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BASE PROSPECTUS DATED APRIL 5, 2018

METSO CORPORATION

(incorporated with limited liability in the Republic of Finland)

€1,500,000,000
Euro Medium Term Note Programme

(Notes issued under the Programme will have a minimum denomination of €100,000 (or its equivalent in another currency))

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of the Prospectus Directive (as defined herein) and the relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Notes ("**Notes**") issued under this €1,500,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. By approving this Base Prospectus the CSSF, however, gives no undertaking as to the economic and financial soundness of the transactions contemplated under this Base Prospectus and the quality or solvency of Metso Corporation (the "**Issuer**", and together with its consolidated subsidiaries, "**Metso**" or the "**Group**") in line with the provisions of article 7(7) of the Luxembourg Act dated July 10, 2005 relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*), as amended.

Application has been made for Notes (other than Non PD Notes (as defined herein)) issued under the Programme during the period of twelve months after the date hereof to be admitted to listing on the official list and to trading on the Bourse de Luxembourg, the regulated market of the Luxembourg Stock Exchange (the "**Regulated Market**"), which is a regulated market for the purposes of the Directive on Markets in Financial Instruments Directive 2014/65/EU (the "**MiFID II**"). Non PD Notes may be unlisted and/or may be admitted to listing, trading and/or quotation on a market, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s) (in circumstances where the provisions of the Prospectus Directive do not apply).

This Base Prospectus constitutes a Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive.

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

Investing in Notes issued under the Programme involves certain risks. Factors which could be material for the purposes of assessing the risks associated with the Notes issued under the Programme are set out under "*Risk Factors*".

Arranger
CITIGROUP

Dealers

BNP PARIBAS **CITIGROUP**
COMMERZBANK **DANSKE BANK**
HSBC **NORDEA**
OP CORPORATE BANK PLC

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IMPORTANT NOTICES

Under this €1,500,000,000 Euro Medium Term Note Programme, the Issuer may from time to time issue Notes denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms (as defined below), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Final Terms, Pricing Supplement or Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or, in the case of Non PD Notes (as defined below), a Pricing Supplement (as defined below) or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**").

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €1,500,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement (as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

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

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the official list and to trading on the Regulated Market) a supplement to the base prospectus, if appropriate, or Drawdown Prospectus, as the case may be, will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of Non PD Notes (as defined below), the relevant provisions relating to such Non PD Notes will be included in the applicable Pricing Supplement.

The requirement to publish a prospectus under the Prospectus Directive only applies to Notes which are to be admitted to trading on a regulated market for the purposes of the MiFID II in the European Economic Area and/or offered to the public in the European Economic Area other than in circumstances where an exemption is available under Article 3.2 of the Prospectus Directive (as implemented in the relevant Member State(s)). References in this Base Prospectus to "**Non PD Notes**" are to Notes for which no prospectus is required to be published under the Prospectus Directive. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Non PD Notes.

Other Relevant Information

This Base Prospectus must be read and construed together with any supplements hereto and with any other information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms or, in the case of Non PD Notes, a pricing supplement ("**Pricing Supplement**") or a Drawdown Prospectus should be read and construed together with the relevant Final Terms, Pricing Supplement or Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Pricing Supplement or a Drawdown Prospectus, each reference in this Base Prospectus to: (1) information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Pricing Supplement or Drawdown Prospectus and (2) information being completed by the relevant Final Terms shall be read and construed as a reference to

such information being completed, supplemented, amended and/or replaced by the relevant Pricing Supplement or Drawdown Prospectus, unless in each case the context requires otherwise.

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

Unauthorised Information

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

No representation or warranty is made or implied by the Dealers or any of their respective affiliates and neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of any Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Issuer and its Subsidiaries (as defined under "*Terms and Conditions of the Notes*") (the "**Group**") since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on Distribution

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

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Group.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes (or, as the case may be, Pricing Supplement (in the case of Non PD Notes) or Drawdown Prospectus) may 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 MiFID 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 – PROHIBITION OF SALES TO EEA RETAIL INVESTORS: If the Final Terms in respect of any Notes (or, as the case may be, Pricing Supplement (in the case of Non PD Notes) or Drawdown Prospectus) 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 European Economic Area (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, the "**Insurance Mediation Directive**"), 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 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.

Ratings

As of the date of this Base Prospectus, the Programme has been assigned a rating of BBB by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"). The Issuer has also been assigned a BBB long-term credit rating and an A-2 short-term corporate credit rating (stable outlook) by Standard & Poor's. Standard & Poor's is established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**").

Tranches of Notes that may be issued under the Programme can be rated or unrated. Where a Tranche of Notes issued under the Programme is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Programme, the Issuer or to Notes already issued.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the European Union, but which is certified under the CRA Regulation. The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website, *www.esma.europa.eu/page/List-registered-and-certified-CRAs*, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. The ESMA website is not incorporated by reference into, nor does it form part of, this Base Prospectus. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. Therefore, such list is not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Base Prospectus contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual business activities, results and financial position of the Issuer to differ materially from the information presented in this Base Prospectus. When used in this Base Prospectus, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Issuer and its management, are intended to identify such forward-looking statements. The Issuer does not undertake any obligation to publicly release the

result of any revision to these forward-looking statements to reflect the events or circumstances after the date of this Base Prospectus or to reflect the occurrence of unanticipated events unless, as a result of such event or circumstance, the Issuer is required under applicable law to publish a supplementary prospectus after the date of this Base Prospectus.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to a "**Relevant Member State**" are to a Member State which has implemented the Prospectus Directive, references to the "**Prospectus Directive**" are Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State, references to "**U.S. dollar**" are to the currency of the United States of America, references to "**Sterling**" and "**£**" are to the currency of the United Kingdom, references to "**Swedish krona**" are to the currency of the Kingdom of Sweden and references to "**€**" and "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union and as defined in Article 2 of Council Regulation (EC) No. 974/98 of May 3, 1998 on the introduction of the euro, as amended.

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

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms or, as the case may be, Pricing Supplement or Drawdown Prospectus 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 Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in Notes issued under the Programme, prospective investors should carefully consider risk factors associated with any investment in the Notes issued under the Programme, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following are the risks that the Issuer believes to be material to an assessment by a prospective investor when considering an investment in Notes issued under the Programme. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer at the date of this Base Prospectus, or that it currently deems immaterial as at such date, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including any document incorporated by reference herein, and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.

Risks Relating to the Issuer

Strategic Risks

Business Development Risks

Metso's business can be affected by business development risks related to its entry into new markets, its ability to maintain its existing local presence globally, business acquisitions, investments and new products and services, and it also involves risks related to the Metso brand and reputation. In planning and implementing its business plan, Metso seeks to take into consideration development potential, new products and technological solutions and the life-cycle stages of its products and production plants as well as the life-cycle stages of its customers' assets. An important part of Metso's business development is the utilization of the Group's presence in emerging markets, such as China, India and Brazil. In addition to opportunities, operating in emerging markets involves risks. In emerging markets, the political, economic and legal systems may be less predictable than in countries with more developed institutional structures. Various external stakeholders, such as authorities, industrial organizations, research institutes and non-governmental organizations on a national and international level, affect the business environment and the markets in which Metso operates. Operating in emerging countries also includes risks associated with the protection of intellectual property and reputation as an ethical corporation, among others. Metso's ability to manage its global supply chain is important and a failure to do so could have a material adverse effect on Metso's business, financial condition or results of operations.

Business development risks also include risks related to the availability of merger and acquisition opportunities and Metso's ability to pursue them. Metso seeks to take into account the risks relating to potential mergers and acquisitions through its Metso Acquisition Process ("MAP") and its due diligence process. Any business to be acquired should meet Metso's strategic and financial criteria. Metso also seeks to take into account the risks related to the business to be acquired, including product liability and environmental responsibility risks as well as reputational and personnel related risks. In addition, Metso's ability to maintain high-level management competence and capability, the development of personnel competence and the utilization of personnel potential are important for the development of Metso's business operations and for securing its competitiveness. Ensuring sufficient competence and personnel resources globally has a significant effect on Metso's business operations and its ability to meet its strategic goals. The loss of key management personnel could have a material adverse effect on Metso's business operations, as it may not be able to find suitable replacements on a timely basis, without incurring increased costs, or at all. Therefore, Metso conducts an annual assessment of management resources, mapping out key executives, their possible deputies and successors as well as the need for any new management resources in order to maintain high level of business and leadership capability and to ensure sufficient marketing and sales capability globally. In addition, in the emerging markets, recruiting and retaining competent employees may be challenging due to increased competition for skilled

employees, regardless of the economic cycle. Moreover, the difficulty in finding skilled experts in emerging markets is expected to lead more customers to choose to outsource maintenance and other expert services, which requires Metso to renew and to invest in new competent workforce close to its customers. In addition, due to local legislation, it may be difficult for Metso to adjust the number of its personnel to correspond with changes in demand.

While Metso's management believes that the Group's procedures relating to business development, mergers and acquisitions, and management resource evaluations are effective, there can be no assurance that such procedures will be successful. Even a detailed review may fail to identify and discover potential liabilities and deficiencies, including legal claims; claims for breach of contract; employment related claims; environmental liabilities, conditions and contamination; the presence of or liability for hazardous materials; tax liabilities; and other liabilities (whether or not contingent), which could result in significant additional costs and liabilities. The success of any merger or acquisition is also dependent on Metso's management's ability to successfully integrate companies that have been acquired into its existing operations. Therefore, any failure in the Group's procedures described above could have a material adverse effect on Metso's business, financial condition or results of operations.

Business Environment Risks

Business cycles in the global economy and in Metso's customer industries influence the demand for the Group's products and services as well as its financial position and the availability of financing in some of Metso's customer industries and have an impact on Metso's ability to meet its strategic goals. In 2017, concerns over increased geopolitical tensions, including those related to the crisis in the Middle East and North Korea, and political developments, such as the ongoing negotiations regarding the U.K.'s exit from the EU and the policies of the U.S. presidential administration, increased the risks relating to Metso's operating environment. Financial uncertainty or volatility in the euro zone and other global markets, fluctuations in exchange rates and tightening financial market regulations, may have an adverse effect on the availability of financing from banks and capital markets. Short-term financing deficits may have an indirect adverse effect on Metso's business operations due to the reduced investment levels of the Group's customers, which could increase Metso's receivables-related risks. Metso's management estimates that the business environment in Metso's customer industries will, in the long term, develop favourably as a result of global underlying trends, such as the rise of emerging markets, urbanization and the increasing importance of environmentally sustainable process solutions. Turbulence in terms of global economic growth and political situations may have an adverse impact on new projects under negotiation or on projects in Metso's order backlog. Some projects may be postponed or they may be suspended or discontinued. In long-term delivery projects, the customer advance payment is typically 10–30 per cent., in addition to which the customer makes payments based on the milestones during the project execution in order to address risks related to projects as well as Metso's need for financing. Metso continuously evaluates its customers' creditworthiness and ability to meet their obligations, and does not, as a rule, provide financing to customer projects.

The operations of Metso's Minerals reporting segment are affected by business cycles in the mining industry. Metso's Minerals reporting segment also depends on developments in the construction industry and, particularly, on the level of infrastructure investments. Metso's Flow Control reporting segment is affected by business cycles in the oil and gas and chemical industries. The Flow Control reporting segment is also affected by the development of the pulp and paper industry and other process industries.

Metso's management believes that, in the long-term, the effects of business cycles are reduced by the geographical diversity of the Group's operations, by the high proportionate share of the service business and by the range of the customer industries it serves. Metso actively aims to grow its service business, for which the demand is driven by customers' operations and utilization rates of their production assets, rather than the investment cycles related to the demand for new equipment. The net sales of the Group's services business accounted for 65 per cent and 66 per cent of the Group's total net sales for the years ended December 31, 2017 and 2016, respectively. The global distribution of sales has been fairly even among continents during the periods under review. However, the past performance and cycles of Metso's business should not be considered as an indication of future performance and cycles of Metso's business.

Although Metso has actively striven to reduce the risks presented by business cycles through increasing its process life cycle related operations and long-term cooperation with its customers, as well as by increasing the flexibility of the Group's cost base through outsourcing and focusing its own operations on the assembly and manufacture of core components, there can be no assurance that business cycles will not

continue to significantly affect the demand for Metso's products as well as Metso's business, financial condition or results of operations. A prolonged period of recession in the Group's main industry segments and a decline in its order backlog could have a more pronounced negative effect on its revenue performance and profitability. For example, the operating environment in mining was challenging between 2013 and 2016, as low metal prices resulted in mining companies focusing on cost efficiency, negatively impacting their investment appetite. The prices for energy and many other raw materials, especially petroleum-based chemicals, have been volatile in recent years. Oil prices declined significantly between 2014 and the beginning of 2016 and have since increased (although remaining well below the levels at the beginning of 2014) but remain subject to significant volatility.

Market Risks

Metso's business operations are dependent on the Group's ability to maintain its competitive position and market share as well as on its ability to manage and develop customer relationships. Changes in the demand of Metso's customer industries affect the Group's operations. Such changes may be related to, for example, general economic conditions, economic cycles, strategy changes in its customer companies, product requirements or environmental matters. In addition, changes in customer organizational structures as well as Metso's ability to manage its customer relations may affect its operations.

Metso's competitors vary by reporting segment and by product. Metso aims to differentiate itself from its competitors by offering technological know-how that supports productivity and sustainability, through local presence and a comprehensive services offering, as well as through long-term commitment to its customers. Metso aims to achieve a competitive advantage through continuous product development based on research and cooperation with its customers. In addition, Metso seeks to operate flexibly and cost-efficiently to ensure its competitiveness. Metso also closely monitors changes in its competitive environment. If the global economy experiences a downturn, the markets for Metso's products may contract, which may lead to increased price competition. Although the Group's main competitors continue to be European and North American companies, certain Asian suppliers provide competitive solutions. New cost-effective players may alter the competitive situation, especially in the emerging markets, and a tougher pricing environment may make it harder for Metso to integrate increasing labor costs and raw material costs into its prices. In an effort to secure its competitive position, Metso has adjusted its cost structure, developed its operating models and strived to shift some of the price pressures to its subcontractors. However, changes may occur as a result of bankruptcies, mergers and acquisitions and entry of new participants.

While Metso's management believes that the Group's product and service offering will keep pace with developing technologies and changing customer needs, there can be no assurance that new or enhanced products and technologies developed by current or future competitors will not reduce the competitiveness of the Group's products, which could have a material adverse effect on Metso's business, financial condition or results of operations. Furthermore, Metso may experience increased competition in individual businesses, such as the emergence of new, cost-effective competitors operating in the emerging markets and offering mid-market products with lower prices, and this may have an adverse effect on the competitiveness of Metso's products.

Technology Risks

Metso's technology risks are related to its technological competencies and research and product development as well as management of patents and trademarks. The use of a new technology may temporarily increase the Group's quality-related costs. In research and product development, the Group utilizes its MIP, a project management model in which the Group creates a business plan for the development of a new product or concept. The Group evaluates the profitability of the product or concept at different stages of the development process. In its business plan, the Group defines the responsibilities and roles of all the functions that are involved in developing and launching a particular product (*i.e.*, service, sales, industrial design and marketing) from the very beginning of the development process. The Group also seeks to determine the intellectual property aspects relevant to the product and environmental impact. While Metso's management believes that the Group's procedures relating to research and technology development activities are effective and sufficient in light of its operations and strategy, there can be no assurance that new or enhanced products and technologies will improve its competitiveness or that the Group will manage to reduce its quality-related costs as planned, or that these risks, if materialized, would not have a material adverse effect on Metso's business, financial condition or results of operations.

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Metso protects the products and intellectual property rights related to its business through patents and trademarks. The importance of the protection of the intellectual property rights has increased due to certain products of Metso's Minerals reporting segment being copied, especially in emerging markets. There can be no assurance regarding the ultimate effectiveness of Metso's efforts to protect its product and intellectual property rights.

Political, Economic, Cultural and Legislative Development

Metso's operations and its customers' operations are geographically widespread. Political and social unrest, terrorism and armed conflicts in different parts of the world may represent risks to the Group's operations. Metso's operations are also affected by cultural and regulatory factors and by legislation, particularly the environmental legislation of different countries. This poses a challenge for the Group's risk management as it must monitor its operations to ensure compliance with applicable health, safety and environment rules and requirements and ensure that they are subject to internal audit programs.

Amendments to the environmental legislation in different countries often take a long time to take effect. Metso monitors laws that are under preparation and makes an effort to anticipate their impact on its own and on its customers' businesses.

Metso has its own manufacturing and supplier networks in many emerging markets. Metso's management believes that the risks related to these emerging countries are reduced by the wide geographical scope of the Group's operations and its different customer industries. However, sudden political, economic and/or legislative changes could have a material adverse effect on Metso's business, financial condition or results of operations. For example, China has a direct and indirect effect on Metso's net sales and, therefore, any sudden political, economic and/or legislative changes in China could, especially in the short term, have a material adverse effect on Metso's business, financial condition or results of operations.

Global Climate, Environmental and Other Phenomena

Stricter energy and environmental legislation around the world requires, for example, the reduction of greenhouse gases, more efficient use of energy and raw materials as well as increases in recycling and in the use of renewable energy sources. The changes in environmental legislation have a significant impact on the business and cost structures of industrial companies.

Metso's management believes that emissions from the Group's own production are within the permit limits set by authorities. When planning its energy needs, Metso seeks to take into account the risks related to climate change. In its research and product development, the Group also seeks to take into consideration potentially rising energy prices and seeks to reduce the energy consumption of its new products, as well as expanding its product portfolio of energy and environmental technology solutions for both existing and new customers. Metso's main tools for environmental management are processes seeking to ensure compliance with environmental legislation, for example, the Group's ISO 14001-compliant environmental systems.

Metso's management believes that environmental requirements are becoming tighter both in emerging markets and developed markets. Stricter environmental legislation can create opportunities to offer Metso's customers new solutions that meet the new tighter requirements, but it can also make it more difficult to sell the products or it can increase Metso's costs.

Although Metso's management is not aware of any current environmental matters that could reasonably be expected to have a material adverse effect on Metso's business, financial condition or results of operations, there can be no assurance that continued compliance with the existing or future environmental laws, and the costs associated therewith, will not have a material adverse effect on Metso's business, financial condition or results of operations.

Operational Risks

Organizational and Management Risks

Organizational and management risks are related to the sufficiency and competence of Metso's personnel as well as its organizational efficiency. Metso continuously assesses the human resources and organizational structures of its businesses. By doing so, Metso aims to ensure organizational efficiency and competence and to avoid related risks, such as misguided recruiting, imbalance in the age structure of

its personnel and a high personnel turnover rate. Regarding human resources and organizational structures, Metso believes that the transfer of competence from developed markets to emerging markets, where Metso's operations and resources have grown in recent years, is important in securing its operational continuity. In addition, Metso's trainee programs support the transfer of know-how to Metso's new employees and new regions.

Metso aims to anticipate these issues in its successor and recruitment planning and has enhanced awareness of Metso among potential recruits in recent years. Although Metso seeks to take these risks into account, there can be no assurance that the risks related to the human resources and organizational structures, if materialized, will not have a material adverse effect on Metso's business, financial condition or results of operations.

Risks Related to Procurement

The risks associated with raw materials, subcontractor and supplier network and customer relationship management are significant for Metso's operations. In regards to the supply network, and in particular in relation to new suppliers, availability, price, quality and delivery schedule risks are critical for the Group's operations.

Metso's suppliers in its traditional markets in Europe and North America form a large part of Metso's procurement. During the past years, the largest increase in Metso's procurement volumes has been in South America and in Asia as Metso's deliveries to its customers in those areas have increased. Metso's management believes that the significance of South America and of Asia will continue to grow due to the focused investments in these areas by its customers. Supply problems related to Metso's raw material suppliers can influence the price and availability of the raw materials used in the Group's products. Thus, raw material procurement costs may increase and delivery lead times lengthen. Slowing global economic growth generally improves the availability of subcontractors' resources. On the other hand, a weakened economy could drive Metso's smaller subcontractors into severe difficulties. Some of Metso's customers are also raw material producers, whose ability to operate and invest may be hampered by declining raw material prices. The price and availability of steel and scrap iron can fluctuate and, thus, adversely affect Metso's operations. Changes in raw material and component prices may also affect the value of the Group's inventories. Indirectly, changes in the prices of energy, oil and metals may have a material adverse effect on Metso's business, financial condition or results of operations, if the price fluctuations decrease its customers' willingness to invest.

The direct risks associated with procurement of raw materials and components have increased in recent years because Metso's operations have increasingly focused on outsourcing core components. Furthermore, Metso has outsourced approximately 60 per cent. of its manufacturing and, therefore, supply chain management is highly important to the Group. Metso's Global Supply Chain organization (together with the Group's legal and risk management functions) ensures that sustainability and compliance issues as well as business interruption risks of supply chains are carefully clarified and settled and constantly monitored. In addition, Metso aims to offset the impact of such interruptions with business interruption insurance and by dividing operations among several production facilities. Outsourcing has also increased the importance of, and the risks related to, suppliers and subcontractors. Metso has no control over these suppliers and subcontractors, and any problems encountered by the suppliers or subcontractors may adversely affect Metso's operations. Metso may not be able to find alternative suppliers for some of its subcontractors on short notice. Disruptions in the deliveries by the Group's subcontractors can have a negative effect on Metso's own customer relationships and its business.

Although Metso has continued to build a global supplier network and has signed long-term supply contracts and hedges prices when possible in an attempt to limit the purchasing risks related to the availability and pricing of raw materials and components, there can be no assurance that such risks, if materialized, will not have a material adverse effect on Metso's business, financial condition or results of operations.

Risks Related to Projects

Some of Metso's net sales are derived from orders related to projects that typically take many months or even years to complete. These orders can present project-specific risks related to, for example, delivery schedules, equipment start-up, production capacity and end-product quality. In some projects, risks may also arise from new technology included in the deliveries. When making contracts, Metso aims to

proactively limit projects risks. Therefore, the risks of individual projects do not generally become significant in light of the entire scope of Metso's business. Metso manages risks related to the project implementation schedules and possible cancellations with advance payments. In long-term delivery projects, initial customer down payments are typically 10–30 per cent. of the value of the project in addition to which the customer makes progress payments during the execution of the project.

Contract awards are also affected by events outside Metso's control, such as events affecting the delivery site, prices, demand, general economic conditions, granting of governmental approvals, and securing of project financing. This uncertainty can cause difficulties in matching Metso's fixed costs and predicted order volume. The sales and operating margins realized in a fixed price contract may vary from original estimates as a result of changes in costs, especially fluctuating material costs, and productivity over the term of the contract. In addition, since certain items that Metso supplies are outsourced, Metso may be required to quote at a fixed price to customers without knowing the costs of the purchased parts. While estimates are made using empirical data and quotes from potential suppliers, these may not always be accurate. While Metso has a long history in executing and delivering projects, and Metso's management believes that the Group's procedures to mitigate such risks are adequate, there can be no assurance that these risks, if materialized, would not have a material adverse effect on Metso's business, financial condition or results of operations.

Large-scale projects and equipment transactions are subject to the risk that, in the bidding phase, Metso is not able to estimate the upcoming costs accurately enough and specifies the sale price too low. Metso's ability to perform according to the estimates it used when preparing its bid and its ability to execute the project affect the profitability of the project. If Metso is unable to perform the contract in accordance with the estimates it used in preparing its bid, it could have a material adverse effect on Metso's business, financial condition or results of operations.

Production, Process and Productivity Risks

Production, process and productivity risks range from risks related to Metso's production, sales, marketing, inventory, innovation, delivery and process activities to risks related to environmental risk management, customer relationship work and efficiency and follow-up issues. Metso seeks to ensure productivity, for example, by ensuring the performance of its entire supply chain and by focusing on issues in the Group's operations that are most critical in terms of Metso's competitiveness. Efficient sales management and a comprehensive sales network are prerequisites for successful sales operations. Metso continuously develops its operations in both emerging markets and developed markets by consolidating its procurement to the most competitive suppliers, and Metso is developing those parts of the value chain that are close to its customers. A competitive cost structure requires also the continuous development of resources and adjustment of costs to correspond with demand and the competitive situation. Metso seeks to improve production safety and productivity by applying ISO 9001 quality management typical for companies operating in comparable industries and ISO 14001 environmental management systems or similar processes in its most important production units.

Product Liability Risks

Metso is, from time to time, involved in product liability claims that are typical for companies operating in the industry. Metso aims to reduce product liability risks through its sales contract terms, start-up training for customers, comprehensive instruction manuals and investments in product safety development and automation. In addition, Metso maintains product liability insurance which Metso's management believes is adequate to cover the Group's potential product liability risks. However, Metso may be liable for damages not covered by or in excess of the limits of its insurance, which could have a material adverse effect on its business, financial condition or results of operations.

Profitability Risks

One of Metso's key targets is to conduct profitable business. However, in large-scale projects and equipment transactions, Metso is subject to the risk that it will fail to accurately estimate the actual costs of a transaction at the offer stage, and, therefore, may be unable to determine the appropriate transaction price or to assess whether the market price level or the Group's cost competitiveness are sufficient for a profitable transaction.

To manage risks related to pricing, Metso applies various quality systems, operating guidelines and profitability analyses that take into account the key factors of the particular transaction. In project and product pricing, the Group also uses internal approval procedures in which pricing authorizations are linked to the value of the transaction and to any special risks. Furthermore, Metso continuously monitors the Group's production costs and in particular costs relating to new technologies in order to avoid cost overruns and causing unexpected quality related costs. Changes in labor costs and the prices of raw materials may also affect Metso's ability to conduct profitable business. The Group monitors changes in labor costs and in the prices of raw materials and components in order to avoid possible effects on profitability. Furthermore, Metso seeks to offset the continuing wage inflation by increasing the Group 's productivity and price discipline. However, competition in some product categories may make it difficult for the Group to pass the cost increases to product prices. On the other hand, some of Metso's customers are raw material producers and their ability to invest and operate may be enhanced by strengthening raw material prices and weakened by declining raw material prices. In addition, changes in currency exchange rates may have an adverse effect on Metso's project profitability, although Metso's management believes that the wide geographical scope of the Group's operations decreases the impact of any individual currency. Metso hedges the currency exposure that arises from firm delivery and purchase agreements, but there can be no certainty that such hedges will mitigate the risk as anticipated.

While Metso's management believes that the Group's procedures to mitigate such risks are adequate, there can be no assurance that these risks will not have a material adverse effect on Metso's business, financial condition or results of operations.

Information Security Risks

Metso's operations are dependent on external, internal and embedded information technology services and solutions. The Group aims to use reliable information technology solutions and information security management to avoid interruptions in service, information security risks, exposure to data loss or compromising the reliability or usability of information. Significant interruptions in the global availability of services or compromising the confidentiality of business-critical information could have a material adverse effect on Metso's business, financial condition or results of operations.

Compliance and Crime Related Risks

Although Metso is committed to conducting business in a legal and ethical manner in compliance with local and international laws and regulations applicable to its business, there is a risk that Metso's employees or representatives may act in a way that violates applicable laws and regulations and engage in unethical activity. To prevent illegal or unethical activities such as fraud, improper payments or misconduct, Metso's values and ethical code of conduct have been a focus area in its personnel training. Internal guidelines and training, audits and other practical tools are in place in an attempt to reduce Metso's exposure to these risks. However, should illegal or unethical activity occur within Metso’s operations, it could adversely affect the Group's reputation and have a material adverse effect on its business, financial condition or results of operations.

Crisis Situations

Metso has a flexible crisis and hazard management organization and the Group aims to develop more proactive, available, faster and higher-quality crisis management capabilities. The primary goal of the Group's crisis management is to secure the safety of the people involved. The importance of efficient crisis management has increased as Metso's project portfolio has developed towards a larger number of smaller projects in different parts of the world. Because Metso's own resources are limited and potential global catastrophes can exceed the Group's ability to respond effectively enough to a threat, Metso uses the services of external crisis management specialists that assist Metso in preparing for crisis situations. Nevertheless, certain crisis situations, such as natural disasters, could have a material adverse effect on the Group's personnel, as well as its business operations, financial condition or results of operations.

Legal Proceedings

In the ordinary course of its business, Metso is subject to lawsuits, legal claims and disputes based on various grounds, including related to, among other things, Metso's products, projects, other operations and customer receivables. Metso's management assesses, to the best of its present understanding, that the outcome of its ongoing lawsuits, claims and legal disputes would not have a material adverse effect on

Metso in view of the grounds presented for them, provisions made, insurance coverage in force and the extent of Metso's total business activities. However, there can be no assurance that ongoing or future lawsuits, legal claims and disputes will not have a material adverse effect on Metso's business, financial condition or results of operations. See also "*General Information – Litigation*".

Hazard Risks

Hazard risks include occupational health and safety-related risks, personnel security risks, environmental, fire and other catastrophe risks, natural phenomenon risks and premise security risks. Metso has taken precautions against hazard risks through occupational health and safety guidelines, certification principles, travel safety guidelines, rescue planning and premises and information management security instructions. Metso has also taken hazard risks into consideration in its insurance coverage. Metso has reviewed the insurance coverage of its Global Insurance Programs and evaluates the insurance cover needs continually to ensure that it believes that the terms, conditions and limits of its insurance programs are sufficient to cover the risks. However, the occurrence of any of these risks could delay production, increase production costs and result in death or injury to employees, damage to property and liability for Metso as well as significantly harm Metso's reputation. Although Metso has estimated that hazard risks are limited in light of its entire business scope, there can be no assurance that these risks, if materialized, would not have a material adverse effect on Metso's business, financial condition or results of operations.

Financial Risks

Liquidity and Refinancing Risks

Liquidity or refinancing risk arises when Metso is not able to arrange funding on terms and conditions corresponding to its creditworthiness. Metso maintains cash, short-term investments and committed and uncommitted credit facilities to protect its short-term liquidity. In addition, Metso seeks funding from different markets and a number of financial institutions in order to diversify its funding base and maintain its liquidity.

The levels of net working capital and the amount of capital expenditure have a fundamental effect on the adequacy of financing. Although Metso has developed its net working capital management practices and information systems, there is a risk that working capital will start to grow, especially when the number of orders received increases. Metso has no large-scale investment schemes underway, and Metso's management estimates that the Group is well positioned to keep its capital expenditure at the level of total amortization and depreciation.

On March 27, 2018, Standard & Poor's affirmed Metso's BBB long-term credit rating, A-2 short-term corporate credit rating and the outlook of these ratings as stable. Adverse developments in the credit markets as well as possible future adverse developments, such as possible new disruption of the financial markets and a worsening of general economic conditions, may negatively impact Metso's ability to raise additional debt as well as the amount and terms of the debt it is able to raise. Liquidity could be adversely affected if Metso is required to repay all or most of its maturing debt from available cash or through the use of its existing liquidity facilities. In addition, Metso's results of operations may be adversely affected to the extent terms of the debt Metso is able to raise are less favourable than the terms of the debt being refinanced.

Securing the continuity of Metso's operations requires sufficient funding under all circumstances. Any adverse developments, such as deterioration in the financial markets and a worsening of general economic conditions, may adversely affect the availability of debt financing to Metso and/or may increase the costs related to it. Metso's management estimates that Metso's cash assets and available credit facilities are sufficient to secure its short-term liquidity. As of December 31, 2017, Metso's cash assets were €826 million and committed credit facilities available for withdrawal were €540 million. The Macaulay Duration of Metso's long-term debt was 2.3 years on December 31, 2017. None of Metso's loans have covenants that could trigger a premature repayment on the basis of changes in credit ratings; however, in certain of its debt facilities, reduction of credit ratings will result in certain financial covenants becoming applicable. Some of Metso's debt facilities include financial covenants related to capital structure and currently Metso's management considers its flexibility in relation to these covenants to be adequate.

Metso seeks to manage risks related to the availability and cost of financing by diversifying funding sources between money and capital markets and bank funding. The Group manages its refinancing risk by

balancing the proportion of short-term and long-term debt as well as the average remaining maturity of long-term debt. The Group manages its capital structure to protect its ongoing business operations and optimize its cost of capital.

Interest Rate Risks

Changes in market interest rates and interest margins may affect Metso's financing costs, returns on financial investments and market valuation of interest-bearing balance sheet items. The Group manages interest rate risks through balancing the ratio between fixed and floating interest rates and the duration of debt and investment portfolios. In addition, Metso may manage risks arising from interest-bearing assets and liabilities through the use of derivative instruments, such as forward rate agreements, swaps, options and futures contracts.

Although Metso's management believes that the measures the Group has taken to limit its exposure to interest rate risks are currently adequate, there can be no assurance that interest rate fluctuations will not have a material adverse effect on Metso's business, financial condition or results of operations.

Foreign Exchange Risks

Metso operates globally and is exposed to foreign exchange risk in several currencies, although the geographical diversity of the Group's operations decreases the significance of any individual currency. Approximately 80 per cent. of Metso's sales originate from outside the euro zone. The Group's main currencies are the euro, U.S. dollar, Australian dollar, Chilean peso, Chinese yuan, Brazilian real and Swedish krona.

The principal forms of risks associated with exchange rate fluctuations include transaction exposure and translation (equity) exposure. Foreign exchange transaction exposure arises when an operating unit of the Group has commercial or financial transactions and payments in currencies other than its own functional currency, and when related cash inflow and outflow amounts are not equal or concurrent.

In accordance with the Group's treasury policy, its operating units are required to hedge in full the foreign currency exposures on its balance sheet and any other firm commitments. The Group hedges future cash flows denominated in a currency other than the functional currency of the operating unit with internal foreign exchange contracts with the Group's corporate treasury for periods that generally do not exceed two years. Metso's operating units also hedge directly with banks in countries where regulation does not allow corporate internal cross-border contracts. Metso has operations in countries in which currency regulation affects the hedging of risks, the most important of these being Brazil and China.

The Group's corporate treasury monitors the net position of each currency and determines the extent to which a currency position is to be closed. The Group's treasury policy imposes maximum limits on the open currency exposures managed by the Group's corporate treasury, calculated on the basis of their potential profit impact. To manage the Group's foreign currency exposure, the corporate treasury may use forward exchange contracts and foreign exchange options.

Foreign exchange translation exposure, on the other hand, arises when the equity of a subsidiary is denominated in a currency other than the functional currency of its parent company. Metso's main foreign exchange translation exposures are in Chinese yuan, Brazilian real, Chilean peso and Swedish krona, which together comprise approximately 60 per cent. of the Group's total equity exposure. Due to Metso's group structure, this exposure may lead to translation differences in the Group's consolidated equity. Metso may hedge these risks with respect to currencies to its operations and uses foreign currency loans and forward exchange contracts as hedging instruments. Metso currently does not hedge foreign exchange translation exposure.

Although Metso's management believes that the measures it has taken to hedge the Group's exposure to exchange rate fluctuations are currently adequate, there can be no assurance that exchange rate fluctuations will not have a material adverse effect on Metso's business, financial condition or results of operations.

Uncertainty in the economy is likely to increase exchange rate fluctuations. Exchange rate fluctuations may also weaken the cost competitiveness of Metso's products as compared to its competitors' products that are manufactured in other currency areas.

Commodity Risks

Metso is exposed to volatility in the prices of raw materials and of supplies, including energy. Metso's business units identify their commodity price hedging needs and the Group's corporate treasury executes hedges using approved counterparties and instruments. The Group has defined and approved separate hedging limits for commodity risks. The Group conducts hedging on a rolling basis with a declining hedging level over time.

Metso has hedged the electricity exposure in its Nordic business units with electricity forwards, which are designated as hedges of highly probable future electricity purchases. Hedging is focused on the estimated energy consumption for the two years with some contracts extended to approximately five years. The execution of electricity hedging has been outsourced to an external broker. Metso has entered into average-price swap agreements for nickel to reduce its exposure to the volatility caused by the surcharge for certain metal alloys ("**Alloy Adjustment Factor**") comprised in the price of stainless steel charged by its suppliers. The Alloy Adjustment Factor is based on monthly average prices of its components, of which nickel is the most significant. Metso does not currently manage any other commodity risks by using financial derivative instruments.

Although Metso's management believes that the measures the Group has taken to limit its exposure to variations in the prices of raw materials and supplies are currently adequate, there can be no assurance that commodity price fluctuations will not have a material adverse effect on Metso's business, financial condition or results of operations.

Credit and Counterparty Risks

Credit or counterparty risk arises when a customer or a financial counterparty does not fulfil its commitments towards Metso. Metso's operating units are primarily responsible for controlling credit risks pertaining to their sales and procurement activities. The units assess the credit quality of their customers, taking into account their financial position, Metso's past experience with the customers and other relevant factors. The Group's corporate treasury provides centralized services related to customer financing and seeks to ensure compliance with the principles of the Group's treasury policy with respect to terms of payment and the required collateral.

Metso has agreed on extended payment terms with selected customers. When granting credit arrangements, Metso seeks to assess the creditworthiness of the customer and the timing of the cash flows expected under the arrangements. Metso may also use advance payments, letter of credits and third-party guarantees to mitigate the credit risks. However, if the actual financial position of Metso's customers or the general economic situation differs from the expectations, Metso may have to reassess the ultimate collectability of its trade receivables. This could result in a write-off of these balances in future periods and could have a material adverse effect on Metso's business, financial condition or results of operations.

Metso's ability to manage its trade receivables exposure, customer financing, risk concentrations and financial counterparty-related risks depends on a number of factors, including the Group's capital structure, market conditions affecting Metso's counterparties, and its ability to mitigate exposure with acceptable terms. Risks related to individual customers or other counterparties are generally not significant compared to the magnitude of Metso's business. Metso seeks to reduce customer risks through precise sales contracts, payment terms and collateral, as well as by effective bid/quotation control procedures.

Counterparty risk arises also from financial transactions agreed upon with banks, financial institutions and corporates. Metso manages this risk through careful selection of banks and other counterparties, by setting counterparty-specific limits specified in the Group's treasury policy and through entering into netting agreements. The Group has set counterparty limits in accordance with credit rating criteria defined in its treasury policy and approved by the Issuer's Board of Directors. Metso regularly monitors compliance with counterparty limits.

However, there can be no assurance that Metso will be successful in managing the risks connected with its trade receivables exposure, customer financing, risk concentrations and financial counterparties, and a failure to do so could have a material adverse effect on Metso's business, financial condition or results of operations.

Metso and Valmet Remain Jointly Liable for Certain Obligations after the Demerger

On October 1, 2013, the Extraordinary General Meeting of shareholders of Metso decided that Metso would demerge through a partial demerger in such manner that all (including known, unknown and conditional) assets, debts and liabilities relating to Metso's Pulp, Paper and Power business (together the "**PPP Business**") (the "**Demerger**") existing on the registration date of the completion of the Demerger, would transfer to Valmet Corporation ("**Valmet**").

Pursuant to the Finnish Companies Act (624/2006, as amended) (the "**Finnish Companies Act**"), all companies participating in a demerger are jointly liable for the debts of the demerging company that have arisen prior to the registration of the completion of the demerger. Pursuant to the secondary demerger liability, the liability of a participating company for debts that have in the demerger plan been allocated to another participating company is limited to a total amount equal to the value of the net assets received by the first mentioned participating company in the demerger. A demand for payment based on secondary demerger liability can be made only after it has been established that payment will not be received from the participating company to which such debt was allocated in the demerger plan or out of the proceeds of security posted for the relevant debt, all as set out in the Finnish Companies Act.

If Valmet were to, according to the demerger plan, be liable for a debt that existed prior to the completion of the Demerger and could not repay such debt, Metso would be jointly liable for fulfilling such debt on the basis of the secondary demerger liability. In connection with the Demerger, Metso's bank lenders and bond holders have waived their rights relating to the secondary demerger liability against Metso.

Other Key Risks

Internal Controls

Effective internal controls are necessary for Metso to provide reliable financial reports and prevent fraud. If Metso cannot provide reliable financial reports or prevent fraud, the Group's financial results, reputation, access to financing and share price could be adversely affected. Inadequate internal controls could cause investors to lose confidence in the financial information the Group reports, which could, in turn, have an adverse effect on the market price of the Issuer's shares and other securities.

Impact of the Largest Shareholders

The Issuer's largest shareholders can have a significant impact on matters voted on in the Issuer's Annual General Meeting of shareholders. To the knowledge of Metso's management, as at the date of this Base Prospectus, the persons or entities owning more than 5 per cent. of the Issuer's share capital are Solidium Oy ("**Solidium**"), a company that is 100 per cent. owned by the Finnish State (14.9 per cent.); Cevian Capital Partners Ltd. (13.8 per cent.); and BlackRock Inc. (5.0 per cent. as well as 0.8 per cent. held through financial instruments) (BlackRock Inc.'s shareholder is as at January 8, 2018, based on a notification pursuant to Chapter 9, Section 5 and 6 of the Finnish Securities Markets Act, received by Metso about a change in the holding of mutual funds managed by BlackRock Inc.). The interests of the Issuer's largest shareholders may not necessarily be aligned with the interests of the Issuer's other shareholders. Significant matters to be voted on in the Issuer's Annual General Meeting of shareholders include approval of the financial statements, releasing management from liability, deciding on the use of distributable funds and payment of dividends, capital increases, amendments to the Issuer's Articles of Association as well as electing members to its Board of Directors and its auditors.

Goodwill

As of December 31, 2017, Metso's balance sheet included €466 million of goodwill and it constituted 34 per cent. of Metso's total equity. The carrying value of goodwill is tested annually or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. Triggering events for impairment reviews includes, for example, material permanent deterioration in the economic or political environment of the customers' or of Metso's own activity, significant under performance relative to historical or projected future performance and significant changes in Metso's strategic orientation affecting its business plans and previous investment policies.

Impairment testing is based on a number of estimates. The valuation of goodwill is inherently judgmental and subject to change from period to period because it requires Metso to make assumptions about future supply and demand related to its individual business lines, future sales prices and achievable cost savings.

Although Metso has not recorded any impairment of goodwill since the year ended December 31, 2006, there can be no assurance that it will not be required to record impairments in the value of goodwill in the future. This could have a material effect on Metso's business, financial condition or results of operations.

Changes in Accounting Standards

From time to time, various regulatory bodies change the accounting standards applicable to the preparation of Metso's financial statements, and such changes can materially affect Metso's reported results of operations and financial condition. For example, "IFRS 16 – Leases", which covers all leases with certain exceptions, will replace the current IAS 17 standard. IFRS 16 defines a lease as a contract that conveys a right to use an asset for a period of time in exchange for consideration and requires lessees to account for all leases as finance leases under IAS 17 (i.e., the lessee must reflect lease payments as a liability and the right to use an asset during the lease term as an asset on its balance sheet respectively). Accordingly, the standard requires that any depreciation on the right-to-use asset as well as any interest expense on lease liability must be separately recognized in its profit and loss accounts. IFRS 16 includes two exemptions, leases of low value assets and short-term leases. Lessor accounting is substantially unchanged from IAS 17. IFRS 16 also requires additional disclosures. Based on Metso's assessment, the adoption of IFRS 16 will have some impact on its reported results of operations and financial condition. The change will also affect the presentation of cash flows from operating activities and from financing activities. As at December 31, 2017, Metso's operating lease commitments amounted to €126 million. Metso will apply IFRS 16 from the beginning of the 2019 financial year. The adoption of IFRS 16 or any other changes to accounting standards could materially affect Metso's reported results of operations and financial condition.

Risks Relating to the Notes and the Trading Market

Dependence on Payments from Subsidiaries to Fund Payments on the Notes

The Issuer is a holding company and a substantial part of its operations is conducted through subsidiaries. Consequently, the Issuer will be dependent on dividends and other payments from its subsidiaries to make payments on the Notes. Investors in the Notes will not have any direct claim on the cash flows or assets of the Issuer's subsidiaries, and such operating subsidiaries have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to the Issuer for these payments. The ability of such subsidiaries to make dividends and other payments to the Issuer will depend on their cash flows and earnings which, in turn, will be affected by all of the factors discussed in these "Risk Factors". In addition, such subsidiaries may not be able to pay dividends due to legal or contractual restrictions. Consequently, if amounts that the Issuer receives from their subsidiaries are not sufficient, the Issuer may not be able to service its obligations under the Notes.

Structural Subordination

A significant amount of the Issuer's assets are held, and revenue generated by subsidiary companies. In general, claims of a subsidiary's creditors, including secured and unsecured creditors, for indebtedness incurred, and against any guarantee issued, by such subsidiary, will have priority with respect to the assets of that subsidiary over the claims of creditors of its parent company, except to the extent that such parent company is also a valid creditor of that subsidiary under the laws of the relevant jurisdiction.

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 indices and 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 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.

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 with Change of Control Put Option: Exercise of an applicable Change of Control Put Option may affect the liquidity of Notes in respect of which such option is not exercised. Depending on the number of Notes in respect of which the Change of Control Put Option is exercised, any trading market for the Notes in respect of which such Change of Control Put Option is not exercised may become illiquid. In addition, investors may only be able to reinvest the moneys they receive upon such early redemption in securities with a lower yield than the redeemed Notes.

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 Metso 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.

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

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

Notes issued at a substantial discount or premium: The market values of securities issued at a substantial discount 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.

Index linked Notes: Certain indices may be subject to regulation, such as the regulation of the European Parliament and of the Council on indices used as benchmarks in certain financial instruments and financial contracts or to measure the performance of investment funds of June 8, 2016. This may affect the performance of the relevant indices or restrict them from being used for certain purposes, including in connection with any indexed Notes. Prospective investors should be aware that the consequences of the regulation of any indices relevant to the indexed Notes may have a material adverse effect on the value of such Notes and, in certain circumstances, the Issuer may be required to redeem such Notes early.

Noteholders May Be Bound by the Decision of Other Holders

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

Notes with Integral Multiples

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the Specified Denomination that are not integral multiples of that Specified Denomination. Should Definitive Notes be printed, Noteholders who, as a result of trading such amounts, hold a principal amount of Notes other than a multiple of the minimum Specified Denomination will receive Definitive Notes in respect of their holding (provided that the aggregate amount of Notes they hold is in excess of the minimum Specified Denomination), however, any such Definitive Notes which are printed in denominations other than the minimum Specified Denomination may be illiquid and difficult to trade. Furthermore, a Noteholder who, as a result of trading such amounts, holds a principal amount of Notes less than the minimum Specified Denomination 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.

Notes in New Global Note form

The New Global Note form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

The Lack of a Public Market

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche of Notes, such Tranche of Notes is to be consolidated with and form a single Series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. The Notes are expected to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. However, there can be no assurance that a liquid market will develop for the Notes, that holders of the Notes will be able to sell their Notes or that such holders will be able to sell their Notes for a price that reflects their value.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes

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 or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates

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 and May Affect the Trading Price of the Notes

As of the date of this Base Prospectus, the Programme has been assigned a rating of BBB by Standard & Poor's. In addition, the Issuer has been assigned a BBB long-term credit rating and an A-2 short-term corporate credit rating (stable outlook) by Standard & Poor's.

Tranches of Notes that may be issued under the Programme can be rated or unrated. Where a Tranche of Notes issued under the Programme is rated, the applicable rating(s) will be specified in the relevant Final Terms. Such rating will not necessarily be the same as the rating(s) assigned to the Programme, the Issuer or to Notes already issued. One or more independent credit rating agencies may also assign credit ratings to the Notes.

Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of any Tranche of Notes. In addition, any negative change in the credit rating of Metso could adversely affect the trading price 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.

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

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or 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 such a "benchmark".

The Benchmarks Regulation was published in the Official Journal of the EU on June 29, 2016 and came into force on January 1, 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. It will, among other things, (i) require 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) prevent 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 a rate or index deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements 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, national or other proposals for reform, 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.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmarks" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

As an example of such benchmark reforms, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark could require or result in an adjustment to the interest provisions of the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Any such consequences could have a material adverse effect on the value and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark".

FATCA

With respect to (i) Notes issued after the date that is six months after the date the term "foreign passthru payment" is defined in regulations published in the U.S. Federal Register (the "**Grandfather Date**"), or (ii) Notes issued on or before the Grandfather Date that are materially modified after such date, the Issuer may, under certain circumstances, be required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("**FATCA**") to withhold U.S. tax at a rate of 30 per cent. on all or a portion of payments of principal and interest which are treated as "foreign passthru payments" made on or after January 1, 2019, at the earliest, to an investor or any other financial institution through which payment on the Notes is made that is a non-U.S. financial institution that is not in compliance with FATCA. As of the date of this Prospectus, regulations defining the term "foreign passthru payment" have not yet been published. If the Issuer issues further Notes on or after the Grandfather Date pursuant to a reopening of a Series of Notes that was created on or before the Grandfather Date (the "**original Notes**") and such further Notes are not fungible with the original Notes for U.S. federal income tax purposes, payments on such further Notes may be subject to withholding under FATCA and, should the original Notes and the further Notes be indistinguishable for non-tax purposes, payments on the original Notes may also become subject to withholding under FATCA. The FATCA withholding tax may be triggered if: (i) the Issuer is a foreign financial institution (an "**FFI**," as defined in FATCA), and (ii) the Issuer, or a paying agent through which payments on the Notes are made, has agreed to provide the U.S. Internal Revenue Service (the "**IRS**") or other applicable authority with certain information on its account holders (making the Issuer or such paying agent a "Participating FFI," as defined in FATCA) and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI that is making the payment to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of such FFI, or (b) any FFI through or to which payments on the Notes are made is not a Participating FFI.

The United States has concluded several intergovernmental agreements ("**IGAs**") with other jurisdictions in respect of FATCA. The governments of Finland and the United States have signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the "**Finnish IGA**"). Under the Finnish IGA, an entity classified as an FFI that is treated as resident in Finnish is expected to provide the Finnish tax authorities with certain information on U.S. holders of its securities. Information on U.S. holders will be automatically exchanged with the IRS. The Issuer does not expect to be treated as an FFI; however, if the Issuer is treated as an FFI, provided that it complies with the requirements of the Finnish IGA and the Finnish legislation implementing the Finnish IGA, it should not be subject to FATCA withholding on any payments it receives and it should not be required to withhold tax on any "foreign passthru payments" that it makes. Although the Issuer may not be required to withhold FATCA taxes in respect of any foreign passthru payments it makes under the Finnish IGA, FATCA withholding may apply in respect of any payments made on the Notes by any paying agent.

The application of FATCA to interest, principal or other amounts paid on or with respect to the Notes is not currently clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from

interest, principal or other payments on the Notes as a result of a Holder's failure to comply with FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax.

Risks Related to Non PD Notes

An active secondary market in respect of the Non PD Notes may never be established or may be illiquid, which would adversely affect the value at which an investor could sell its Non PD Notes

Non PD 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 Non PD Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market or at prices higher than the relevant investor's initial investment. Therefore, in establishing their investment strategy, investors should ensure that the term of the Non PD Notes is in line with their future liquidity requirements. This is particularly the case for Non PD 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 Non PD 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 Non PD Notes.

The Issuer may, but is not obliged to, list an issue of Non PD Notes on a stock exchange. If Non PD Notes are not listed or traded on any exchange, pricing information for the relevant Non PD Notes may be more difficult to obtain and the liquidity of such Non PD Notes may be adversely affected.

The secondary market price of any Non PD Notes immediately following their issue may be less than the issue price

If Non PD Notes are not listed or admitted to trading on a regulated market, they may be traded on trading systems governed by the laws and regulations in force from time to time (*e.g.*, multilateral trading systems or "**MTF**") or in other trading systems (*e.g.*, bilateral systems, or equivalent trading systems). Trading in such Non PD Notes may take place outside the above-mentioned trading systems, with possible risks as to the transparency of the determination of prices. Investors should note that the Issuer does not grant any warranty to Noteholders as to the methodologies used to determine the price of Non PD Notes which are traded outside a trading system, however, where the Issuer or any of their affiliates determine the price of such Non PD Notes, they will take into account the market parameters applicable at such time in accordance with applicable provisions of law.

The Issuer and any relevant Dealer may, but is not obliged to, at any time purchase Non PD Notes at any price in the open market or by tender or private treaty. Any Non PD Notes so purchased may be held or resold or surrendered for cancellation. Any relevant Dealer may, but is not obliged to, be a market maker for an issue of Non PD Notes. Even if a relevant Dealer is a market-maker for an issue of Non PD Notes, the secondary market for such Non PD Notes may be limited and there is no assurance given as to the price offered by a secondary market-maker or the impact of any such quoted prices on those available in the wider market. To the extent that an issue of Non PD Notes becomes illiquid, an investor may have to hold the relevant Non PD Notes until maturity before it is able to realise value.

In the case of unlisted Non PD Notes (i) subject to optional redemption by the Issuer and (ii) where principal or interest is determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors ("**Unlisted Callable Structured Notes**"), the Issuer may from time to time publish on a screen page of a commercial quotation service or on such other basis as it may advise the relevant Dealer(s) an indication of the charges it may apply on any purchase by it of such Unlisted Callable Structured Notes.

Any such publication is in the Issuer's sole and absolute discretion and the Issuer may subsequently change any indicative charge so published or cease such publication at any time and for any reason. No such publication will constitute an offer to buy or a solicitation of an offer to sell any Unlisted Callable Structured Notes or represent any undertaking or other commitment by the Issuer to purchase any Unlisted Callable Structured Notes and any actual charge applied by the Issuer on any purchase of Unlisted Callable Structured Notes by it may be greater or less than any indicative charge published. The Issuer will not at any time purchase any Unlisted Callable Structured Non PD Notes from any Noteholder

in any jurisdiction in which such purchase is unlawful and the Issuer may decide not to purchase Unlisted Callable Structured Notes at any time and for any reason.

Any charge the Issuer may apply on any purchase of Unlisted Callable Structured Notes will be only one of the relevant considerations in determining the purchase price of the relevant Unlisted Callable Structured Notes and other relevant factors may include, without limitation, the weighted average life of the Unlisted Callable Structured Notes and the cost to the Issuer of unwinding any underlying and/or related hedging and funding arrangements. The determination of such factors and any price at which the Issuer may purchase any Unlisted Callable Structured Notes will be in the sole and absolute discretion of the Issuer.

Investors should note that a secondary market may be affected by both legal restrictions in certain jurisdictions and by the Issuer and/or any relevant Dealer purchasing or holding Non PD Notes.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information.

OVERVIEW OF THE PROGRAMME

The following overview of the Programme does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" shall have the same meanings in this overview of the Programme.

Issuer:	Metso Corporation
Arranger:	Citigroup Global Markets Limited
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*".
Dealers:	Citigroup Global Markets Limited BNP Paribas Commerzbank Aktiengesellschaft Danske Bank A/S HSBC Bank plc Nordea Bank AB (publ) OP Corporate Bank plc and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank, N.A.
Luxembourg Listing Agent:	Banque Internationale à Luxembourg, *société anonyme*
Final Terms, Pricing Supplement or Drawdown Prospectus:	Notes issued under the Programme may be issued either: (1) pursuant to this Base Prospectus and associated Final Terms, (2) in the case of Non PD Notes, pursuant to this Base Prospectus and associated Pricing Supplement or (3) pursuant to a Drawdown Prospectus prepared in connection with a particular Tranche of Notes. For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as completed to the extent described in the relevant Final Terms. For a Tranche of Non PD Notes which is the subject of a Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, complete, supplement, amend and/or replace the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Non PD Notes which is the subject of a Pricing Supplement are the Terms and Conditions of the Notes as completed, supplemented, amended and/or replaced to the extent described in the relevant Pricing Supplement. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as completed,

	supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.
Admission to Listing and to Trading:	Application has been made to the CSSF for Notes (other than Non PD Notes) issued under the Programme to be admitted to listing on the official list and to trading on the Regulated Market of the Luxembourg Stock Exchange. Non PD Notes may be unlisted or may be admitted to listing, trading and/or quotation on a market, stock exchange and/or quotation system as may be agreed with the Issuer (in circumstances where the provisions of the Prospectus Directive do not apply).
Clearing Systems:	Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to €1,500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable by Instalments, have Receipts attached.

Currencies:	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements (including the restrictions set out below as at the date of this Base Prospectus). Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes:	Notes will constitute direct, general and (subject to Condition 5 (*Negative Pledge*)) unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Issue Price:	Notes may be issued at any price, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. **Notes having a maturity of less than one year** Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer, see "*Subscription and Sale* ".
Redemption:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more Instalments on such dates and in such manner as may be specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders, or upon the occurrence of a Change of Control Put Event, to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption and Purchase - Redemption for*

	tax reasons).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. In particular, note the requirements of section 19 of the FSMA in relation to Notes which have a maturity of less than one year under "*Redemption*" above. Notes may be issued under the Programme in denominations which consist of a minimum Specified Denomination and higher integral multiples of another smaller amount.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*).
Taxation:	All payments of principal and interest in respect of Notes by or on behalf of the Issuer will be made free and clear of withholding taxes imposed within the Republic of Finland, unless such withholding is required by law. In that event, the Issuer will (subject as provided in Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Ratings:	Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will be specified in the applicable Final Terms or Drawdown Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, reduction or withdrawal at any time from the assigning rating agency.
Governing Law:	The Notes and all non-contractual obligations arising out of or in connection with the Notes will be governed by English law.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material, see "*Subscription and Sale*".

DOCUMENTS INCORPORATED BY REFERENCE

The Issuer will, at the specified offices of the Paying Agents (as defined under "*Terms and Conditions of the Notes*"), provide, free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or oral requests for such documents should be directed to the registered office of the Issuer. Such documents will also be available to view on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The following documents shall be incorporated by reference into, and form part of, this Base Prospectus:

Document and Section Incorporated	*Page Reference*
Financial Statements and investor information 2017	
– Consolidated financial statements (prepared in accordance with IFRS as adopted by the European Union) for the year ended December 31, 2017, and comparison 2016 IFRS figures	17-65
– Consolidated Statement of Income	17
– Consolidated Statement of Comprehensive Income	17
– Consolidated Balance Sheet	18-19
– Consolidated Statement of Cash Flows	20
– Consolidated Statement of Changes in Shareholders' Equity	21
– Notes to the Consolidated Financial Statements	22-65
– Auditor's Report	77-79
Financial Statements 2016	
– Consolidated financial statements (prepared in accordance with IFRS as adopted by the European Union) for the year ended December 31, 2016, and comparison 2015 IFRS figures	15-63
– Consolidated Statement of Income	15
– Consolidated Statement of Comprehensive Income	15
– Consolidated Balance Sheet	16-17
– Consolidated Statement of Cash Flows	18
– Consolidated Statement of Changes in Shareholders' Equity	19
– Notes to the Consolidated Financial Statements	20-63
– Auditor's Report	74-76

The audited consolidated and unconsolidated annual financial statements, together with the accompanying notes and auditor's reports of Ernst & Young Oy of the Issuer for the years ended December 31, 2016 and 2017 shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Base Prospectus dated April 12, 2010 in relation to the Programme

– Terms and Conditions of the Notes 29-47

Base Prospectus dated April 1, 2011 in relation to the Programme

– Terms and Conditions of the Notes 29-47

Base Prospectus dated April 4, 2012 in relation to the Programme

– Terms and Conditions of the Notes 31-52

Base Prospectus dated March 28, 2014 in relation to the Programme

– Terms and Conditions of the Notes 34-57

Base Prospectus dated March 31, 2015 in relation to the Programme

– Terms and Conditions of the Notes 34-57

Base Prospectus dated April 7, 2016 in relation to the Programme

– Terms and Conditions of the Notes 35-58

Base Prospectus dated April 5, 2017 in relation to the Programme

– Terms and Conditions of the Notes 37-61

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

Any documents which are themselves incorporated by reference in the information incorporated by reference in this Base Prospectus will not form part of this Base Prospectus as these documents are either not relevant for investors or covered elsewhere in the Base Prospectus.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer to meet part of its general financing requirements.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes whose inclusion would reasonably be required by investors for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus in connection with any subsequent offering of the Notes.

GENERAL DESCRIPTION OF THE PROGRAMME

This Programme is a €1,500,000,000 Euro Medium Term Note Programme under which the Issuer may from time to time issue Notes in accordance with and subject to all applicable laws and regulations and denominated in any currency, subject as set out herein. The applicable terms of any Notes will be agreed between the Issuer and the Relevant Dealer or Dealers prior to the issue of the Notes and will be set out in the relevant Terms and Conditions of the Notes for the Notes, as completed by the relevant Final Terms attached to, or endorsed on, such Notes, as more fully described under "*Forms of the Notes*".

FORMS OF THE NOTES

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

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

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C), or substantial identical successor regulations, (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

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

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

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the specified office of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

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

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of the Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

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

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

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

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and, if, at the time of exchange into definitive form, more than 27 coupon payments are left, Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the specified office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

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

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

Temporary Global Note exchangeable for Definitive Notes

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

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

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and, if, at the time of exchange into definitive form, more than 27 coupon payments are left, Talons attached (if so specified in the relevant Final Terms), in the case of an exchange in whole, in an aggregate principal amount equal to the principal amount of the Temporary Global Note or, in the case of a partial exchange, in an aggregate principal amount equal to the principal amount of the Temporary Global Note being so exchanged, to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the specified office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

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

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

Permanent Global Note exchangeable for Definitive Notes

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

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

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

If:

(a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global

Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

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

Rights under Deed of Covenant

Under the Deed of Covenant, 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 Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" and the provisions of the relevant Final Terms which complete those terms and conditions.

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

Denominations of Definitive Notes

The Notes issued under the Programme will have minimum authorised denominations of €100,000 (or its equivalent in another currency). Subject thereto and if so specified in the relevant Final Terms, the Notes may be issued in denominations consisting of a minimum Specified Denomination and higher integral multiples of another smaller amount (each an "**Integral Multiple**"). If circumstances arise where Definitive Notes need to be issued in respect of such Notes, they will be issued in denominations of the minimum Specified Denomination and in Integral Multiples in excess thereof up to and including an amount in the Specified Currency which shall be equal to two times the minimum Specified Denomination less the Integral Multiple (the "**Definitive Amount**"). No Definitive Notes will be issued with a denomination above the Definitive Amount.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons, Receipts and Talons appertaining thereto will bear a legend to the following effect:

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

The sections referred to in such legend provide that a United States person who holds a Note, Coupon, Receipt or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon, Receipt or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE NOTES

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

1. Introduction

(a) *Programme:* Metso Corporation (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €1,500,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) *Series:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes.

(c) *Final Terms, Pricing Supplement or Drawdown Prospectus:* The terms and conditions applicable to any particular Tranche of Notes are these terms and conditions (the "**Conditions**"), as completed by a document specific to such Tranche of Notes called final terms (the "**Final Terms**") or, in the case of Non PD Notes, as completed, supplemented, amended and/or replaced in a document specific to such Tranche of Notes called a pricing supplement (the "**Pricing Supplement**") or as supplemented, amended and/or replaced in a separate prospectus specific to such Tranche of Notes (the "**Drawdown Prospectus**"). In the case of a Tranche of Notes which is the subject of a Pricing Supplement or a Drawdown Prospectus, each reference in these Conditions to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Pricing Supplement or Drawdown Prospectus.

(d) *Agency Agreement:* The Notes are the subject of an amended and restated fiscal agency agreement dated April 5, 2018 (as further amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer and Citibank, N.A. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and as paying agent (the "**Paying Agent**"), which expression includes any successor or additional paying agent appointed from time to time in connection with the Notes and, together with the Fiscal Agent and any other paying agents appointed from time to time in connection with the Notes, the "**Paying Agents**").

(e) *The Notes and the Non PD Notes:* All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. References to "**Non PD Notes**" in these Conditions mean Notes for which no prospectus is required to be published under Directive 2003/71/EC, as amended. Copies of the relevant Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system are available for inspection and may be obtained during normal business hours at the specified office of the Paying Agent in Luxembourg, the initial specified office of which is set out below, and at the registered office of the Issuer. In the case of any Notes which are not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders.

(f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The Noteholders, the holders of the related principal receipts, if any (the "**Receiptholders**" and the "**Receipts**", respectively) and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the specified offices of each of the Paying Agents, the initial specified offices of which are set out below.

2. Interpretation

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

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

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

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

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

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

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

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

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

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

"**Call Option**" means the option of the Issuer to redeem the Notes pursuant to Condition 9(c) (*Redemption at the option of the Issuer*);

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

"**DA Selected Bond**" means the selected government security or securities selected by the Determination Agent as having an actual or interpolated maturity comparable with the remaining term of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes;

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

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual - ISDA**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, the actual number of days in the Calculation Period divided by 360;

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

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

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

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

"**Determination Agent**" means an investment bank or financial institution of international standing selected by the Issuer after consultation with the relevant Dealer(s);

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

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

"**EURIBOR**" means, in respect of any specified currency and any specified period, 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 (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor), or any successor or replacement rate;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in the relevant Final Terms (which shall be at least equal to its nominal amount);

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

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "*Formulae for Calculating Gilt Prices from Yields*", page 5, Section One: Price/Yield Formulae "*Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date*"(published on June 8, 1998 and updated on January 15, 2002 and March 16, 2005, and as further amended, updated, supplemented or replaced from time to time) or, if such formula does not reflect generally accepted market practice at the time of redemption, a gross redemption yield calculated in accordance with generally accepted market practice at such time as determined by the Determination Agent;

"**Group**" means the Issuer and its Subsidiaries for the time being;

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

(i) any obligation to purchase such Indebtedness;

(ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;

(iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and

(iv) any other agreement to be responsible for such Indebtedness;

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

(i) amounts raised by acceptance under any acceptance credit facility;

(ii) amounts raised under any note purchase facility;

(iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and

(v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

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

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

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

"**Interest Payment Date**" means the date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

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

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

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) as published by the International Swaps and Derivatives Association, Inc.;

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

"**LIBOR**" means, in respect of any specified currency and any specified period, 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 Limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor), or any successor or replacement rate;

"**Make Whole Redemption Price**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

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

"**Material Subsidiary**" means, at any time, any Subsidiary of the Issuer:

(a) whose total assets (consolidated in the case of a company which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated total assets of the Group taken as a whole; or

(b) whose net sales (consolidated in the case of a company which itself has Subsidiaries) represent not less than 5 per cent. of the consolidated total net sales of the Group taken as a whole,

all as calculated by reference to the then most recent financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent consolidated financial statements of the Group but if a Subsidiary has been acquired since the date as at which the then most recent consolidated financial statements of the Group were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by two directors of the Issuer (accompanied by a report by the Group's auditors addressed to the directors of the Issuer as to proper extraction of the figures used by the directors of the Issuer and the mathematical accuracy of the calculations)).

Such a certificate by two directors of the Issuer that, in their opinion, a Subsidiary of the Issuer is or is not a Material Subsidiary, accompanied by a report by the auditors addressed to the directors of the Issuer as to proper extraction of the figures used by the directors of the Issuer in determining the Material Subsidiaries of the Issuer and mathematical accuracy of the calculations shall, in the absence of manifest error, be conclusive and binding on all parties;

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

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

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

"**Non-Sterling Make Whole Redemption Amount**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

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

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

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

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

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

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

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

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

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

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

(i) in relation to euro, it means the principal financial centre of such member state of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option**" means the option of the Holder of any Note to require the Issuer to redeem such Note pursuant to Condition 9(e) (*Redemption at the option of Noteholders*);

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

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

"**Quotation Time**" has the meaning given in the relevant Final Terms;

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

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Sterling Make Whole Redemption Amount, the Non-Sterling Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

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

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four (or if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"**Reference Bond**" has the meaning given in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

"**Reference Bond Price**" means, with respect to any Reference Date, (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if fewer than four such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations;

"**Reference Bond Rate**" means, with respect to any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

"**Reference Date**" has the meaning given in the relevant notice of redemption;

"**Reference Government Bond Dealer**" means each of four banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues**;**

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time on the Reference Date quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

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

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

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

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

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

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent in accordance with the provisions of the Agency Agreement on or prior to such due date, the date

on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

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

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded or admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or in any securities market (including, without limitation, any over-the-counter market) which are either (i) denominated in the lawful currency of Finland and are initially distributed primarily outside Finland, or (ii) denominated in any other currency;

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

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

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

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

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

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

"**specified office**" has the meaning given in the Agency Agreement;

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

"**Sterling Make Whole Redemption Amount**" has the meaning given in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*);

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation;

(b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or

(c) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation.

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"**Talon**" means a talon for further Coupons;

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

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

"**Treaty**" means the Treaty on the functioning of the European Union, as amended; and

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

(b) *Interpretation:* In these Conditions:

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

(ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) if the Notes are not Instalment Notes, references to Instalments, Receipts and Receiptholders are not applicable;

(v) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*) or any undertakings given in addition to or in substitution for that Condition, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(vi) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) or any undertakings given in addition to or in substitution for that Condition and any other amount in the nature of interest payable pursuant to these Conditions;

(vii) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement; and

(viii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms give no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes.

3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) and the Specified Currency and, in the case of Instalment Notes (as defined below), with Receipts and, if interest-bearing, with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Notes, the principal amount of which is repayable by instalments ("**Instalments**", and such Notes shall be referred to in these Conditions as "**Instalment Notes**"), have attached thereto, at the time of their initial delivery, Receipts in respect of the Instalments. Title to the Notes, Receipts and Coupons will pass by delivery. References herein to the "**Holders**" of Notes, Receipts or Coupons are to the bearer of such Notes, Receipts or Coupons. The Holder of any Note, Receipt or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

4. Status

The Notes and the Receipts and Coupons relating to them constitute direct, general, unconditional, unsecured and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated

obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. Negative Pledge

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

6. Fixed Rate Note Provisions

(a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Regular Interest Periods:* If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:

(i) the Notes shall for the purposes of this Condition 6 be "**Regular Interest Period Notes**";

(ii) the day and month (but not the year) on which any Interest Payment Date falls shall for the purposes of this Condition 6 be a "**Regular Date**"; and

(iii) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall for the purposes of this Condition 6 be a "**Regular Period**".

(e) *Irregular first or last Interest Periods:* If the Notes would be Regular Interest Period Notes but for the fact that either or both of:

(i) the interval between the Issue Date and the first Interest Payment Date; and

(ii) the interval between the Maturity Date and the immediately preceding Interest Payment Date,

is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes *provided, however, that* if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a Regular Date.

(f) *Irregular interest amount:* If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be calculated by applying the Rate of Interest to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the

Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) *Irregular Interest Periods:* If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the relevant Final Terms.

7. Floating Rate Note Provisions

(a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

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

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the euro-zone interbank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders, the Receiptholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. Zero Coupon Note Provisions

(a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Redemption and Purchase

(a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date or, in the case of Instalment Notes, in such number of Instalments and in such amounts as specified and determined in accordance with the provisions set out in the Final Terms, subject as provided in Condition 10 (*Payments*).

(b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided, however, that* no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such

notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:

(i) the Optional Redemption Amount (Call); or

(ii) the Make Whole Redemption Price.

The "**Make Whole Redemption Price**" will, in respect of Notes to be redeemed, be:

(i) if "**Sterling Make Whole Redemption Amount**" is specified as being applicable in the relevant Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (as determined by reference to the middle market price) at the Quotation Time on the Reference Date of the Reference Bond, plus the Redemption Margin, as determined by the Determination Agent; or

(ii) if "**Non-Sterling Make Whole Redemption Amount**" is specified in the applicable Final Terms an amount equal to the higher of (i) 100 per cent. of the principal amount of such Notes and (ii) the principal amount of such Notes multiplied by the price (expressed as a percentage), as reported in writing to the Issuer by the Determination Agent (if applicable), at which the yield to maturity on such Notes on the Reference Date is equal to the Reference Bond Rate at the Quotation Time on the Reference Date, plus the Redemption Margin, as determined by the Determination Agent.

(d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem, such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Receipts and Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its specified office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) *Change of Control Put Option*: If the Change of Control Put Option is specified in the relevant Final Terms as being applicable, if at any time while any Note remains outstanding, either of the following events shall occur (each, as applicable, a "**Change of Control Put Event**"):

(iii) a Change of Control occurs and, if at the start of the Change of Control Period, the Issuer is rated by any Rating Agency, a Rating Downgrade in respect of that Change of Control occurs within such Change of Control Period; or

(iv) a Change of Control occurs and, on the occurrence of the Change of Control, the Issuer is not rated by any Rating Agency,

then the Holder of each Note will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 9(b) (*Redemption for tax reasons*) or Condition 9(c) (*Redemption at the option of the Issuer*)) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the purchase of that Note on the Optional Redemption Date (Change of Control Put), at its principal amount, or such other amount as may be specified in the relevant Final Terms, together with (or, where purchased, together with an amount equal to) accrued interest up to but excluding the Optional Redemption Date (Change of Control Put).

Promptly upon the Issuer becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 18 (*Notices*) specifying the nature of the Change of Control Put Event and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition.

To exercise the Change of Control Put Option, the Noteholder must deposit any applicable Note, together with each unmatured Coupon relating thereto (if any), to the account of any Paying Agent for the account of the Issuer within the period (the "**Put Period**") of 45 days after the day on which the Change of Control Put Event Notice is given, together with a duly signed and completed Put Option Notice in the form (for the time being current and substantially in the form set out in the Agency Agreement) obtainable from the specified office of any Paying Agent. The Paying Agent to whom a Note has been so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder.

Subject to the deposit of any such Notes to the account of a Paying Agent for the account of the Issuer as described above, the Issuer shall redeem, purchase or procure the purchase of the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above on the Optional Redemption Date (Change of Control Put). No Note, once so deposited with a duly completed Put Option Notice, may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Change of Control Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on or prior to the end of the Put Period, payment of the redemption moneys is improperly withheld or refused on the relevant Optional Redemption Date (Change of Control Put), the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition, the depositor of such Note and not such Paying Agent shall be deemed to be the holder of the Note for all purposes.

For the purposes of this Condition 9(f):

"**Change of Control**" shall be deemed to have occurred at each time (whether or not approved by the Board of Directors of the Issuer) that any person or persons acting in concert or any person or persons acting on behalf of any such person(s) (the "**Relevant Person(s)**"), at any time directly or indirectly come(s) to own or acquire(s) (A) more than 50 per cent. of the issued ordinary share capital of the Issuer; or (B) such number of the shares in the capital of the Issuer as carries more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer;

"**Change of Control Period**" means the period (i) commencing on the date that is the earlier of (A) the date of the first public announcement of the relevant Change of Control and (B) the date of the earliest Potential Change of Control Announcement (as defined below), if any, and (ii) ending on the date which is the 120th day after the date of the first public announcement of the relevant Change of Control (such 120th day, the "**Initial Longstop Date**"); *provided that*, unless any other Rating Agency has on or prior to the Initial Longstop Date effected a Rating Downgrade in respect of its rating of the Issuer, if a Rating Agency publicly announces, at any time during the period commencing on the date which is 60 days prior to the Initial Longstop Date and ending on the Initial Longstop Date, that it has placed its rating of the Issuer under consideration for rating review either entirely or partially as a result of the relevant public announcement of the Change of Control or Potential Change of Control Announcement, the Change of Control Period shall be extended to the date which falls 90 days after the date of such public announcement by such Rating Agency;

"**Rating Agency**" means Standard & Poor's Credit Market Services Europe Limited or any other rating agency of equivalent international standing specified from time to time by the Issuer, and, in each case, their respective successors or affiliates;

a "**Rating Downgrade**" shall be deemed to have occurred in respect of a Change of Control if, within the Change of Control Period, the rating previously assigned to the Issuer by any Rating Agency is (i) withdrawn or (ii) changed from an investment grade rating (BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (BB+, or its equivalent for the time being, or worse) or (iii) if such rating previously assigned to the Issuer by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents); and

"**Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any designated advisor thereto relating to any specific and near-term potential Change of Control (where "**near-term**" shall mean that such potential Change of Control is reasonably likely to occur, or is publicly stated by the Issuer, any such actual or potential bidder or any such designated advisor to be intended to occur, within 120 days of the date of such announcement or statement).

(g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.

(h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price and such Notes may be held, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation (provided that, if the Notes are to be cancelled, they are purchased together with all unmatured Coupons and Receipts and unexchanged Talons relating to them).

(j) *Cancellation:* All Notes redeemed and any unmatured Coupons or Receipts or unexchanged Talons attached to or surrendered with them shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 9(i) (*Purchase*) above (together with all unmatured

Coupons and Receipts and unexchanged Talons cancelled with them) may not be reissued or resold.

10. Payments

(a) *Principal:* Payments of principal shall be made only against (i) presentation and (in the case of final redemption, provided that payment is made in full) surrender of Notes and (ii) in respect of any Instalment which becomes due in accordance with the relevant Final Terms, presentation and (provided that payment is made in full) surrender of the relevant Receipts, at the specified office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

(b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the specified office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the specified office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) without prejudice to the provisions of Condition 11 (Taxation), any applicable fiscal or other laws and regulations in the place of payment and (ii) notwithstanding the provisions of Condition 11 (Taxation), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

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

(f) *Unmatured Coupons void:* If the relevant Final Terms specify that this Condition 10(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption at the option of Noteholders*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Unmatured Receipts Void:* On the due date for final redemption of any Instalment Note pursuant to Condition 9(a) (*Scheduled redemption*) or early redemption of such Instalment Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption at the option of Noteholders*) or Condition 12 (*Events of Default*), all unmatured Receipts relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) *Payments on business days:* If the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the specified office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, Receipt or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the specified office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. Taxation

(a) *Gross up:* All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Finland or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them if no such withholding or

deduction had been required, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment:

(i) in the Republic of Finland; or

(ii) by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection with the Republic of Finland other than the mere holding of such Note, Receipt or Coupon; or

(iii) more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented such Note, Receipt or Coupon on the last day of such period of 30 days; or

(iv) where such withholding or deduction is imposed pursuant to the Luxembourg law of December 23, 2005 on the taxation of income received by individuals resident in Luxembourg; or

(v) by a Holder which is liable any such withholding or deduction imposed or required pursuant to an agreement described in Section 1471(b) of the Code or otherwise pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

(b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Finland, references in these Conditions to the Republic of Finland shall be construed as references to the Republic of Finland and/or such other jurisdiction.

12. Events of Default

If any of the following events occurs:

(a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 7 days of the due date for payment thereof; or

(b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Agency Agreement and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the specified office of the Fiscal Agent; or

(c) *Cross-default of Issuer or Material Subsidiary*:

(i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any applicable grace period;

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Material Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or

(iii) the Issuer or any of its Material Subsidiaries fails to pay when due or (as the case may be) within any applicable grace period any amount payable by it under any Guarantee of any Indebtedness;

provided that (A) the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €15,000,000 (or its equivalent in any other currency or currencies) and (B) the non-payment is not due to the Issuer or the relevant Material Subsidiary contesting in good faith the fact that such indebtedness has become so repayable or has not been repaid; or

(d) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of an aggregate amount in excess of €15,000,000 (or its equivalent in any other currency or currencies) is rendered against the Issuer or any of its Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries, except for any enforcement which is frivolous or vexatious and is dismissed within 21 days; or

(f) *Insolvency etc:* (i) the Issuer, or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or any of its Material Subsidiaries ceases to carry on all or any substantial part of its business (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than, in the case of a Material Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(h) *Analogous event:* any event occurs which under the laws of the Republic of Finland has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or

(i) *Failure to take action etc:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Receipts and the Coupons admissible in evidence in the courts of the Republic of Finland is not taken, fulfilled or done; or

(j) *Unlawfulness:* it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes,

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

13. Prescription

Claims for principal shall become void unless the relevant Notes (and, in the case of any Instalment which became due, the relevant Receipts) are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

14. Replacement of Notes, Receipts and Coupons

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Fiscal Agent (and, if the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its specified office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence,

security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

15. Agents

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

The initial Paying Agents and their initial specified offices are listed below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that:*

(a) the Issuer shall at all times maintain a Fiscal Agent; and

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its specified office in the place required by the rules of such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or the Calculation Agent or in their specified offices shall promptly be given to the Noteholders.

16. Meetings of Noteholders; Modification and Waiver

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

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

(b) *Modification:* The Notes and these Conditions may be amended without the consent of the Noteholders, Receiptholders or Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of the Issuer, not materially prejudicial to the interests of the Noteholders.

17. Further Issues

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

18. Notices

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in the United Kingdom (which is expected to be the *Financial Times*) and, if the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, 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*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

19. Rounding

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

20. Third Party Rights

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

21. Governing Law and Jurisdiction

(a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.

(b) *Jurisdiction:* The Issuer agrees for the benefit of the Noteholders, Couponholders and Receiptholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (including a dispute relating to the existence, validity or termination of the Notes or any non- contractual obligations arising out of or in connection with the Notes) (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) *Appropriate forum:* The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

(d) *Process agent:* The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Metso UK Ltd. at Parkfield Road, Rugby, Warwickshire, CV21 1QJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such Person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent,

appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

(e) *Non-exclusivity:* The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder, Couponholder or Receiptholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

FORM OF FINAL TERMS

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

[**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 (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 Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**")), 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, 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.]

[**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**")][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.]

Final Terms dated [ ]

METSO CORPORATION
(incorporated with limited liability in the Republic of Finland)

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]

under the €1,500,000,000
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 Terms and Conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated April 5, 2018 [and the supplement[s] thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU (together, 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. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus [and the supplement[s] thereto dated [*date*].]

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 [April 12, 2010/April 1, 2011/April 4, 2012/March 28, 2014/March 31, 2015/April 7, 2016/April 5, 2017] which are incorporated by reference in the base prospectus dated April 5, 2018 [and the supplement[s] thereto dated [*date*]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the base prospectus dated April 5, 2018 [and the supplement[s] thereto dated [*date*]] which [together] constitute[s] a base prospectus (the "**Base**

Prospectus") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and copies may be obtained from the registered office of the Issuer, at Töölönlahdenkatu 2, FI-00100 Helsinki, Finland.

[Include whichever of the following apply or specify as "Not Applicable". Italics denote directions for completing the Final Terms.]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier Tranche(s)*] on [[ ]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below [which is expected to occur on or about [ ].]]
2.	Specified Currency:		[ ]
3.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable)*]
5.	(i)	Specified Denominations:	[ ] [*No Notes may be issued which have a minimum denomination of less than €100,000 (or nearly the equivalent in another currency)*] [*Subject thereto, if Notes are to be issued which have denominations consisting of a minimum Specified Denomination and higher integral multiples of another smaller amount, the following sample wording should be used (as adjusted for the relevant Specified Currency and the actual Specified Denominations:* *[€]100,000 and integral multiples of [€]1,000 in excess thereof up to and including [€]199,000. Definitive Notes will not be issued in denominations in excess of [€]199,000.*]
	(ii)	Calculation Amount:	[ ]
6.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	[Issue Date/*Other*/Not Applicable]
7.	Maturity Date:		[ ]

		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.*]
		[*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from Section 19 of the FSMA must be available.*]
8.	Interest Basis:	[[ ] per cent. Fixed Rate] [[*specify reference rate*] +/- [ ] per cent. Floating Rate] [Zero Coupon] (*further particulars specified below*)
9.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [par/Instalment/the Final Redemption Amount specified in paragraph 17 below]
10.	Put/Call Option:	[Not Applicable/Noteholder Put Option/Change of Control Put Option/Issuer Call Option]
11.	Date Board approval for issuance of Notes obtained:	[ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[ ] in each year[, adjusted for payment purposes only/, not adjusted]
	(iii)	Business Day Convention	[Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment]
	(iv)	Additional Business Centre(s)	[Not Applicable/*give details*]
	(v)	Fixed Coupon Amount(s):	[ ] per Calculation Amount
	(vi)	Broken Amount(s):	[Not Applicable/[ ] per Calculation Amount payable on the Interest Payment Date falling

			[in/on] [ ]]
	(vii)	Day Count Fraction:	[30/360 / Actual/Actual(ICMA) / Actual/Actual (ISDA) / Actual/365 / Actual/365(Fixed) / Actual/360 / 30E/360 / 30E/360(ISDA)]
	[(viii)	Determination Dates:	[ ] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)).*]
13.	**Floating Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
	(i)	Specified Period/Interest Payment Dates:	[ ] (*Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
	(ii)	Business Day Convention:	[Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment]
	(iii)	Additional Business Centre(s):	[Not Applicable/*give details*]
	(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination / ISDA Determination]
	(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Fiscal Agent/*Other*]
	(vi)	Screen Rate Determination:	
		– Reference Rate:	[*For example, LIBOR or EURIBOR*]
		– Relevant Screen Page:	[*For example, Reuters LIBOR 01/EURIBOR 01*]
		– Interest Determination Date(s):	[ ]
		– Relevant Time:	[*For example, 11.00 a.m. London time/ Brussels time*]
		– Relevant Financial Centre:	[*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*]
		– Reference Banks:	[ ]

(vii) ISDA Determination:

– Floating Rate Option: [ ]

– Designated Maturity: [ ]

– Reset Date: [ ]

(viii) Linear Interpolation: [Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(ix) Margin(s): [+/-] [ ] per cent. per annum

(x) Minimum Rate of Interest: [ ] per cent. per annum

(xi) Maximum Rate of Interest: [ ] per cent. per annum

(xii) Day Count Fraction: [30/360 / Actual/Actual(ICMA) / Actual/Actual (ISDA) / Actual/365 / Actual/365(Fixed) / Actual/360 / 30E/360 / 30E/360(ISDA)]

14. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [ ] per cent. per annum

(ii) Reference Price: [ ]

(iii) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

15. **Call Option** [Applicable/Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

(i) Optional Redemption Date(s) (Call): [ ] /[Any date from and including [date] to but excluding [date]]

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

[(iii) Make Whole Redemption Price: [Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable]

(*If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph)*]

[(a) Redemption Margin: [ ] per cent.

	[(b)	Reference Bond:	[ ]
	[(c)	Quotation Time:	[ ]]
(iv)	If redeemable in part:		
	(a)	Minimum Redemption Amount:	[ ] per Calculation Amount
	(b)	Maximum Redemption Amount:	[ ] per Calculation Amount
(v)	Notice period(s):		[As set out in Condition 9(c)/[ ]]
16.	**Put Option**		[Applicable/Change of Control Put Option applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s) ([Change of Control] Put):		[ ]
(ii)	Optional Redemption Amount(s) ([Change of Control] Put):		[ ] per Calculation Amount
(iii)	Notice period(s):		[As set out in Condition 9(e)/Condition 9(f)/[ ]]
17.	**Final Redemption Amount of each Note**		[ ] per Calculation Amount
18.	**Early Redemption Amount**		
	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default, if different from the principal amount of the Notes:		[Not Applicable/*Specify if different from the principal amount of the Notes*]

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 [on [ ] days' notice or] in the limited circumstances specified in the Permanent Global Note][1] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice]5 [Permanent Global Note exchangeable for Definitive Notes [on [ ] days' notice or] in the limited circumstances specified in the Permanent Global Note]5
20.	New Global Note:	[Yes][No]
21.	Additional Financial Centre(s):	[Not Applicable/*give details*. *Note that this item*

[1] Note that the option to exchange at any time may not be used in circumstances where Notes are tradeable in denominations of €100,000 and higher integral multiples of €1,000 (or equivalents in another currency). In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes, such Notes may only be issued in denominations equal to, or greater than €100,000 and integral multiples thereof (or equivalents in another currency).

		relates to the place of payment, and not interest period end dates, to which items 12(ii) and 13(i) relate]
22.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left]
23.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*Give details*]
24.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

SIGNATURE

Signed on behalf of **METSO CORPORATION**

By: .....
Duly authorised

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	[Official List of the Luxembourg Stock Exchange/*Other*/None]
(ii)	Admission to trading:	[Not Applicable/Application has been made for the Notes to be admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange/*other*] with effect from [ ].] [The Original Notes are admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange/*other*].] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. **RATINGS**

[The Notes to be issued have not been rated./The Notes to be issued have been rated]:

[Standard & Poor's Credit Market Services Europe Limited: [ ]]

[[•] is established in the EEA and registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"), and is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.]/ [[•] is not established in the EEA and is not certified under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"); however, the rating it has given to the Notes is endorsed by [•], which is established in the EEA and registered under the CRA Regulation.]

3. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Except for the commissions payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Dealers/Managers] 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 [•]/Not Applicable]

4. ***Fixed Rate Notes only*** **- YIELD**

[Not Applicable/Indication of yield: [ ] per cent. [per annum/semi-annual]]

5. [**THIRD PARTY INFORMATION**

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

6. **DISTRIBUTION**

If syndicated: [Applicable/Not Applicable]

(i)	Names and addresses and underwriting commitments of Managers:	[Not Applicable/*Give names, addresses and underwriting commitments*]
(ii)	Date of Subscription Agreement:	[ ]
(iii)	Stabilising Manager:	[Not Applicable/*Give name*]
If non-syndicated, name and address of Dealer:		[Not Applicable/*Give name and address*]
TEFRA:		[Not Applicable/The [C/D] Rules are applicable]
Total commission and concession:		[ ] per cent. of the Aggregate Nominal Amount

7. **OPERATIONAL INFORMATION**

ISIN Code:	[ ]
Common Code:	[ ]
[FISN:	[ ]]
[CFI Code:	[ ]]
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.]
Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*Give details*]
Delivery:	Delivery [against/free of] payment
Name(s) and address(es) of any additional Paying Agents:	[Not Applicable/*Give details*]

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Non PD Notes will be substantially in the following form, duly completed, supplemented, amended and/or replaced to reflect the particular terms of the relevant Non PD Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

[**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 (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 Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**")), 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, 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.]

[**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**")][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.]/[*other appropriate target market legend to be included*.]

Pricing Supplement dated [ ]

METSO CORPORATION
(incorporated with limited liability in the Republic of Finland)

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]

under the €1,500,000,000
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 Terms and Conditions of the Notes (the "**Conditions**") set forth in the base prospectus dated April 5, 2018 [and the supplement[s] thereto dated [•]] (the "**Base Prospectus**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Base Prospectus.]

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 Terms and Conditions (the "**Conditions**") set forth in the base prospectus dated [*original date*] which are incorporated by reference in the base prospectus dated April 5, 2018. This Pricing Supplement contain the final terms of the Notes and must be read in conjunction with the base prospectus dated April 5, 2018 [and the supplement[s] thereto dated [*date*]] (the "**Base Prospectus**").

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of a combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) and copies may be obtained from the registered office of the Issuer, at Töölönlahdenkatu 2, FI-00100 Helsinki, Finland.

[Include whichever of the following apply or specify as "Not Applicable". Italics denote directions for completing the Pricing Supplement.]

1.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
	(iii)	Date on which the Notes become fungible:	Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier Tranche(s)*] on [[ ]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below [which is expected to occur on or about [ ]]
2.	Specified Currency:		[ ]
3.	Aggregate Nominal Amount:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable)*]
5.	(i)	Specified Denominations:	[ ] [*No Notes may be issued which have a minimum denomination of less than €100,000 (or nearly the equivalent in another currency)*] [*Subject thereto, if Notes are to be issued which have denominations consisting of a minimum Specified Denomination and higher integral multiples of another smaller amount, the following sample wording should be used (as adjusted for the relevant Specified Currency and the actual Specified Denominations:* *[€]100,000 and integral multiples of [€]1,000 in excess thereof up to and including [€]199,000. Definitive Notes will not be issued in denominations in excess of [€]199,000.*]
	(ii)	Calculation Amount:	[ ]
6.	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	Issue Date/*Other*/Not Applicable
7.	Maturity Date:		[ ] [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year.*] [*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried*

			on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from Section 19 of the FSMA must be available.]
8.	Interest Basis:		[[ ] per cent. Fixed Rate] [[*specify reference rate*] +/- [ ] per cent. Floating Rate] [Zero Coupon] (*further particulars specified below*)
9.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at par/Instalment
10.	Change of Interest or Redemption/ Payment Basis:		Not Applicable/*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*
11.	Put/Call Option:		Not Applicable/Noteholder Put Option/Change of Control Put Option/Issuer Call Option
12.	(i)	Status of the Notes:	Senior
	(ii)	Date Board approval for issuance of Notes obtained:	[ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**		Applicable/Not Applicable (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[ ] in each year[, adjusted [for payment purposes only] in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/, not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[ ] per Calculation Amount
	(iv)	Broken Amount(s):	Not Applicable/[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]
	(v)	Day Count Fraction:	30/360 / Actual/Actual(ICMA) / Actual/Actual (ISDA) / Actual/365 / Actual/365(Fixed) / Actual/360 / 30E/360 / 30E/360(ISDA)
	[(vi)	Determination Dates:	[ ] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last*

			coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)).]
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable/*Give details*
14.	**Floating Rate Note Provisions**		Applicable/Not Applicable (*If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
	(i)	Specified Period/Interest Payment Dates:	[ ] (*Specified Period and Interest Payment Dates are alternatives. A Specified Period, rather than Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
	(ii)	Business Day Convention:	Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment
	(iii)	Additional Business Centre(s):	Not Applicable/*give details*
	(iv)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination / ISDA Determination / *Other (give details)*
	(v)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	Fiscal Agent/*Other*
	(vi)	Screen Rate Determination:	
		– Reference Rate:	[*For example, LIBOR or EURIBOR*]
		– Relevant Screen Page:	[*For example, Reuters LIBOR 01/EURIBOR 01*]
		– Interest Determination Date(s):	[ ]
		– Relevant Time:	[*For example, 11.00 a.m. London time/ Brussels time*]
		– Reference Banks:	[ ]
	(vii)	ISDA Determination:	
		– Floating Rate Option:	[ ]
		– Designated Maturity:	[ ]
		– Reset Date:	[ ]
	(viii)	Linear Interpolation	Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify*

			for each short or long interest period)
	(ix)	Margin(s):	[+/-] [ ] per cent. per annum
	(x)	Minimum Rate of Interest:	[ ] per cent. per annum
	(xi)	Maximum Rate of Interest:	[ ] per cent. per annum
	(xii)	Day Count Fraction:	[ ]
	(xiii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable/*Give details*
15.	**Zero Coupon Note Provisions**		Applicable/Not Applicable *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Accrual Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction:	30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 / Actual/365 (Fixed) / Actual/360 / 30E/360 / 30E/360 (ISDA)
	(iv)	Any other formula/basis of determining amount payable:	Not Applicable/*Give details*

PROVISIONS RELATING TO REDEMPTION

16.	**Call Option**		Applicable/Not Applicable (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s) (Call):	[ ]
	(ii)	Optional Redemption Amount(s) (Call) of each Note and/or method, if any, of calculation of such amount(s):	[ ] per Calculation Amount/[ ]
	[(iii)	Make Whole Redemption Price:	[Non-Sterling Make Whole Redemption Amount / Sterling Make Whole Redemption Amount/Not Applicable] (*If not applicable delete the remaining sub paragraphs(a) – (c) of this paragraph)*]
		[(a) Redemption Margin:	[ ] per cent.
		[(b) Reference Bond:	[ ]
		[(c) Quotation Time:	[ ]]
	(iv)	If redeemable in part:	

	(a)	Minimum Redemption Amount:	[ ] per Calculation Amount
	(b)	Maximum Redemption Amount:	[ ] per Calculation Amount
(v)		Notice period(s):	As set out in the Conditions/[ ]
17.	**Put Option**		Applicable/Change of Control Put Option applicable/Not Applicable (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)		Optional Redemption Date(s) ([Change of Control] Put):	[ ]
(ii)		Optional Redemption Amount(s) ([Change of Control] Put) and/or method, if any, of calculation of such amount(s):	[ ] per Calculation Amount/[ ]
(iii)		Notice period(s):	As set out in the Conditions/[ ]
18.	**Final Redemption Amount of each Note**		[ ] per Calculation Amount
19.	**Early Redemption Amount**		
		Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable/*Give details/Specify if different from the principal amount of the Notes*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20.	Form of Notes:	Bearer: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on [ ] days' notice or] in the limited circumstances specified in the Permanent Global Note][2] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice][3] [Permanent Global Note exchangeable for Definitive Notes [on [ ] days' notice or] in the limited circumstances specified in the Permanent Global Note][4]
21.	New Global Note:	[Yes][No]

[2] Note that the option to exchange at any time may not be used in circumstances where Notes are tradeable in denominations of €100,000 and higher integral multiples of €1,000 (or equivalents in another currency). In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes, such Notes may only be issued in denominations equal to, or greater than €100,000 and integral multiples thereof (or equivalents in another currency).

[3] As above

[4] As above

22.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not Applicable/*give details*. *Note that this item relates to the place of payment, and not interest period end dates, to which items 13(ii) and 14(i) relate*
23.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Yes/No. *If yes, give details*
24.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable/*Give details*
25.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable/*Give details*
26.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable/*Give details*
27.	Other final terms:	Not Applicable/*Give details*
28.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

SIGNATURE

Signed on behalf of **METSO CORPORATION**

By: .....
Duly authorised

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing:	Official List of the Luxembourg Stock Exchange/*Other*/None
(ii)	Admission to trading:	Not Applicable/Application has been made for the Notes to be admitted to trading on [the Luxembourg Stock Exchange/*other*] with effect from [ ] [The Original Notes are admitted to trading on [the Regulated Market of the Luxembourg Stock Exchange/*other*].] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
(iii)	Estimate of total expenses related to admission to trading:	[ ]

2. **RATINGS**

The Notes to be issued have not been rated./The Notes to be issued have been rated:

Standard & Poor's Credit Market Services Europe Limited:	[ ]

3. **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Except for the commissions payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Dealers/Managers] 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 [•]/Not Applicable]

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

(i)	Reasons for the offer:	The net proceeds of the issue of the Notes will be applied by the Issuer to meet part of its general financing requirements/*Other*.
(ii)	Estimated net proceeds:	[ ] *(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)*
(iii)	Estimated total expenses:	[ ] *[Include breakdown of expenses.]* *(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above*)

5. ***Fixed Rate Notes only*** **- YIELD**

[Not Applicable/Indication of yield:	[ ] per cent. [per annum/semi-annual]] The yield is calculated as of the Issue Date on a[n semi-]annual basis using the Issue Price. It is not an indication of future yield.

6. [**THIRD PARTY INFORMATION**

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

7. **DISTRIBUTION**

If syndicated:		Applicable/Not Applicable
(i)	Names and addresses and underwriting commitments of Managers:	Not Applicable/*Give names, addresses and underwriting commitments*
(ii)	Date of Subscription Agreement:	[ ]
(iii)	Stabilising Manager:	Not Applicable/*Give name*
If non-syndicated, name and address of Dealer:		Not Applicable/*Give name and address*
U.S. selling restrictions:		Regulation S Category 2
TEFRA:		[Not Applicable/The [C/D] Rules are applicable]
Total commission and concession:		[ ] per cent. of the Aggregate Nominal Amount
Additional selling restrictions:		Not Applicable/*Give details*

8. **OPERATIONAL INFORMATION**

ISIN Code:	[ ]
Common Code:	[ ]
[FISN:	[ ]]
[CFI Code:	[ ]]
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.]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable/*Give details*
Delivery:	Delivery [against/free of] payment
Name(s) and address(es) of any additional Paying Agents:	Not Applicable/*Give details*

OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

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.

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.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the specified office of the Fiscal Agent within 7 days of the bearer requesting such exchange.

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

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global

Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated April 5, 2018 (the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, 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 Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

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

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

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

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, 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 Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

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 an overview 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 at the specified office 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, 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 options contained in Condition 9(e) (*Redemption at the option of Noteholders*) or Condition 9(f) (*Change of Control Put Option*) the bearer of the 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 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the 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. In such event, the partial redemption will be effected in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

Notices: Notwithstanding Condition 18 (*Notices*), while all the Notes are represented by a Permanent Global Note and/or a Temporary Global Note and the Permanent Global Note is and/or the Temporary Global Note is/are deposited with a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, 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 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. So long as such Notes are listed on the Luxembourg Stock Exchange, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

METSO CORPORATION

Introduction

Metso is a global industrial company offering equipment and services for the sustainable processing and flow of natural resources in the mining, aggregates, recycling and process industries. In 2017, Metso had total net sales of €2,706 million and an operating profit of €218 million. As of December 31, 2017, the Group's total assets amounted to €3,287 million and it had 12,037 employees worldwide.

Metso is a public limited liability company incorporated in the Republic of Finland and it operates under Finnish law. Metso is registered with the Finnish Trade Registry under the business identity code 1538032-5. Metso's registered office is located at Töölönlahdenkatu 2, P.O. Box 1220, FI-00100 Helsinki, Finland; telephone +358-20-484-100.

History

Metso was incorporated on August 24, 1999, and created as the result of the merger of Valmet Corporation and Rauma Corporation. Valmet Corporation at that time was a paper and board machine supplier, while Rauma Corporation's operations were focused on fiber technology, rock crushing and flow control solutions. The merger produced an equipment supplier serving the global process industry. Soon after the merger, in September 2001, Metso acquired Svedala Industri AB ("**Svedala**"), a global supplier of products and services for the rock and mineral processing industry based in Sweden.

In 2013, Metso decided to split the company into two listed, independent entities: Metso Corporation and Valmet Corporation. Valmet comprised the Pulp, Paper and Power business serving the pulp, paper and power industries while Metso focuses on supplying technology and services for the mining, aggregates, oil and gas, pulp and other process industries.

Legal Structure

Metso Corporation is the parent company of the Metso Group. For a description of Metso's subsidiaries, see Note 29 to Metso's consolidated financial statements for the year ended December 31, 2017 incorporated by reference into this Base Prospectus.

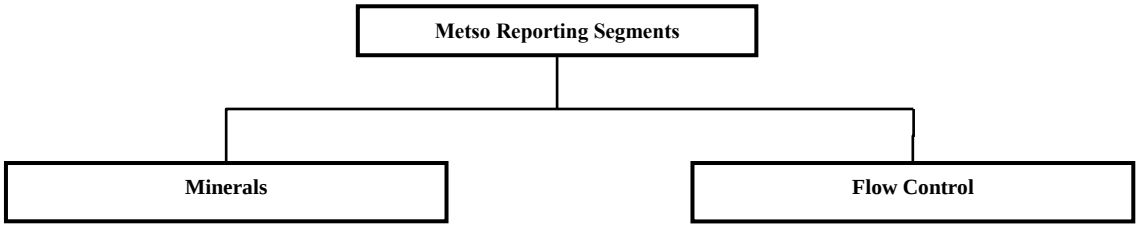
Corporate Structure

As of January 1, 2018 Metso consists of seven business areas: Mining Equipment, Aggregates Equipment, Minerals Services, Minerals Consumables, Recycling, Valves and Pumps.

- ***Mining Equipment*** provides comminution, processing and material handling products and systems for the mining industry.
- ***Aggregates Equipment*** provides crushing and screening products and related systems for the aggregates industry.
- ***Minerals Services*** provides services for minerals processing for both the mining and the aggregates industries. It provides expertise in life cycle services, maintenance, refurbishments, field services and repairs, rebuilds and upgrades.
- ***Minerals Consumables*** provides consumables, spares, wear parts and their replacements for mining and aggregates customers.
- ***Recycling*** provides equipment and services for mechanical treatment of metal scrap and solid waste. Its customers include the automotive industry, scrap yards, steel mills, waste handlers, plant builders and the cement industry.
- ***Valves*** focuses on providing valves and related services for process industries.
- ***Pumps*** serves mines and minerals processing plants, engineering houses, the energy and metal industries, quarries, and other selected slurry application customers. It offers a wide range of slurry applications with pumps, slurry hoses and slurry valves.

Prior to January 1, 2018, Metso consisted of three business areas: Minerals Capital, Minerals Services and Flow Control.

Metso's external reporting structure consists of two segments which are Minerals and Flow Control. The Minerals segment includes the mining, aggregates and recycling businesses and Flow Control includes the valves and pumps businesses. The Minerals Services and Minerals Consumables business areas are reported as one entity in the Minerals segment information. Metso's reporting segments were not affected by the changes in Metso's business areas implemented as of January 1, 2018.



Results of Operations

The table below sets forth Metso's net sales by reporting segment for the two most recent years:

	For the year ended December 31,	
	2016	2017
	(audited)	
	(€ in millions)	
Minerals	1,956	2,070
Flow Control	631	636
Group Head Office and other	–	–
Intra Metso net sales	(1)	0
Metso total	2,586	2,706

The table below sets forth Metso's operating profit by reporting segment for the two most recent years:

	For the year ended December 31,	
	2016	2017
	(audited)	
	(€ in millions)	
Minerals	148.0	153.4
Flow Control	90.4	90.8
Group Head Office and other	(11.4)	(25.7)
Metso total	227.1	218.4

Ratings

Metso aims to maintain a solid investment grade credit rating. On March 27, 2018, Standard & Poor's affirmed Metso's existing BBB long-term credit rating, A-2 short-term corporate credit rating and the outlook of these ratings as stable. None of Metso's loans have covenants that could trigger a premature repayment on the basis of changes in credit ratings however, in certain of its debt facilities, reduction of credit ratings will result in certain financial covenants becoming applicable. Some of Metso's debt facilities include financial covenants related to capital structure and, currently, Metso's management considers its flexibility in relation to these covenants to be adequate.

Vision and Strategy

Metso's vision is to be the best choice for sustainable processing and flow of natural resources. Metso strives for profitable growth with strong returns ensuring value creation for its customers and shareholders.

Metso's strategy is to be the leading technology and services provider for end-to-end minerals processing and a leading flow control provider with offerings for the oil and gas, mining and process industries.

Metso's emphasis is on the services and product businesses and it aims to balance the share of system deliveries to optimize the profitability and risk level of its business portfolio.

Metso's management believes that Metso has a strong global market position in its core customer industries, which offer attractive long-term growth opportunities.

The implementation of the strategy is based on the following five fundamentals that guide daily actions:

- ***Customer centricity: Know your customers and be there to serve them.*** Metso's company structure supports the decision making close to its customers and it operates seamlessly together to create value for them. Metso innovates and develops technologies to address future needs.

- ***Service leadership: Presence and solutions for the whole lifecycle.*** Metso is an expert in maintaining and improving the whole lifecycle of its customers' processes. Metso operates close to its customers globally to always serve them locally.

- ***Innovation: Secure sustaining differentiation with winning innovations.*** Metso innovates new products and solutions and further develops its existing product portfolio. Digitalization reshapes the way Metso does business and offers Metso new ways to serve its customers.

- ***Operational excellence: Drive excellence in processes, quality and safety.*** Metso continuously develops its ways to operate and its processes throughout the entire supply chain.

- ***People and leadership: The best and most motivated team bringing the best results.*** Maintaining and developing strong performance culture promotes the best results for Metso's customers. Competent people with the right capabilities and having an open internal job market are key factors for Metso's success.

Share Capital and Shares

On December 31, 2017, the Issuer's fully paid share capital was €140,982,843.80 and it was divided into 150,348,256 shares. The Issuer has one class of shares with equal rights for voting and dividends.

The Issuer's shares are listed on Nasdaq Helsinki Ltd. The Issuer's shares are also traded as American Depositary Shares ("**ADS**") in the United States on the International OTCQX marketplace. Four of the Issuer's ADS represent one share in the Issuer. The Bank of New York Mellon acts as the depository for the Issuer's ADS.

Authorizations for Board of Directors

Authorization for the Board of Directors to Decide on the Repurchase of the Issuer's Own Shares

On March 22, 2018, the Annual General Meeting of shareholders authorized the Issuer's Board of Directors to decide on the repurchase of the Issuer's own shares up to a maximum of 10,000,000 shares. The Issuer's own shares may be repurchased other than in proportion to the shareholdings of the shareholders (*i.e.*, directed repurchase) using the non-restricted equity and may be acquired through public trading on the Nasdaq Helsinki Ltd, at the share price formed in public trading on the date of the repurchase or otherwise at a price determined by the market. Such shares may be repurchased in order to develop the capital structure of the Issuer; in order to finance or carry out future acquisitions, investments or other business transactions; or as a part of the Group's incentive scheme. Any of the Issuer's own shares so acquired may be held by it, cancelled or transferred further. The Issuer's Board of Directors shall decide on all other matters related to any repurchase of the Issuer's own shares. The authorization is valid until June 30, 2019 and it revoked the repurchase authorization given by the Annual General Meeting of shareholders on March 23, 2017.

Authorization for the Board of Directors to Decide on the Issuance of Shares and the Issuance of Special Rights Entitling to Shares

On March 22, 2018, the Annual General Meeting of shareholders authorized the Issuer's Board of Directors to decide on a share issue of a maximum of 15,000,000 new shares in the Issuer and a transfer of a maximum of 10,000,000 own shares. The new shares may be issued and the treasury shares may be transferred either against payment or without payment.

In addition, the Issuer's Board of Directors is authorized to grant special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive, against payment, new shares in the Issuer or treasury shares of the Issuer, in such a manner that the subscription price is paid by using the subscriber's receivables to offset the subscription price (*i.e.*, a convertible bond). The number of shares which may be issued or transferred based on the special rights shall not exceed 15,000,000 shares and this number shall be included in the maximum numbers of shares noted in the previous paragraph.

The Board of Directors may also decide on a share issue without payment to the Issuer itself. The number of shares to be issued to the Issuer shall not exceed 10,000,000 shares, including the number of own shares acquired by the Issuer by virtue of the authorization to repurchase the Issuer's own shares described under "*—Authorization for the Board of Directors to Decide on the Repurchase of the Issuer's Own Shares*" above.

The new shares and the special rights referred to in Chapter 10 Section 1 of the Finnish Companies Act may be issued and the treasury shares may be transferred to the shareholders in proportion to their current shareholdings in the Issuer. The new shares and the special rights referred to in Chapter 10 Section 1 of the Finnish Companies Act may also be issued and the Issuer's own shares transferred in deviation from the shareholders' pre-emptive rights by way of a directed issue if there is a weighty financial reason for the Issuer to do so. The deviation from the shareholders' pre-emptive rights may be carried out for example in order to develop the Issuer's capital structure, in order to finance or carry out acquisitions, investments or other business transactions, or in order to use the shares for an incentive scheme. A directed share issue may be executed without payment only if there is an especially weighty financial reason for the Issuer to do so, taking the interests of all shareholders into account. The Board of Directors decides on all other matters related to the issuance of shares and special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act.

The authorization is in force until June 30, 2020 and it revoked the corresponding authorization given by the Annual General Meeting of shareholders on March 21, 2016.

Share-based Incentive Plans

The Board of Directors decides on and implements Metso's share-based incentive plans, which are part of the remuneration program for Metso's management. The purpose of the plans is to align the goals of the Issuer's shareholders and management to enhance the value of the Group. The plans also aim to ensure commitment of management and to offer them a competitive, ownership-based reward scheme.

Any shares to be potentially rewarded are acquired through public trading, and therefore the incentive plans will have no diluting effect on the share value. The share repurchases and share issue authorizations are obtained from the Annual General Meeting. There are no options outstanding or available from any of Metso's prior option programs.

Metso has a share ownership recommendation policy for the members of Metso's Executive Team (the "**Executive Team**"). In accordance with this policy, at least 50 per cent. of the share rewards (net shares after deduction of the applicable payroll tax) received by these individuals under the Performance Share Plans must be retained until the share ownership of the individual participant amounts to his/her annual gross base salary.

Long-term Incentive Plan 2012–2014

In December 2011, the Board of Directors decided to establish a share-based incentive plan that had three performance periods: calendar years 2012, 2013 and 2014. For each performance period, the performance criteria and participants were subject to a separate decision by the Board of Directors.

All performance periods and related two-year vesting periods have been completed. A total of 95,270 treasury shares were used to pay rewards to 56 participants in March 2015, and no shares were delivered in 2016 as the targets set for the 2013 performance period were not met. In 2017, a total of 12,590 treasury shares were used to pay rewards to 49 participants from the 2014 plan. The rewards were paid partly in shares in the Issuer and partly in cash. The proportion paid in cash was intended to cover taxes and tax-related costs arising from the reward to the participants.

Long-term Incentive Plan 2015 Onwards

In December 2014, the Board of Directors decided on a new long-term share-based incentive plan for the Group's senior management and key employees, with a performance share plan ("**PSP**") as the main structure. In addition, the Board of Directors decided to establish a restricted share plan ("**RSP**") as a complementary share-based incentive structure for specific situations. The commencement of each new PSP and RSP plan, and earning criteria for each new PSP plan will be subject to separate decisions by the Board of Directors. The PSP consists of annually commencing performance share plans, each with a three-year earning period, and the complementary RSP consists of annually commencing restricted share plans, each with a three-year vesting period.

The possible rewards will be paid partly in shares in the Issuer and partly in cash. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward to the participants. If a participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from either of these plans.

PSP 2015–2017 and RSP

The earning criteria for the PSP 2015–2017 and the potential reward are based on the total shareholder return (TSR) of the Issuer's share during 2015–2017. At the end of 2017, there were 79 participants in the plan and the potential reward corresponded to a maximum of 286,210 shares in the Issuer, out of which the current Executive Team can receive a maximum reward of 16,600 shares. The potential reward will be paid in 2018.

There were no nominations made for the RSP in 2015.

PSP 2016–2018 and RSP

In December 2015, the Board of Directors decided to continue the long-term incentive plans. Both the earning criteria for the PSP 2016–2018 and the potential reward are based on the total shareholder return (TSR) of the Issuer's share during 2016–2018. At the end of 2017, there were 86 participants in the plan and the potential reward corresponded to a maximum of 376,000 shares in the Issuer, out of which the current Executive Team can receive a maximum reward of 51,800 shares. The potential reward will be paid in 2019.

There were no nominations made for the RSP in 2016.

PSP 2017–2019 and RSP 2017

In December 2016, the Board of Directors decided to continue the long-term incentive plans. The potential share reward payable under the PSP 2017–2019 is based on the total shareholder return (TSR) of the Issuer's share during 2017–2019. At the end of 2017, there were 95 participants in the plan and the potential reward corresponded to a maximum of 395,800 shares in the Issuer, out of which the current Executive Team can receive a maximum reward of 110,000 shares. The potential reward will be paid in 2020.

At the end of 2017, there were five participants in the RSP plan and the potential reward corresponded to a maximum of 15,900 shares in the Issuer, out of which the current Executive Team can receive a maximum reward of 12,500 shares. The potential reward will be paid in 2020.

PSP 2018–2020 and RSP 2018–2020

In December 2017, the Board of Directors decided to continue the long-term incentive plans. The potential share reward payable under the PSP 2018–2020 is based on the total shareholder return (TSR) of the Issuer's share during 2018–2020. The plan includes 11 executives belonging to Metso's top management and will comprise a maximum of 160,000 reward shares (gross before the deduction of applicable payroll tax).

According to the Board of Directors' decision, the maximum number of shares that may be allocated and delivered within the RSP 2018–2020 totals 50,000 shares (gross before deduction of the applicable payroll tax).

Any potential rewards from PSP 2018–2020 and RSP 2018–2020 will be paid in 2021.

Deferred Share Unit Plan

In December 2017, the Board of Directors decided to establish a new long-term performance and share value-based incentive plan (the "**Deferred Share Unit Plan**") for Metso's management. Employees selected as eligible to participate in the PSP may not participate in the Deferred Share Unit Plan during the same year. The Deferred Share Unit Plan consists of annually commencing performance share plans, each with a three-year earning period. The commencement of and earning criteria for each new Deferred Share Unit Plan will be subject to separate decisions by the Board of Directors. The Deferred Share Unit Plan rewards its participants for individual and company level performance during a one-year performance period; however, the final value of the potential reward will depend on the Issuer's share price development during a two-year share price performance period.

The possible reward will be paid in cash. If a participant's employment or service ends for reasons relating to the participant before the reward payment, no reward will be paid from the Deferred Share Unit Plan.

Deferred Share Unit Plan 2018–2020

In December 2017, the Board of Directors decided on the Deferred Share Unit Plan 2018–2020, which commenced at the beginning of 2018 and may include approximately 120 participants. The maximum amount of rewards payable based on the Deferred Share Unit Plan 2018–2020, based on the average price of the Issuer's share on December 13, 2017, is approximately €9 million (gross before the deduction of applicable payroll tax). The final value of the Deferred Share Unit Plan 2018–2020 will depend both on the achievement of the performance targets set by the Board of Directors for 2018 and the development of the Issuer's share price during 2019–2020. Any potential rewards from the Deferred Share Unit Plan 2018–2020 will be paid in 2021.

Management

Pursuant to the Finnish Companies Act and Metso's Articles of Association, Metso's control and management is divided among its shareholders, Board of Directors, and President and Chief Executive Officer. In addition, the Executive Team assists Metso's President and Chief Executive Officer in the day-to-day management of Metso. Shareholders can contact Metso's management and Board of Directors through Metso's Investor Relations Department.

Shareholders' Nomination Board

On March 28, 2013, the Annual General Meeting of shareholders resolved to establish a permanent Nomination Board, the members of which preparing proposals for the following Annual General Meeting of shareholders shall include the representatives of the four largest shareholders as at September 1, along with the Chairman of the Board of Directors as an expert member.

On September 7, 2017, the Issuer's four largest shareholders announced the following representatives for the Nomination Board: Niko Pakalén (Master of Science in Economics, born 1986), Partner at Cevian Capital AB; Eija Ailasmaa, (Master of Science in Political Science, born 1950), Vice Chair of the Board of Directors of Solidium Oy; Risto Murto (Doctor of Science in Economics, born 1963), President and CEO of Varma Mutual Pension Insurance Company; and Mikko Mursula (Master of Arts in Economics, born 1966), Chief Investment Officer of Ilmarinen Mutual Pension Insurance Company. The Nomination Board elected Niko Pakalén as its Chairman. Mikael Lilius, Chairman of the Board of Directors, serves as its expert member.

The Shareholders' Nomination Board comprises representatives nominated by the four largest shareholders of the Issuer and the Chairman of the Board of Directors. The right to nominate representatives is vested with the four shareholders of the Issuer having the largest share of the votes represented by all the shares in the Issuer annually on September 1 based on the Issuer's shareholders' register held by Euroclear Finland Ltd. However, if a shareholder who has distributed its holdings (*e.g.*, into several funds) and has an obligation under the Finnish Securities Markets Act to take these holdings into account when disclosing changes in share of ownership makes a written request to such effect to the Chairman of the Board of Directors no later than on August 31, such shareholder's holdings in several funds or registers will be combined when calculating the share of votes which determines the nomination

right. Should a shareholder not wish to exercise its nomination right, the right shall be transferred to the next largest shareholder who otherwise would not be entitled to nominate a member.

The Chairman of the Board of Directors convenes the first meeting of the Shareholders' Nomination Board, which elects its Chairman from among its members. The Shareholders' Nomination Board shall give its proposal to the Board of Directors annually no later than January 31 preceding the next Annual General Meeting of shareholders. The term of office of the members of the Shareholders' Nomination Board expires annually after the new Shareholders' Nomination Board has been appointed.

Board of Directors

The Issuer's Board of Directors and President and Chief Executive Officer are responsible for the management of Metso. Other executives have an assisting and supporting role. The Issuer's Board of Directors seeks to ensure that good corporate governance practice is applied within Metso. The Issuer's Board of Directors is composed of at least five and no more than eight members. The Issuer's Board of Directors currently consists of eight members, each of whom was elected by the shareholders at the Annual General Meeting of the Issuer's shareholders held on March 22, 2018, for a term ending at the following Annual General Meeting of shareholders. The members of the Board of Directors may be appointed or removed only by a shareholders' resolution at a General Meeting of shareholders.

The following table lists the names of the members of the Issuer's current Board of Directors, possible principal occupation and their year of birth.

Name	Position	Year of Birth
Mikael Lilius	Chairman of the Board of Directors	1949
Christer Gardell	Vice Chairman of the Board of Directors	1960
Ozey K. Horton, Jr.	Director	1951
Lars Josefsson	Director	1953
Nina Kopola	Director	1960
Peter Carlsson	Director	1970
Arja Talma	Director	1962
Antti Mäkinen	Director	1961

Mikael Lilius has been a member of the Issuer's Board of Directors and the Chairman since 2013. He is also the Chairman of the Board's Remuneration and HR Committee. Presently, he also serves as the Chairman of the Boards of Directors of Wärtsilä Oy Abp and Ahlström Capital Oy. He is also a member of the Board of Directors of Evli Pankki Oyj and a member of the Supervisory Board of Ab Kelonia Oy. He was the Chairman of the Boards of Directors of Mehiläinen Oy in 2011–2015, Huhtamäki Oyj in 2005–2013, East Office of Finnish Industries in 2009–2012 and Sanitec Oy in 2005–2008. Mr. Lilius was the Deputy Chairman of the Boards of Directors of Aker Solutions ASA in 2009–2013 and Sanitec Oy in 2008–2009. Mr. Lilius was the President and CEO of Fortum Oyj in 2000–2009, the President and CEO of Gambro AB in 1998–2000, the President and CEO of Incentive AB in 1991–1998, the President and CEO of KF Industri AB in 1989–1991 and worked in various management positions in Huhtamäki Oyj in 1981–1989, including as the President of the Packing Division of Huhtamäki Oyj in 1986–1989. Mr. Lilius holds a Bachelor of Sciences degree in Economics. He is a Finnish citizen.

Christer Gardell has been the Vice Chairman of the Issuer's Board of Directors since 2013 and a member of the Board of Directors since 2006. He is a member of the Board's Remuneration and HR Committee. Mr. Gardell is a member of the Board of Directors of Vesuvius PLC. He co-founded Cevian Capital, a Swedish asset management company, in 2002 and has since worked as a Managing Partner in Cevian Capital. Mr. Gardell was a member and the Chairman of the Board of Directors of Lindex AB in 2004–2007, and a member of the Boards of Directors of Cookson Group in 2012, Tieto Corporation in 2010–2012 and Skandia AB in 2005–2006. In 1996–2001, Mr. Gardell was the Chief Executive Officer of AB Custos, the Swedish investment company. Previously, he was a Partner at Nordic Capital and McKinsey & Company. Mr. Gardell holds a Master of Science degree in Business Administration and Economics. He is a Swedish citizen.

Ozey K. Horton, Jr. has been a member of the Issuer's Board of Directors since 2011. He is working as an independent advisor and is a member of the Boards of Directors of Louisiana-Pacific Corporation (U.S.), The Dabbagh Group Holding Co. Ltd, Worthington Industries (U.S.), Spoleto Festival (U.S.), Gaillard

Performance Hall Campaign Cabinet (U.S.) and Medical University of South Carolina (MUSC) Hollings Cancer Center. Mr. Horton retired from McKinsey & Company, a management consulting firm, at the end of February 2011, where he held a variety of positions since 1981 ultimately serving as a Partner and as a Director in the Atlanta office of McKinsey & Company. Mr. Horton also led several practices within McKinsey & Company, most recently as a leader of the global operations practice within the energy and materials sector. In 1978–1981, Mr. Horton worked at Cummins Engine Company serving as Line Manufacturing Manager. In 1977–1978, Mr. Horton worked at Sonoco Products Company serving as Corporate Development Staff and in 1973–1975 he worked at the JE Sirrine Company as a Project Engineer. Mr. Horton holds a BSE in Civil and Environmental Engineering from Duke University and an MBA from Harvard Business School. He is a U.S. citizen.

Lars Josefsson has been a member of the Issuer's Board of Directors since 2013. He is also a member of the Board's Remuneration and HR Committee. Presently, Mr. Josefsson works as an independent consultant. He is also the Chairman of the Boards of Directors of Ouman Ltd, TimeZynk AB, and Driconeq AB, the Vice Chairman of the Board of Directors of Vestas Wind Systems A/S and a member of the Board of Directors of Holmen AB. Mr. Josefsson was the Interim President and CEO of Micronic Mydata AB in 2012–2013, the Interim President and CEO of Alimak Hek AB in 2012, the President of Sandvik Mining and Construction business area of the Sandvik Group in 2003–2011, the President of Siemens Industrial Turbines AB in 2003 and the President of ALSTOM Power Sweden AB in 1998–2003. Mr. Josefsson holds a Master of Science degree in Engineering Physics. He is a Swedish citizen.

Nina Kopola has been a member of the Issuer's Board of Directors since 2013. She is also a member of the Board's Audit Committee. Ms. Kopola is the President and CEO of Suominen Corporation. She is also a member of the Board of Directors of Finnish Textile and Fashion and a member of the Supervisory Board of Ilmarinen Mutual Pension Insurance Company. In 2011–2015, she was a member of the Board of Directors of Konecranes Plc and in 2011–2014, a member of the Boards of Directors of the Chemical Industry Federation of Finland and the Finnish Plastic Industry Federation. Ms. Kopola was the Executive Vice President of Dynea Europe of Dynea Oy in 2008–2011, the Executive Vice President of Global Market Applications of Dynea Oy in 2006–2008, the Group Vice President of Marketing of Dynea Oy in 2005–2006 and held various management positions in Marketing, Controlling and Business Analysis at Dynea Oy in 2000–2005. Ms. Kopola holds a Master of Science degree in Chemical Engineering and she is a Technology Licentiate. She is a Finnish citizen.

Peter Carlsson has been a member of the Issuer's Board of Directors since 2016.He has been the CEO of Northvolt since December 2016 and is an angel investor, advisor and entrepreneur. He is a member of the Boards of Directors of Gränges AB, Loudspring Plc, Ketra Lightning, US, and Orbital Systems AB. He is the Executive Advisor to Elementum, US, and Oden Technologies. Mr. Carlsson was the Vice President, Supply Chain of Tesla Motors in 2011–2015 in California, the United States. In 2008–2011, he worked for NXP Semiconductors in Singapore as Senior Vice President & Chief Procurement Officer. Mr. Carlsson was the Chief Procurement Officer of Sony Ericsson in 2004–2007, and worked in various management positions for Sony Ericsson in Sweden and in the United States in 1995–2004. In 1994–1995, he worked as quality manager at Kami AB and in 1993–1994 he worked as research engineer at Luleå Technical University. Mr. Carlsson holds a Master of Science degree in Economics, Production & Quality Control. He is a Swedish citizen.

Arja Talma has been a member of the Issuer's Board of Directors since 2016. She is also the Chairman of the Board's Audit Committee. Ms. Talma is the Chairman of the Board of Directors of Serena Properties AB and a member of the Boards of Directors of Aktia Bank Plc, Posti Group Corporation and Mehiläinen Oy. Ms. Talma was the Senior Vice President, Store Sites and Investments of Kesko Corporation in 2013–2015, the President of Rautakesko Ltd in 2011–2013, the Senior Vice President, Chief Financial Officer in 2005–2011 and the Vice President, Corporate Controller in 2004–2005 of Kesko Corporation, the Executive Vice President of Oy Radiolinja Ab in 2001–2003 and held various audit and risk management positions in KPMG Wideri Oy AB in 1987–2001. Ms. Talma holds a Master of Science degree in Finance and an eMBA degree. She is a Finnish citizen.

Antti Mäkinen has been a member of the Issuer's Board of Directors since 2018. He is also a member of the Board's Audit Committee. He is the Managing Director of Solidium Oy and a member of the Board of Directors of Rake Oy. Mr. Mäkinen held various managing director positions in Nordea's Investment Banking operations in 2010–2017 and was the Managing Director of eQ Plc in 2005–2009. In 1996–2005, Mr. Mäkinen headed the activities of SEB Enskilda Securities, Corporate Finance operations in

Finland and, in 1985–1996, he was an Attorney and Partner at Hannes Snellman Attorneys Ltd. Mr. Mäkinen holds a Master of Laws degree. He is a Finnish citizen.

Pursuant to the Finnish Act on Personnel Representation in the Administration of Undertakings (725/1990, as amended), a personnel representative participates in the meetings of the Issuer's Board of Directors as an invited expert. The representative does not have voting rights, nor is she or he legally responsible for the decisions of the Board of Directors. The representative is elected by Metso's Finnish personnel groups and she or he shall participate to the meetings of the Board of Directors for the same term as that of the members of the Board of Directors have been elected. The current personnel representative in the Board of Directors is Raimo Brand, born 1965. Mr. Brand has been employed by Metso since 2001 and works as a project manager in Metso Minerals Oy. He is a Finnish citizen.

The business address for the Issuer's Board of Directors is Töölönlahdenkatu 2, P.O. Box 1220, FI-00101 Helsinki, Finland.

Chief Executive Officer and the Executive Team

The Issuer's Board of Directors appoints Metso's President and Chief Executive Officer, who is in charge of the management of Metso's businesses in accordance with the provisions of the Finnish Companies Act and the instructions given by the Board of Directors.

The President and Chief Executive Officer reports to the Board of Directors and keeps it sufficiently informed about Metso's business environment, such as customers, competition and markets, as well as Metso's financial position and other significant matters. The President and Chief Executive Officer prepares the matters on the agenda of the Board of Directors and its committees and implements the decisions made by the Board of Directors and its committees, unless decided otherwise on a case-specific basis by the Board of Directors. The President and Chief Executive Officer also guides and supervises the operations of Metso and its reporting segments. The President and Chief Executive Officer also acts as the chairman for the Executive Team and the Boards of Directors of the reporting segments. The President and Chief Executive Officer and other members designated by the Board of Directors form the Executive Team. The Executive Team assists the President and Chief Executive Officer in the preparation of matters such as Metso's business plans, strategy, policies and other matters of joint importance within the Group's reporting segments and the Group. The Executive Team will convene when called by the President and Chief Executive Officer.

The following table lists the names of the current members of Metso's Executive Team, their current responsibilities within Metso and their year of birth:

Name	Position	Year of Birth
Eeva Sipilä	Interim President and Chief Executive Officer, Chief Financial Officer	1973
Victor Tapia	President, Mining Equipment	1966
Markku Simula	President, Aggregates Equipment	1966
Mikko Keto	President, Minerals Services	1967
Sami Takaluoma	President, Minerals Consumables	1973
Uffe Hansen	Senior Vice President, Recycling	1969
John Quinlivan	President, Valves and Pumps	1961
Merja Kamppari	Senior Vice President, Human Resources	1958
Jani Puroranta	Chief Digital Officer	1974

Eeva Sipilä has been Metso's interim President and CEO since February 2018 and the Chief Financial Officer since August 2016. Ms. Sipilä served as Deputy to the CEO in 2017–2018 and as a member of Metso's Board of Directors in 2012–2016. She has been a member of the Board of Directors and Audit Committee of Outokumpu Corporation since 2017. Ms. Sipilä was a member of the Board of Directors Basware Oyj in 2010–2013. She served as the Chief Financial Officer of Cargotec Corporation in 2008–2016 and Senior Vice President, Investor Relations and Communications in 2005–2008. In 2002–2005, Ms. Sipilä worked for Metso Corporation as Vice President, Investor Relations. Before Metso, Ms. Sipilä worked as an equity analyst at Mandatum Stockbrokers, Sampo-Leonia and Leonia Bank in 1999–2002. In 1997–1998, she worked as an associate consultant at Arkwright AB in Sweden. Ms. Sipilä holds a

Master of Sciences degree in Economics, and a CEFA from Svenska Handelshögskolan. She is a Finnish citizen.

Victor Tapia has been the President of Metso's Mining Equipment business area since January 2018. Previously, Mr. Tapia was the President of Metso's Minerals Capital business area between June and December 2017. In 2013–2016, Mr. Tapia was the President of the Atlas Copco Surface and Exploration Drilling Division, and in 2011–2013 the President of the Atlas Copco Geotechnical and Exploration Division. In 2007–2011, he was the General Manager of Atlas Copco Mining and Construction in Mexico, and in 2005–2007 the Business Development Manager at Atlas Copco Mining and Construction in Argentina. In 1994–2005 Mr. Tapia has held various management positions at Atlas Copco Mining and Construction. Mr. Tapia holds an MBA and a Bachelor's degree in Geology, Engineering Geologist. He is a Peruvian citizen.

Markku Simula has been the President of Metso's Aggregates Equipment business area since January 2018. Previously, Mr. Simula worked as the Senior Vice President of Metso's Aggregates business line and was a member of the Minerals Capital business area management team in 2016–2017. In 2014–2015, he was a member of Metso's Flow Control management team as the Senior Vice President of the Oil and Gas business line. In 2008–2014, Mr. Simula was a member of the Automation management team and served as the President of Metso's Flow Control business. In 1991–2008, he held various managerial positions based in Finland, USA and France at Metso Automation, Neles Automation, Neles Controls and Neles-Jamesbury. Mr. Simula holds a Master of Science degree in Engineering. He is a Finnish citizen.

Mikko Keto has been the President of Metso's Minerals Services business area since January 2018. Previously, Mr. Keto worked as the Senior Vice President of Metso's Spare Parts business line in 2016–2017, and as the Senior Vice President of Metso's Performance Services business line in 2014–2015. In 2012–2013, he was the President of Metso Automation Services, and in 2010–2011 the Vice President of Flow Control Services. In 2008–2009, Mr. Keto was Head of Sales for the Maintenance business unit at KONE Corporation, and in 1994–2007, he held various management and sales positions at Nokia Networks in multiple countries. Mr. Keto holds a Master of Science degree in Economics. He is a Finnish citizen.

Sami Takaluoma has been the President of Metso's Mineral Consumables business area since January 2018. Previously, Mr. Takaluoma worked as the Vice President of the Nordics market area in 2014–2017, and as the General Manager of the UK & Ireland market area in 2010–2014. In 2003–2010, he held several managerial positions in Metso's Wears business lines. Mr. Takaluoma holds a Master of Science degree in Engineering. He is a Finnish citizen.

Uffe Hansen has been the President of Metso's Recycling business area since January 2018. Previously, Mr. Hansen was the Senior Vice President for Metso's Recycling business line in 2016–2017, and the Chief Commercial Officer of Triax A/S in 2013–2016. In 2011–2013, Mr. Hansen was the Vice President of Global Sales and Service in Metso Recycling, and in 1996–2011, he held several management positions in Stibo Group. Mr. Hansen holds a Master of Science degree in Economics. He is a Danish citizen.

John Quinlivan has been the President of Metso's Valves and Pumps business areas since January 2018. Previously, Mr. Quinlivan was the President of Metso's Flow Control business area and a member of Metso's Executive Team in 2015–2017, and the Senior Vice President of Global Operations in Flow Control and Automation in 2012–2015. In 2004–2012, Mr. Quinlivan was the President of Metso Automation in North America, and in 1998–2003, the President of Metso Field Systems in North America. Mr. Quinlivan holds a Bachelor of Science degree in Mechanical Engineering. He is a U.S. citizen.

Merja Kamppari has been the Senior Vice President of Human Resources of Metso since July 2009 and a member of the Executive Team since March 1, 2011. Ms. Kamppari was the Head of Operational Excellence, HR and Head of Global HR of Nokia Siemens Networks in 2007–2009. Prior to that, she held various senior HR management positions at Nokia Networks in 1994–2007, including Vice President, Human resources in 2005–2007, Director, Business HR, in 2000–2005, Director HR, Asia Pacific, in 1998–2000 and Head of HR, Customer Services, in 1994–1998. In 1989–1994, Ms. Kamppari was an HR specialist at Scansped Oy and in 1984–1989 she was a Personnel Negotiator at Eilakaisla Oy. Ms. Kamppari holds a Master of Science degree in Economics. She is a Finnish citizen.

Jani Puroranta has been Metso's Chief Digital Officer since August 2016. In 2014–2016, Mr. Puroranta worked as the Director for R&D and Product Strategy at Bilot Consulting Oy. He worked as the Managing Director and CEO of Alekstra Ltd in 2011–2013. Previously, Mr. Puroranta held various management positions at Wulff Group Plc in 2008–2011, including most recently, Managing Director of Wulff Oy. Mr. Puroranta also worked at McKinsey & Company in 2006–2007, as well as in the financial industry in 1998–2004 in various positions at the Helsinki Stock Exchange, Privanet and OMX Exchanges. Mr. Puroranta holds a Master of Science degree in Economics and an MBA degree (INSEAD). He is a Finnish citizen.

The business address for Metso's executive management is Töölönlahdenkatu 2, P.O. Box 1220, FI-00101 Helsinki, Finland.

Conflicts of Interest

There are no potential conflicts of interest between any duties of the members of the administrative, management or supervisory bodies of Metso towards Metso and their private interests and/or other duties.

MAJOR SHAREHOLDERS

When the Issuer was established in 1999, the Finnish State owned 11.1 per cent. of the Issuer's total shares and votes. On December 11, 2008, the Finnish State transferred all of its shares in the Issuer to Solidium, a company that is fully owned by the Finnish State. Neither Solidium nor any other shareholder has any special voting rights.

The following table sets forth the number and percentage of shares in the Issuer owned by the Issuer's three largest shareholders as well as the members of the Board of Directors and their interested parties as at March 31, 2018:

Title of Class	Identity of Person or Group	Number of Shares	Percentage
Shares	Solidium Oy	22,374,869	14.9
Shares	Cevian Capital Partners Ltd.	20,813,714	13.8
Shares	BlackRock Inc.	7,553,532[(1)(2)]	5.0[(1)(2)]
Shares	Members of Metso's Board of Directors[(3)]	53,174	0.04

(1) BlackRock Inc.'s shareholding is as at January 8, 2018, based on a notification, pursuant to Chapter 9 Section 5 and 6 of the Finnish Securities Markets Act, received by Metso about a change in the holding of mutual funds managed by BlackRock, Inc.

(2) Shares held directly by BlackRock Inc. In addition to its direct holdings, BlackRock Inc. holds 1,153,244 shares in the Issuer (0.8 per cent.) through financial instruments.

(3) Excluding the shares in the Issuer beneficially owned by Mr. Gardell as the CEO and the managing partner of Cevian Capital.

Except as set forth in the table above, Metso's management is not aware of any other person or entity that owns more than 5 per cent. of the shares in the Issuer.

MATERIAL CONTRACTS

Neither the Issuer nor any of its consolidated subsidiaries has entered into any contracts in the last two years outside of the ordinary course of business that have had or may reasonably be expected to have a material effect on their business or that could result in an Issuer or any of its consolidated subsidiaries being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders in respect of the Notes being issued.

TAXATION

The following is a general description of certain Finnish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in the Republic of Finland or elsewhere. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes.

Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments will be exempt from all Finnish taxes.

The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law or practice that may take effect after such date.

Republic of Finland

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 or Coupon to which any such payment relates is subject to such taxation thereon by reason of such Holder being connected with the Republic of Finland otherwise than solely by his holding of such Note 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 or a fixed base in Finland.

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

Luxembourg

The following information is of a general nature only and 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. The information contained within this section is limited to Luxembourg withholding tax issues and 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.

Withholding Tax

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 the 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.

Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005 as amended (the "**Law**"), 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 an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax 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 will be assumed by the Luxembourg paying agent. 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.

In addition, pursuant to the Law, Luxembourg resident individuals can opt to self-declare and pay a 20 per cent. tax on payment of interest or similar incomes made or ascribed by paying agents located outside Luxembourg, in a Member State of either the European Union or the European Economic Area. The 20 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

The proposed financial transactions tax ("FTT")

On February 14, 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 (each other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

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

Under the Commission's proposal, 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 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 Noteholders are advised to seek their own professional advice in relation to the FTT.

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

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Danske Bank A/S, HSBC Bank plc, Nordea Bank AB (publ) and OP Corporate Bank plc (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealer(s) are set out in an amended and restated dealer agreement dated April 5, 2018 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2: TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

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

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

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

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

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms (or, as the case may be, Pricing Supplement (in the case of Non PD Notes) or Drawdown Prospectus) in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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, 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 completed by the Final Terms or Pricing Supplement (in the case of Non PD Notes) (or are the subject of the offering contemplated by a Drawdown Prospectus) 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, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

(a) **No deposit-taking**: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) **Financial promotion**: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) **General compliance**: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

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 to 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.

General

With the exception of the approval by the CSSF of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms come are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be

applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification, unless relevant only to a particular Tranche of Notes, will be set out in a supplement to this Base Prospectus.

With regard to each Tranche of Non PD Notes or Notes which are the subject of a Drawdown Prospectus, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement or Drawdown Prospectus.

GENERAL INFORMATION

Listing and Admission to Trading

Application has been made to list Notes issued under the Programme on the official list of the Luxembourg Stock Exchange and admit such Notes to trading on the Regulated Market of the Luxembourg Stock Exchange and may be admitted to listing, trading and/or quotation by such competent authority, stock exchange and/or quotation system as the Issuer and the Relevant Dealer(s) may agree.

However, Notes may be issued pursuant to the Programme which will not be listed on the official list of the Luxembourg Stock Exchange, nor admitted to trading on the Regulated Market of the Luxembourg Stock Exchange nor admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system.

Authorisations

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer dated October 30, 2000. The 2018 update of the Programme was authorised by a resolution of the Board of Directors of the Issuer on February 1, 2018. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number ("**ISIN**"), Financial Instrument Short Name ("**FISN**") and Classification of Financial Instruments ("**CFI**") code (as applicable) in relation to the Notes of each Tranche will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Legal Entity Identifier

The Legal Entity Identifier ("**LEI**") code of the Issuer is 2138007FRMWVPUDCMA45.

Clearing Systems

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 address of any alternative clearing system(s) will be specified in the relevant Final Terms.

Litigation

Several lawsuits, legal claims and disputes based on various grounds are pending against Metso in various countries related, among other things, to Metso's products, projects, other operations and customer receivables. However, other than as described below, the Issuer neither is nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

In December 2017, the Issuer received a reassessment decision from the Finnish Tax Authority for its Finnish subsidiary Metso Minerals Oy. The reassessment decision concerns the transactions between Metso Minerals Oy and its foreign subsidiaries, and is a result of a tax audit carried out in respect of Metso Minerals Oy concerning the tax years 2011-2016. The Finnish Tax Authority has requested that Metso Minerals Oy pay additional taxes, late payment interest and penalties totalling €21 million. The Issuer has appealed the decision to Board of Adjustment of the Finnish Tax Authority. Metso Minerals Oy has recognized an income tax liability in the full amount of €21 million in its financial statements as at and for the year ended December 31, 2017.

As at December 31, 2017, there were 253 pending litigation cases filed in the United States in relation to asbestos injuries in which a Metso entity is one of the named defendants. Metso management's present belief is that the risk caused by the pending asbestos litigation cases in the United States is not material in the context of Metso's total business operations.

No Significant Change and no Material Adverse Change

There has been no material adverse change in the prospects of the Issuer since December 31, 2017. Other than 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, which has occurred since December 31, 2017.

On April 4, 2018, the Issuer paid a dividend of €1.05 per share, or €157 million in total, to its shareholders based on the decision of the Annual General Meeting of shareholders held on March 22, 2018.

Independent Accountants

The consolidated financial statements of the Issuer as at and for the years ended December 31, 2016 and December 31, 2017 have been prepared in accordance with IFRS as adopted by the European Union.

The consolidated financial statements for the years ended December 31, 2016 and December 31, 2017 have been audited in accordance with Finnish Standards on Auditing and have been audited by Ernst & Young Oy, Authorised Public Accountants, whose registered address is Elielinaukio 5 B, FI-00100 Helsinki, Roger Rejström, Authorized Public Accountant, was the responsible auditor in respect of the consolidated financial statements for the years ended December 31, 2016 and Mikko Järventausta, Authorized Public Accountant, was the responsible auditor in respect of the consolidated financial statements for the years ended December 31, 2017. On March 22, 2018, the Annual General Meeting of shareholders re-elected Ernst & Young Oy as Metso's auditor. Ernst & Young Oy has notified the Issuer that Mikko Järventausta, Authorized Public Accountant, will act as the responsible auditor. The responsible partners at Ernst & Young Oy are members of Suomen Tilintarkastajat ry (the Finnish Association of Auditors).

Documents Available for Inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and (where applicable) English translations of the following documents may be inspected, free of charge, during normal business hours at the specified office of the Fiscal Agent and Noteholders may obtain copies of the Deed of Covenant at their own cost from the registered office of the Issuer during normal business hours:

(a) the Agency Agreement;

(b) the Deed of Covenant;

(c) the constituting documents of the Issuer;

(d) the audited consolidated financial statements of the Issuer as at and for the financial years ended December 31, 2016 and December 31, 2017;

(e) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus;

(f) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system. In the case of any Notes which are not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders. For the avoidance of doubt, the Final Terms relating to any issue of Notes can be obtained at the office of the Paying Agent in Luxembourg and at the registered office of the Issuer; and

(g) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form.

There is no trustee representing the Noteholders under this Programme.

This Base Prospectus, and in the case of any Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, the relevant Final Terms, will be available on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Conditions for Determining Price

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the relevant Final Terms. 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.

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

Conflicts

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

REGISTERED OFFICE OF THE ISSUER

Metso Corporation
Töölönlahdenkatu 2
FI-00100 Helsinki
Finland

ARRANGER

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United Kingdom

DEALERS

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United Kingdom

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DK - 1092 Copenhagen K
Denmark

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United Kingdom

Commerzbank Aktiengesellschaft
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Germany

HSBC Bank plc
8 Canada Square
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United Kingdom

Nordea Bank AB (publ)
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Sweden

OP Corporate Bank plc
Gebhardinaukio 1
FI-00510 Helsinki
Finland

FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

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Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISERS

To the Dealers as to English law:

Clifford Chance LLP
10 Upper Bank Street
Canary Wharf
London E14 5JJ
United Kingdom

To the Issuer as to Finnish and English law:

White & Case LLP

Aleksanterinkatu 44
FI-00100 Helsinki
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5 Old Broad Street
London EC2N 1DW
United Kingdom

AUDITORS TO THE ISSUER

Ernst & Young Oy
Elielinaukio 5B
FI-00100 Helsinki
Finland

LUXEMBOURG LISTING AGENT

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69, Route d'Esch
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