications.

Born 1975. M.Sc. (BA and Econ.). Swedish citizen.

Member of the Group Leadership Team since September 2014. Joined the Company in January 2014. Senior Vice President Communications, Stora Enso Printing and Living until 31 August 2014.

Prior to joining Stora Enso, Director External Communications at SSAB in Sweden between 2010 and 2013. Prior to that several leading communications positions at OMX Stockholm Stock Exchange and Neonet.

Member of the Board of Directors of Swedish Association of Communication Professionals.

Per Lyrvall

Executive Vice President, Legal, General Counsel, Country Manager Sweden.

Born 1959. LL.M. Swedish citizen.

Member of the Group Leadership Team since March 2012. Joined the Company in 1994. General Counsel since 2008. Country Manager Sweden since 2013.

Prior to joining Stora Enso, held several positions at Swedish courts, law firms and Assi Domän.

Member of the Boards of Directors of Montes del Plata and Bergvik Skog AB. Deputy member of the Board of Directors of Skogsindustrierna.

Markus Mannström

Executive Vice President, Division Biomaterials.

Born 1963. M.Sc. (Paper Tech.). Finnish citizen.

Member of the Group Leadership Team since March 2015. Joined the Company in 2001. Chief Technology Officer of the Company between 2015 and 2017. Has held several managerial positions in large investment and R&D projects within the Company, most recently as General Manager of Stora Enso's Guangxi project in China. Member of the Renewable Packaging Division management team between 2009 and 2014.

Member of the Board of Directors of Teollisuuden Voima Oyj, Montes del Plata and Veracel. Deputy member of the Board of Directors of PVO.

Noel Morrin

Executive Vice President, Sustainability.

Born 1958. BSc. (Biology and Chemistry). Irish citizen.

Member of the Group Leadership Team as of 1 April 2015 when he joined the Company. Has held several leadership positions in the field of sustainability and environmental affairs, most recently, as SVP for Sustainability & Green Support at Skanska in Sweden between 2005 and 2015. Prior to that, served as Group Environment Director of RMC Group, and prior to that, held senior positions at UK National Environmental Technology Centre, the British NGO Business in the Community and ICI.

Gilles van Nieuwenhuyzen

Executive Vice President, Division Packaging Solutions.

Born 1959. M.Sc. (Applied Physics), MBA (INSEAD). Dutch citizen.

Member of the Group Leadership Team since 16 March 2015. Joined the Company in 2015. President of the Enablers division at DuPont Nutrition & Health (formerly Danisco) between 2010 and 2014. Prior to that, held senior management positions at the Dutch food ingredients group CSM (now Corbion), Rexam (in coated films and papers), and DSM (in chemicals and polymers), among others. Prior to that, worked at McKinsey & Company.

Jari Suominen

Executive Vice President, Division Wood Products.

Born 1969. M.Sc. (Business Administration). Finnish citizen.

Member of the Group Leadership Team since September 2014. Joined the Company in 1995. Senior Vice President, head of Building and Living Business Area until 31 August 2014.

Has held several managerial positions in paper and wood products businesses.

Chairman of the Board of Directors of Finnish Wood Products Industry Association. Member of the Board of Directors of Tornator Oy. Member of the Supervisory Board of Varma Mutual Pension Insurance Company.

The business address of each member of the Group Leadership Team is Kanavaranta 1, FI-00160 Helsinki, Finland.

Stora Enso confirms that there is no potential conflict of interest between the duties of each of the members of the Group Leadership Team and his/her private interests or other duties.

Corporate Governance Regime

In its decision making and administration, Stora Enso applies the Finnish Companies Act, the Finnish Securities Markets Act, the rules and recommendations of the Nasdaq Helsinki and the Nasdaq Stockholm stock exchanges, and Stora Enso's Articles of Association. Stora Enso also complies with both the Finnish Corporate Governance Code of the Finnish Securities Market Association and the Swedish Corporate Governance Code. Due to differences between the Swedish and Finnish legislation, governance code rules and corporate governance practises, Stora Enso's decision-making and administration deviates from the Swedish Corporate Governance Code in certain aspects.

Financial and Audit Committee

The Board has a Financial and Audit Committee to support the Board in maintaining the integrity of the Company's financial reporting and the Board's control functions. It regularly reviews and monitors the system of internal control, and internal audit as well as its efficiency, management and reporting of financial risks, the audit process and the annual corporate governance statement. It makes recommendations regarding the appointment of external auditors for the parent company and its main subsidiaries and monitors the auditor's independence.

The Committee comprises three to five Board members, who are independent and not affiliated with the Company. At least one Committee member must be a financial expert, who has significant knowledge and experience in accounting and accounting principles applicable to Stora Enso, bookkeeping or auditing.

The Financial and Audit Committee meets regularly, at least four times a year. The Committee meets the external and internal auditors regularly without Stora Enso management being present. The Chairman of the Committee presents a report on each Financial and Audit Committee meeting to the Board. The tasks and responsibilities of the Financial and Audit Committee are defined in its charter, which is approved by the Board.

As at the date of this Base Prospectus, the members of the Financial and Audit Committee are Richard Nilsson (Chair), Jorma Eloranta and Elisabeth Fleuriot.

Remuneration Committee

The Board has a Remuneration Committee which is responsible for recommending and evaluating executive nominations and remunerations (including reviewing and recommending the CEO's remuneration), evaluating the performance of the CEO, and making recommendations to the Board relating to management remuneration issues generally, including equity incentive remuneration plans. There is a Remuneration Committee representative present at the AGM to answer questions relating to the management remuneration. The Board appoints the CEO and approves his/her remuneration as well as the nomination and compensation of other members of the Group Leadership Team.

The Committee is comprised of three to four Board members who are independent and not affiliated with the Company. The Remuneration Committee meets regularly, at least once a year. The Chairman of the Committee presents a report on each Remuneration Committee meeting to the Board. The tasks and responsibilities of the Remuneration Committee are defined in its charter, which is approved by the Board.

As at the date of this Base Prospectus, the members of the Remuneration Committee are Jorma Eloranta (Chair), Antti Mäkinen and Hans Stråberg.

Sustainability and Ethics Committee

The Board has a Sustainability and Ethics Committee which is responsible for overseeing the Company's sustainability and ethical business conduct, its strive to be a responsible corporate citizen, and its contribution to sustainable development. The Committee regularly reviews Stora Enso's Sustainability Strategy and Ethics and Compliance Strategy and, in accordance with Stora Enso's corporate governance structure, oversees the effective implementation thereof as well as reviews the Company's external sustainability reporting. In its work, the Committee takes into consideration Stora Enso's Purpose and Values as well as Code of Conduct and Business Practice Policy.

The Committee comprises two to four Board members who are nominated annually by the Board. The members are independent of and not affiliated with Stora Enso. At least one Committee member is expected to have sufficient prior knowledge and experience in handling responsibility and ethics matters. The Committee meets regularly, at least two times a year. The Chairman of the Committee presents a report on each Sustainability and Ethics Committee meeting to the Board. The tasks and responsibilities of the Committee are defined in its charter, which is approved by the Board.

As at the date of this Base Prospectus, the members of the Sustainability and Ethics Committee are Christiane Kuehne (Chair), Hock Goh and Göran Sandberg.

Shareholders' Nomination Board

Shareholders at the AGM have appointed a Shareholders' Nomination Board to exist until otherwise decided and to annually prepare proposals concerning the number and election of the members of the Board of Directors, the remuneration of the Chairman, Vice Chairman and members of the Board of Directors and the remuneration of the Chairman and members of the committees of the Board of Directors.

The Shareholders' Nomination Board comprises four members: the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors and two members appointed annually by the two largest shareholders as of 31 August each year, appointing one each as set out in the Charter of the Shareholders' Nomination Board, each appointing one member. The largest shareholders are determined on the basis of their shareholdings registered in the Company's shareholders' register on 31 August of each year. The Chairman of the Board of Directors convenes the Shareholders' Nomination Board. A member of the Board of Directors may not be appointed the Chairman of the Shareholders' Nomination Board. The Shareholders' Nomination Board presents its proposal for the AGM to the Board of Directors annually before 31 January of each year.

On 3 September 2018, Stora Enso announced that the Shareholders' Nomination Board is composed of the following members: Jorma Eloranta (Chairman of the Board of Directors of Stora Enso), Hans Stråberg (Vice Chairman of the Board of Directors of Stora Enso), Harri Sailas (Chairman of the Board of Directors of Solidium) and Marcus Wallenberg (Chairman of the Board of Directors of FAM). The Shareholders' Nomination Board has elected Marcus Wallenberg as its Chairman.

Legal Proceedings

General

Other than as discussed below, there are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Company is aware) which may have, or have had during the past 12 months, a significant effect on the Company's or the Group's financial position or profitability.

Legal Proceedings in Latin America

Veracel

On 11 July 2008, Stora Enso announced that a federal judge in Brazil had issued a decision claiming that the permits issued by the State of Bahia for the operations of Stora Enso's joint operations company Veracel were not valid. The judge also ordered Veracel to take certain actions, including reforestation with native trees on part of Veracel's plantations and a possible fine of BRL 20 million (EUR 5 million). Veracel disputes the decision and has filed an appeal against it. Veracel operates in full compliance with all Brazilian laws and has obtained all the necessary environmental and operating licences for its industrial and forestry activities from the relevant authorities. In November 2008, a Federal Court suspended the effects of the decision. No provisions have been recorded in Veracel's or Stora Enso's accounts for the reforestation or the possible fine.

In June 2017, Veracel received a tax infringement note referring to year 2012 with a total amount of BRL 224 million (EUR 50 million) including interest and fines. The dispute is limited to fiscal year 2012 for which the tax authority applied another transfer pricing method due to a different interpretation of a transition rule. Veracel acts in full compliance with Brazilian transfer pricing law and has filed an administrative defence against the tax note in July 2017. In June 2018, Veracel received a positive decision from Federal Revenue Judgement, which has been confirmed by the Administrative Council For Fiscal Resources in January 2019. The total exposure as at 31 December 2018 was BRL 241 million (EUR 54 million) considering interest until 31 December 2018. Stora Enso's share of the exposure is BRL

120 million (EUR 27 million). No provisions have been recorded in Veracel's or Stora Enso's accounts for this tax dispute.

Legal Proceedings in Finland

Roundwood Claim

In December 2009, the Finnish Market Court fined Stora Enso for competition law infringements in the market for roundwood in Finland from 1997 to 2004. Stora Enso did not appeal against the ruling. In March 2011, Metsähallitus of Finland initiated legal proceedings against Stora Enso, UPM and Metsäliitto claiming compensation for damage allegedly suffered due to the competition infringement. In its judgement rendered in June 2016, the Helsinki District Court dismissed Metsähallitus' claim for damages against Stora Enso, UPM and Metsäliitto. Metsähallitus appealed against the District Court's judgment to the Helsinki Court of Appeal, which rendered its judgment in the matter in May 2018. In its judgment, the Court of Appeal dismissed Metsähallitus' appeal and upheld the District Court's judgment. The total amount of Metsähallitus' claim jointly and severally against Stora Enso, UPM and Metsäliitto in the Court of Appeal was approximately EUR 125 million and the secondary claim against Stora Enso was approximately EUR 68 million. Metsähallitus applied for a leave of appeal from the Supreme Court. The Supreme Court decided on 29 January 2019 that the application to appeal is denied. This concludes the case without Stora Enso having any payment obligation towards Metsähallitus. Further, the entire roundwood claim case can be now considered closed without any material financial effects on Stora Enso.

Legal Proceedings in Sweden

Insurance Claim

In July and August 2016, six Swedish insurance companies filed lawsuits in the Environmental Court and the District Court of Falun against Stora Enso, due to damage caused by the forest fire in Västmanland, Sweden, in 2014. The claimed amount is approximately SEK 300 million (EUR 30 million). Stora Enso denies liability. As of the date of this Base Prospectus, the Environmental Court and thereafter the Environmental Court of Appeal has found that the Environmental Code is not applicable on damage caused by fire.

Company Fine

In January 2018, a Swedish prosecutor filed a lawsuit against Stora Enso and its supplier, due to the forest fire in Västmanland, Sweden, in 2014, claiming a company fine of SEK 5 million each. Both Stora Enso and the supplier have disputed the claim.

SELECTED FINANCIAL INFORMATION

The following table presents selected consolidated financial information of the Issuer as at and for the years ended 31 December 2018 and 2017. The selected consolidated financial information presented below has been derived from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2018 prepared in accordance with IFRS.

On 1 January 2018, Stora Enso adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. In accordance with the transitional provisions of IFRS 9 and IFRS 15, Stora Enso has not restated prior year comparatives but has presented the cumulative effect of adopting both standards as transition adjustments to the opening balance of other comprehensive income and retained earnings as of 1 January 2018. The impact of the adoption of these new standards on Stora Enso's consolidated financial statements and the resulting changes to Stora Enso's accounting, policies are described in detail in note 30 to the Issuer's consolidated financial statements for the year ended 31 December 2018 incorporated by reference into this Base Prospectus.

	As at and for the Year Ended 31 December	
	2018	2017
<i>(€ million, except for earnings per share)</i>		
INCOME STATEMENT DATA		
Sales	10,486	10,045
Operating profit	1,390	904
Net profit for the year	988	614
Attributable to:		
Owners of the parent.....	1,013	625
Non-controlling interests	(24)	(11)
Earnings per Share		
Basic and diluted earnings per share, €	1.28	0.79
FINANCIAL POSITION DATA		
Non-current assets	8,601	8,434
Current assets	4,248	3,336
Total assets.....	12,849	11,770
Equity attributable to owners of the parent	6,714	6,008
Non-current liabilities	2,970	2,752
Current liabilities	3,147	2,963
Total liabilities	6,117	5,715
Total equity and liabilities	12,849	11,770

TAXATION

Finnish Taxation

The following overview is based on the tax laws of Finland as in effect on the date of this Base Prospectus, and is subject to changes in Finnish law, including changes that could have a retroactive effect. The following overview does not take into account or discuss the tax laws of any country other than Finland and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Non-Resident Holders of the Notes

Under present Finnish law payments of the principal of and interest (if any) on the Notes will be exempt from all taxes, duties, fees and imposts of whatever nature, imposed or levied by or within the Republic of Finland or by any province, municipality or other political sub-division or taxing authority thereof and therein, except when the holder of the Note, Receipt or Coupon to which any such payment relates is subject to such taxation thereon by reason of such holders being connected with the Republic of Finland otherwise than solely by his holding of such Note, Receipt or Coupon or the receipt of income therefrom.

Non-residents of Finland are not liable to pay Finnish capital gains tax on Notes that are not connected with a permanent establishment or a fixed base in Finland.

Transfer tax is in general not payable on a transfer of Notes, provided that the interest of the Notes is not related to the business income of the Issuer.

Transfers of Notes by a non-resident by way of a gift or by reason of the death of the owner may be subject to Finnish gift or inheritance tax, respectively.

Holders of the Notes Resident in Finland

Interest paid to Finnish corporate entities (other than non-profit associations) and to Finnish partnerships is deemed to be taxable income of the recipient of interest. Any gain or loss realised following a disposal of the Notes will be taxable income or a tax deductible loss for the relevant holders. Interest paid to such holders of the Notes is not subject to a withholding tax.

If the holder of the Note is a resident natural person, interest paid on the Notes is subject to a source tax on interest income or an advance withholding tax and capital income tax in accordance with the applicable Finnish tax laws. The current source tax on interest income, withholding tax and capital income tax rate is 30 per cent. Should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent. on the amount that exceeds the EUR 30,000 threshold.

If a resident natural person disposes any Notes prior to the maturity date, any capital gain as well as accrued interest received ("**secondary market compensation**") will be taxed as capital income. The current rate of capital income tax is as expressed above. An individual residing in Finland or an undistributed estate of a deceased Finnish resident may deduct the eventual capital loss from its taxable capital gains in the year of disposal and in the five subsequent years.

If Notes are acquired in the secondary market, any secondary market compensation paid is deductible from the capital income or, to the extent exceeding capital income, from earned income subject to limitations of the Finnish income tax act.

Luxembourg Taxation

The following overview is of a general nature, limited to description of withholding taxes applicable in Luxembourg and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice.

Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.

A holder of the Notes may not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Notes, or the execution, performance, delivery and/or enforcement of the Notes.

Withholding Tax

(i) *Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) *Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December, 2005, as amended (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent.

Such withholding tax as described above or the Levy will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Responsibility for the withholding of the tax in application of the Law as amended will be assumed by the Luxembourg paying agent and not by the Issuer. Accordingly, payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 20 per cent.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Finland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the

U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under Condition 15 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have in a programme agreement dated 6 September 1996 (as modified, amended and/or restated from time to time and as most recently amended on 21 March 2019, the "**Programme Agreement**") agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. In addition, the Programme Agreement provides that the obligation of any Dealer to subscribe for Notes is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligation to subscribe for Notes prior to their issue.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered and 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 under the Securities Act.

The 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that 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, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period 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. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an 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 if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as contemplated by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "**MiFID II**"); or

- (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded); and
- (b) the expression an "**offer**" includes 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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent 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 this Base Prospectus as completed by the Final Terms in relation thereto 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:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 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
- (iv) 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 (ii) to (iv) 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 and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Notes having a maturity of less than one year, (a) 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 (b) it has not offered or sold and will not offer or sell

any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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
- (iii) 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.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, (the "**FIEA**")). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

The Netherlands

Zero Coupon Notes (as defined below) in definitive form of the Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V., in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Dutch Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein, "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "**Belgian Consumer**") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell,

resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act (Chapter 289) of Singapore (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 2(1) of the SFA) or securities-based derivative contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

Activities of the Dealers

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 15 January 1990 and the update of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 31 January 2019.

Listing, Approval and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. The CSSF gives no undertaking as to the economic and financial opportunities of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with provisions of Article 7(7) of the Luxembourg Act on prospectuses for securities. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents (with an English translation thereof) of the Issuer;
- (ii) the audited annual financial statements of the Issuer and the audited annual financial statements of the Issuer and its subsidiaries in respect of the years ended 31 December 2017 and 31 December 2018;
- (iii) the Issuer's Full Year Financial Results, January–December 2018, Q4;
- (iv) the most recently published audited annual financial statements of the Issuer and the most recently published unaudited interim financial statements (published quarterly in respect of the quarters ended 31 March, 30 June, 30 September and 31 December) of the Issuer, in each case together with any audit or review reports if any in connection therewith;
- (v) the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the definitive Notes, the Receipts and the Coupons, the Talons and the Deed of Covenant;
- (vi) a copy of this Base Prospectus;
- (vii) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and the identity of such holder) to this Base Prospectus and any other documents incorporated herein or therein by reference including all future annual consolidated and unconsolidated accounts;
- (viii) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document); and
- (ix) in the case of each issue of Notes where ISDA Determination is specified as the manner in which the Rate of Interest is to be determined, a copy of the ISDA Definitions.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

The Issuer's legal entity identifier (LEI) is 7437000ZP669LKUTZ738.

Conditions for determining price

Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the applicable Final Terms. The price will normally correspond to a percentage of the nominal value of such Notes and shall be disclosed on the applicable Final Terms, which shall be available at the offices of the Issuer and the Paying Agent. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series, or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

Yield

The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis by reference to the relevant issue price. It is not an indication of future yield.

Significant or Material Change

Except as described below, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole since 31 December 2018.

On 13 February 2019, Stora Enso announced it had priced its first Green Bonds under the Programme. The total aggregated principal amount of the bonds is SEK 6,000 million. The bonds have three tranches as follows: (i) SEK 3,000 million maturing in August 2021 with a variable coupon linked to STIBOR +0.85 per cent.; (ii) SEK 1,250 million maturing in February 2024 with a variable coupon linked to STIBOR +1.45 per cent.; and (iii) SEK 1,750 million maturing in February 2024 with a fixed coupon of 1.875 per cent. The bonds were issued at par and equivalent to SEK-swap +145 basis points. There are no financial covenants for the bonds. The bonds are listed on the Luxembourg Stock Exchange. There has been no material adverse change in the prospects of the Issuer since 31 December 2018.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers Oy, Authorised Public Accountants, with Samuli Perälä, Authorised Public Accountant, as the auditor with principal responsibility. PricewaterhouseCoopers Oy has audited the Issuer's consolidated financial statements, without qualification, in accordance with good auditing practice in Finland, for the financial year ended 31 December 2018. Samuli Perälä is a member of Suomen Tilintarkastajat ry (the Finnish Association of Auditors).

Deloitte Oy, Audit Firm, has audited the Issuer's consolidated financial statements, without qualification, in accordance with good auditing practice in Finland, for the financial year ended 31 December 2017. The responsible partners at Deloitte Oy are members of Suomen Tilintarkastajat ry (the Finnish Association of Auditors).

Potential Investors

Subject to the restrictions set out in "*Subscription and Sale*" above, Notes issued under the Programme may be offered and sold, without limitation, to qualified investors as defined in Article 2(1)(e) of the Prospectus Directive and/or to investors who do not fall under such definition of qualified investors.

Redemption

The Notes will be redeemed at 100 per cent. of their nominal value or, if so agreed between the Issuer and the relevant Dealer, at a higher amount.

ISSUER

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