

BASE PROSPECTUS



NOKIA CORPORATION

(incorporated as a public limited liability company in the Republic of Finland)

EUR 5,000,000,000 Euro Medium Term Note Programme

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the issue of notes ("**Notes**") issued under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus which are to be admitted to trading on a regulated market for the purposes of the Directive 2014/65/EU (the Markets in Financial Instruments Directive) and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made for Notes issued under the Programme during the period of 12 months after the date hereof to be admitted to the Official List of Euronext Dublin (the "**Official List**") and to trading on its regulated market.

References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on Euronext Dublin's regulated market and have been listed on Euronext Dublin. References in this Base Prospectus to "**Euronext Dublin**" (and all related references) shall mean the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin.

The Programme will be rated by Standard and Poor's Credit Market Services Europe Limited ("**S&P**") and Moody's Deutschland GmbH ("**Moody's**"). Each of S&P and Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended, on credit rating agencies (the "**CRA Regulation**"). Nokia Corporation (the "**Issuer**") is rated by S&P and Moody's. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued. A credit 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 relevant credit rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of LIBOR, EURIBOR, NIBOR or STIBOR as specified in the relevant Final Terms. As at the date of this Base prospectus, the administrators of LIBOR, EURIBOR, NIBOR or STIBOR 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 the administrators of LIBOR, EURIBOR, NIBOR and STIBOR 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. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

Arranger
Deutsche Bank

Dealers

Citigroup
Goldman Sachs International

Deutsche Bank
J.P. Morgan

4 May 2018

CERTAIN DEFINITIONS AND PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Nokia Corporation is a public limited liability company incorporated in the Republic of Finland. In this Base Prospectus, all references to "**Nokia**", "**we**", "**us**", "**our**" or "**the Group**" are to Nokia Corporation and its consolidated subsidiaries and generally to Nokia's Continuing operations, except where it is made clear that the term means Nokia Corporation or a particular subsidiary or business segment only or our Discontinued operations. "**Continuing operations**" refers to the Continuing operations following the acquisition of Alcatel Lucent, the Sale of the HERE Business in 2015 and the Sale of the D&S Business in 2014. Our Continuing operations in 2017 included two businesses: our Networks business and Nokia Technologies. "**Discontinued operations**" mainly refers to the divestment of our HERE business to an automotive consortium and the sale of substantially all of our Devices & Services business to Microsoft.

References to Nokia's "**shares**", matters relating to Nokia's shares or matters of Nokia's corporate governance, refer to the shares and corporate governance of Nokia Corporation. All references to the "**Issuer**" are to Nokia Corporation and not to any of its subsidiaries.

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 "**U.S.\$**", "**USD**", "**U.S. dollars**", "**\$**" or "**dollars**" are to United States dollars, references to "**EUR**", "**euro**" or "**€**" are to the lawful currency of the Member States that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, references to "**Sterling**", "**£**" and "**GBP**" are to the currency of the United Kingdom, references to "**Japanese Yen**" and "**JPY**" are to the currency of Japan, and references to "**Swiss Francs**" and "**CHF**" are to the currency of Switzerland.

In this Base Prospectus, "**Sale of the HERE Business**" refers to the transaction announced on 3 August 2015 and closed on 4 December 2015 where Nokia sold HERE, Nokia's digital mapping and location services business, to a German automotive industry consortium comprising AUDI AG, BMW Group and Daimler AG ("**Consortium**"). The HERE business was reported as discontinued operations from the third quarter of 2015 onwards. See "*Description of Nokia — Discontinued Operations*".

The "**Sale of the D&S Business**" refers to our sale of substantially all of our Devices & Services business to Microsoft in a transaction that was completed on 25 April 2014. The "**Acquisition of Alcatel Lucent**" refers to the completion of our acquisition of Alcatel Lucent on 4 January 2016.

In this Base Prospectus, references to our "**continuing operations**" are to Nokia's Networks business and Nokia Technologies. Nokia has two businesses: Nokia's Networks business and Nokia Technologies, and four reportable segments for financial reporting purposes: (1) Ultra Broadband Networks, comprised of the Mobile Networks and Fixed Networks business groups; (2) Global Services, comprised of the Global Services business group; (3) IP Networks and Applications, comprised of the IP/Optical Networks and Nokia Software business groups (together with Ultra Broadband Networks and Global Services, the "**Networks business**"); and (4) Nokia Technologies. Segment-level information for Group Common and Other, which comprises Group-wide support functions and certain unallocated businesses, is also presented in our financial information.

Nokia adopted its current operational and reporting structure on 1 April 2017. Previously Nokia had three reportable segments for management reporting purposes: Ultra Broadband Networks and IP/Networks and Applications within Nokia's Networks business, and Nokia Technologies. Ultra Broadband Networks was comprised of two aggregated operating segments: Mobile Networks and Fixed Networks, and IP Networks and Applications were comprised of two aggregated operating segments: IP/Optical Networks and Applications and Analytics. On 1 February 2018, Nokia announced that it would rename its Applications & Analytics business group as Nokia Software, to better reflect its strategy and focus on building a strong, standalone software business. On 17 March 2017, Nokia announced changes in its organisational structure which included the separation of Nokia's former Mobile Networks operating segment into two distinct operating segments: one focused on products and solutions, called Mobile Networks, and the other on services, called Global Services. The Global Services operating segment is comprised of the services that resided within the previous Mobile Networks operating segment, including company-wide managed services. Global Services does not include the services of Fixed Networks, IP/Optical Networks and Nokia Software, which continue to reside within the respective operating segments.

On 1 January 2018, Nokia adopted IFRS 9, *Financial Instruments* and IFRS 15, *Revenue from Contracts with Customers*. In accordance with the transitional provisions of IFRS 9 and IFRS 15, Nokia has not restated prior year comparatives but has presented the cumulative effect of adopting both standards as transition adjustments

to the opening balance of other comprehensive income and retained earnings as of 1 January 2018. The impact of the adoption of these new standards on Nokia's consolidated financial statements and the resulting changes to Nokia's accounting policies are described in detail in Note 14, New accounting standards in Nokia's unaudited consolidated interim financial statements, which form part of Nokia's financial report for the three months ended 31 March 2018 and which are incorporated by reference. See "Information Incorporated by Reference". Other amendments and interpretations that became effective on 1 January 2018, did not have a material impact on Nokia's consolidated financial statements.

2016 Financial Information

Nokia reviewed its allocation of expenses across functions, and as of the first quarter 2017, Nokia changed its allocation method to reflect activity-based allocation drivers for certain common costs, which resulted in changes in presentation of certain expenses by function. In addition, as a result of the Acquisition of Alcatel-Lucent, Nokia's foreign exchange hedging activities were reviewed in order to develop harmonised hedging practices. Accordingly, as of the first quarter 2017, all gains and losses from hedging operative forecasted net foreign exchange exposures have been recorded in other income and expenses, regardless of whether hedge accounting is applied or not. Previously, these hedging gains and losses were recorded primarily as an adjustment to net sales if cash flow hedge accounting was applied.

Due to these changes in the consolidated income statement presentation, Nokia's 2016 consolidated income statement incorporated by reference to this Base Prospectus has been restated and presented on a restated basis as comparative information in Nokia's 2017 financial statements (also incorporated by reference) as follows:

- A net loss of EUR 27 million relating to hedging gains and losses has been reclassified from Net sales to Other expenses (EUR 28 million) and Other income (EUR 1 million).
- EUR 41 million of Cost of sales and EUR 52 million of Selling, general and administrative expenses relating to certain common costs have been reclassified to Research and development expenses.

The impact of these adjustments to the audited 2016 consolidated financial statements are not considered to be material. The restated amounts are unaudited.

Alternative Performance Measures

We present in this Base Prospectus certain alternative performance measures of historical financial performance, which, in accordance with the "Alternative Performance Measures" guidance issued by ESMA are not accounting measures defined or specified in IFRS (the "**Alternative Performance Measures**"). These Alternative Performance Measures comprise non-IFRS results, gross margin, operating margin and EBITDA.

The exact definitions for calculating these Alternative Performance Measures that are not based on IFRS and the reason why the Company believes that the use of each alternative performance measure is beneficial are presented under "Selected Financial Data".

Alternative Performance Measures are unaudited.

Rounding

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.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms (as defined below) and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus and any Final Terms are, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Subject as provided in the relevant Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the relevant Final Terms as the relevant Dealer or the Managers, as the case may be.

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

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

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

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 Nokia 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 Nokia or any Dealer.

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

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation, or inducement 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.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations etc.**") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). 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 (as defined under "*Subscription and Sale*" below).

Any person making or intending to make a public offer of Notes, or seek the admission of any Notes to trading, in any Member State of the European Economic Area may only do so if this Base Prospectus has been approved by the competent authority in that Member State (or, where appropriate, approved in another Member State and notified to the competent authority in that Member State) and published in accordance with the Prospectus Directive. Save as provided above, none of the Issuer or any Dealer has authorised, nor do they authorise, the making of any public offer of Notes, or any application for admission of any Notes to trading, in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

In connection with any offering of the Notes, the Dealers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to any offering of the Notes.

IMPORTANT – EEA RETAIL INVESTORS — If the Final Terms in respect of any Notes includes a legend entitled "**Prohibition of Sales to EEA Retail Investors**", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For the purposes of this provision, 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**"); (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.

MiFID II product governance / target market – The Final Terms in respect of any Notes 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 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.

In connection with the issue of any Tranche of the Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws.

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 financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments

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

FORWARD-LOOKING STATEMENTS

It should be noted that Nokia and its businesses are exposed to various risks and uncertainties and certain statements herein that are not historical facts are forward-looking statements, including, without limitation, those regarding:

- our ability to integrate acquired businesses into our operations and achieve the targeted business plans and benefits, including targeted benefits, synergies, cost savings and efficiencies;
- expectations, plans or benefits related to our strategies and growth management;
- expectations, plans or benefits related to future performance of our businesses;
- expectations, plans or benefits related to changes in organisational and operational structure;
- expectations regarding market developments, general economic conditions and structural changes;
- expectations and targets regarding financial performance, results, operating expenses, taxes, currency exchange rates, hedging, cost savings and competitiveness, as well as results of operations including targeted synergies and those related to market share, prices, net sales, income and margins;
- expectations, plans or benefits related to any future collaboration or to business collaboration agreements or patent license agreements or arbitration awards, including income to be received under any collaboration or partnership, agreement or award;
- timing of the deliveries of our products and services;
- expectations and targets regarding collaboration and partnering arrangements, joint ventures or the creation of joint ventures, and the related administrative, legal, regulatory and other conditions, as well as our expected customer reach;
- outcome of pending and threatened litigation, arbitration, disputes, regulatory proceedings or investigations by authorities;
- expectations regarding restructurings, investments, capital structure optimisation efforts, uses of proceeds from transactions, acquisitions and divestments and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, capital structure optimisation efforts, divestments and acquisitions; and
- statements preceded by or including "believe", "expect", "anticipate", "foresee", "sees", "target", "estimate", "designed", "aim", "plans", "intends", "focus", "continue", "project", "should", "is to", "will" or similar expressions.

These statements are based on management's best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors, including risks and uncertainties that could cause these differences include, but are not limited to:

- 1) our strategy is subject to various risks and uncertainties and we may be unable to successfully implement our strategic plans, sustain or improve the operational and financial performance of our business groups, correctly identify or successfully pursue business opportunities or otherwise grow our business;
- 2) general economic and market conditions and other developments in the economies where we operate;
- 3) competition and our ability to effectively and profitably invest in new competitive high-quality products, services, upgrades and technologies and bring them to market in a timely manner;
- 4) our dependence on the development of the industries in which we operate, including the cyclical and variability of the information technology and telecommunications industries;

- 5) our dependence on a limited number of customers and large multi-year agreements;
- 6) our ability to maintain our existing sources of intellectual property-related revenue, establish new sources of revenue and protect our intellectual property from infringement;
- 7) our global business and exposure to regulatory, political or other developments in various countries or regions, including emerging markets and the associated risks in relation to tax matters and exchange controls, among others;
- 8) our ability to achieve the anticipated benefits, synergies, cost savings and efficiencies of acquisitions, including the acquisition of Alcatel Lucent, and our ability to implement changes to our organisational and operational structure efficiently;
- 9) our ability to manage and improve our financial and operating performance, cost savings, competitiveness and synergies generally and after the acquisition of Alcatel Lucent;
- 10) exchange rate fluctuations, as well as hedging activities;
- 11) our ability to successfully realise the expectations, plans or benefits related to any future collaboration or business collaboration agreements and patent license agreements or arbitration awards, including income to be received under any collaboration, partnership, agreement or arbitration award;
- 12) our dependence on IPR technologies, including those that we have developed and those that are licensed to us, and the risk of associated IPR-related legal claims, licensing costs and restrictions on use;
- 13) our exposure to direct and indirect regulation, including economic or trade policies, and the reliability of our governance, internal controls and compliance processes to prevent regulatory penalties in our business or in our joint ventures;
- 14) our reliance on third-party solutions for data storage and service distribution, which expose us to risks relating to security, regulation and cybersecurity breaches;
- 15) inefficiencies, breaches, malfunctions or disruptions of information technology systems;
- 16) Nokia Technologies' ability to generate net sales and profitability through licensing of the Nokia brand, technology licensing and the development and sales of products and services for instance in digital health, as well as other business ventures, which may not materialise as planned;
- 17) our exposure to various legal frameworks regulating corruption, fraud, trade policies, and other risk areas, and the possibility of proceedings or investigations that result in fines, penalties or sanctions;
- 18) adverse developments with respect to customer financing or extended payment terms we provide to customers;
- 19) the potential complex tax issues, tax disputes and tax obligations we may face in various jurisdictions, including the risk of obligations to pay additional taxes;
- 20) our actual or anticipated performance, among other factors, which could reduce our ability to utilise deferred tax assets;
- 21) our ability to retain, motivate, develop and recruit appropriately skilled employees;
- 22) disruptions to our manufacturing, service creation, delivery, logistics and supply chain processes, and the risks related to our geographically-concentrated production sites;
- 23) the impact of litigation, arbitration, agreement-related disputes or product liability allegations associated with our business;
- 24) our ability to re-establish investment grade rating or maintain our credit ratings;

- 25) our ability to achieve targeted benefits from, or successfully implement planned transactions, as well as the liabilities related thereto;
- 26) our involvement in joint ventures and jointly-managed companies;
- 27) the carrying amount of our goodwill may not be recoverable;
- 28) uncertainty related to the amount of dividends and equity return we are able to distribute to shareholders for each financial period;
- 29) pension costs, employee fund-related costs, and healthcare costs; and
- 30) risks related to undersea infrastructure,

as well as or as described in more detail in the risk factors specified in the "*Risk Factors*" section of this Base Prospectus.

Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. We do not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required, as well as or as described in more detail in the risk factors specified in the "*Risk Factors*" section of this Base Prospectus.

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OVERVIEW

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference.

The overview does not purport to be complete and is taken from, 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.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

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

- Issuer: Nokia Corporation.
- 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" below.
- Arranger: Deutsche Bank AG, London Branch.
- Dealers: Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, J.P. Morgan Securities 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., London Branch.
- Irish Listing Agent: J&E Davy.
- Final Terms or Drawdown Prospectus: Notes issued under the Programme may be issued either: (i) pursuant to this Base Prospectus and associated Final Terms; or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.
- Listing and Trading: Application has been made for Notes issued under the Programme during the period of 12 months after the date hereof to be admitted to the Official List of Euronext Dublin and to trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- Clearing Systems: Euroclear and/or Clearstream, Luxembourg and/or, 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 EUR 5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
- Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes: Notes may be issued in bearer or in registered 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 depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note, which is not intended to be held under the new safekeeping structure (the "**New Safekeeping Structure**" or "**NSS**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depository and will be exchangeable for Individual Note Certificates in accordance with its terms. Each Global Registered Note intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will, on or about the relevant issue date, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Registered Note will be exchangeable for Individual Note Certificates in accordance with its terms.

Currencies: Notes may be denominated in Euro, Sterling, U.S. dollars, Japanese Yen, Swiss Francs or in any other currency or currencies, subject to compliance with all applicable legal and/ or regulatory and/or central bank requirements.

Status of the Notes: Notes will be issued on an unsubordinated basis.

Issue Price: Notes may be issued fully-paid at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Maturities: Any maturity specified in the relevant Final Terms, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other

currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer.

- Redemption: Notes may be redeemable at the Redemption Amount specified in the relevant Final Terms.
- Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer as described in Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*), Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*) and/or the Noteholders as described in Condition 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*) to the extent (if at all) specified in the relevant Final Terms.
- Tax Redemption: Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 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: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and (ii) the minimum denomination of each Note will be EUR 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). See also "*Maturities*" above, in relation to Sterling Notes having a maturity of less than one year.
- Negative Pledge: The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).
- Cross Acceleration: The Notes will have the benefit of a cross acceleration provision as described in Condition 13 (*Events of Default*).
- Taxation: All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Finland, as the case may be, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
- Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
- Enforcement of Notes in Global Form: In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 4 May 2018, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

Ratings: The rating of certain series of Notes to be issued under the Programme may be specified in the relevant Final Terms.

In general, European regulated investors are restricted under the CRA Regulation from using a credit 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 or registered under the CRA Regulation but such credit rating is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (2) the credit rating is provided by a credit rating agency not established in the European Union or registered under the CRA Regulation but certification has been provided, in accordance with the CRA Regulation, that such credit rating agency is regulated in a manner equivalent to credit rating agencies registered in the European Union.

If rated Notes are issued, they are expected to be rated by S&P and Moody's. Each of S&P and Moody's are established in the European Union and have been registered under the CRA Regulation.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, the European Economic Area and Japan, see "*Subscription and Sale*" below.

RISK FACTORS

Set forth below is a description of risk factors that could affect Nokia. The risk factors described below should not be construed as exhaustive. There may be additional risks that are unknown to us and other risks currently believed to be immaterial that could turn out to be material. These risks, either individually or together, could adversely affect our business, sales, profitability, results of operations, financial condition, liquidity, market share, brand, reputation and share price from time to time, which may affect our ability to fulfil our obligations under Notes issued under the Programme. Unless otherwise indicated or the context otherwise provides, references in these risk factors to "Nokia", "we", "us" and "our" mean Nokia's consolidated operating segments, including Alcatel Lucent. Certain risks or events as indicated may be more prevalent with respect to Nokia or a certain business group, business or part of the Group.

The material risks for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should read the entire Base Prospectus and reach their own views prior to making any investment decision. 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.

Factors which are material for the purpose of assessing the risks related to our business

See the information under the heading "Operating and financial review and prospects—Risk Factors" in the Issuer's annual report for the financial year ended 31 December 2017, which can be found at pages 71 to 89 (inclusive) of such annual report (https://www.nokia.com/sites/default/files/files/nokia_20f17_full_web_1.pdf) is incorporated in, and forms part of, this Base Prospectus. See "Information Incorporated by Reference".

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant 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.

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

Interest rates and indices which are deemed to be "benchmarks", including LIBOR, EURIBOR, STIBOR and NIBOR, are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark". Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the EU on 29 June 2016 and applies from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. 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 or referencing 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 or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

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

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

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

Risks related to Notes generally

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

Modification and waivers

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

Change of law

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

Notes where denominations involve integral multiples: definitive Notes

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

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

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

The secondary market generally

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

Exchange rate risks and exchange controls

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

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

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Legal investment considerations may restrict certain investments

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

FINAL TERMS, DRAWDOWN PROSPECTUSES AND SUPPLEMENTS

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

Any information relating to the Notes which is not included in this Base Prospectus, and which is required in order to complete the necessary information in relation to a Tranche of Notes, will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche of Notes only, complete 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 Conditions as completed by the relevant Final Terms.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Notes. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise.

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus and whose inclusion or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and/or the rights attaching to the Notes, the Issuer will prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with such Notes and any subsequent issue of Notes.

INFORMATION INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been filed with Euronext Dublin or approved by the Central Bank, shall be incorporated in, and form part of, this Base Prospectus:

- (a) the audited consolidated annual financial statements and auditor's report of the Issuer for the financial year ended 31 December 2016, which form part of the Issuer's annual accounts for the financial year ended 31 December 2016 and which can be found at pages 126 to 195 (inclusive) and page 212 to 216, respectively, of such annual accounts (https://www.nokia.com/sites/default/files/files/nokia_ar16_full_report_english_3.pdf);
- (b) the audited consolidated annual financial statements and auditor's report of the Issuer for the financial year ended 31 December 2017, which form part of the Issuer's annual accounts for the financial year ended 31 December 2017 and which can be found at pages 130 to 195 (inclusive) and pages 212 to 216, respectively, of such annual accounts (https://www.nokia.com/sites/default/files/files/nokia_ar17_en_web.pdf);
- (c) the unaudited consolidated interim financial statements of the Issuer, which form part of the Issuer's financial report for the three months ended 31 March 2018 and which can be found at pages 25 to 48 (inclusive) of such financial report (https://www.nokia.com/sites/default/files/files/nokia_results_2018_q1.pdf);
- (d) the Terms and Conditions of the Notes which can be found at pages 22 to 42 (inclusive) of the Base Prospectus dated 8 December 2008, prepared by the Issuer in connection with the Programme (http://www.nokia.com/sites/default/files/Nokia_Base_Prospectus_8_December_2008.pdf);
- (e) the Terms and Conditions of the Notes which can be found at pages 41 to 63 (inclusive) of the Base Prospectus dated 21 February 2017, prepared by the Issuer in connection with the Programme (https://www.nokia.com/sites/default/files/Base_Prospectus_dated_21_February_2017.pdf);
- (f) the information under the heading "Operating and financial review and prospects—Risk Factors" in the Issuer's annual report for the financial year ended 31 December 2017 and which can be found at pages 71 to 89 (inclusive) of such annual report (https://www.nokia.com/sites/default/files/files/nokia_20f17_full_web_1.pdf).

The financial statements referred to in paragraphs (a) and (b) above are prepared on the basis of International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with International Financial Reporting Standards as adopted by the European Union. The financial statements referred to in paragraph (c) above were prepared in accordance with International Accounting Standard 34. The same accounting policies and methods of computation are followed in the financial statements referred to in paragraph (c) above as were followed in the financial statements referred to in paragraph (b) above.

In addition to information on our reported IFRS results, we provide certain information on a non-IFRS, or underlying business performance, basis. Non-IFRS results exclude costs related to the Acquisition of Alcatel Lucent and related integration, goodwill impairment charges, intangible asset amortisation and other purchase price fair value adjustments, restructuring and associated charges, and certain other items that may not be indicative of Nokia's underlying business performance. We report our segment operating profit on a non-IFRS basis, therefore non-IFRS exclusions are reported only at the Nokia consolidated level. We believe that our non-IFRS results provide meaningful supplemental information to both management and investors regarding Nokia's underlying business performance by excluding the items that may not be indicative of Nokia's business operating results. These non-IFRS financial measures should not be viewed in isolation or as substitutes to the equivalent IFRS measure(s), but should be used in conjunction with the most directly comparable IFRS measure(s) in the reported results. See "*Forward Looking Statements*", "*Selected Financial Data*" and "*Risk Factors*" for a more complete discussion of certain of the factors that could affect our future performance and results of operations.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus. Where only certain parts of the documents referred to above are incorporated by reference into this Base Prospectus, those parts of the documents that are not incorporated by reference into this Base Prospectus are either not relevant for investors or are covered elsewhere in this Base Prospectus. Other than information and documents that are deemed to be incorporated by reference herein, the above websites shall not form a part of this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by

implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office or website of the Issuer and from the specified office of the Fiscal Agent for the time being in London.

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

FORMS OF THE NOTES

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

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

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 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, 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 to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The principal amount of 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 the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, 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) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (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 13 (*Events of Default*) occurs.

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

Temporary Global Note exchangeable for Definitive Notes

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

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

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

Permanent Global Note exchangeable for Definitive Notes

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

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (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 13 (*Events of Default*) occurs.

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

Terms and Conditions applicable to the Notes

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

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

Legend concerning United States persons

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

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

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Registered Note**"), in each case as specified in the relevant Final Terms. Each Global Registered Note which is not intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depository and will be exchangeable for Individual Note Certificates in accordance with its terms. Each Global Registered Note which is intended to be held under the New Safekeeping Structure, as specified in the relevant Final Terms, will, on or about the relevant issue date, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (which is authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations) and be deposited with a nominee for such clearing system and will be exchangeable for Individual Note Certificates in accordance with its terms.

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

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

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if (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 13 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms relating to the relevant Notes.

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

TERMS AND CONDITIONS OF THE NOTES

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

1. Introduction

- (a) *Programme*: Nokia Corporation (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 5,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (each a "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement*: The Notes are the subject of an amended and restated issue and paying agency agreement dated 4 May 2018 (as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") between the Issuer and Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**"), and the paying agent named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agent named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant*: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 4 May 2018 (as amended and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") entered into by the Issuer.
- (e) *The Notes*: All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and of the Fiscal Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC (as amended) the relevant Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity.
- (f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement 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;

"**Calculation Period**" means, in respect of any calculation of interest, the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date;

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

"**Day Count Fraction**" means, in respect of the calculation of an amount for any 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, means the actual number of days in the Calculation Period divided by 360;
 - (v) if "**30/360**" is so specified, means (A) in respect of the 2000 ISDA Definitions, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and (B) in respect of the 2006 ISDA Definitions, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means (A) in respect of the 2000 ISDA Definitions, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and (B) in respect of the 2006 ISDA Definitions, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

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

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

"**EURIBOR**" means the Euro inter-bank offered rate;

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

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

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

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

"**Group**" means the Issuer and its Subsidiaries from time to time;

"**IFRS**" means the international financial reporting standards formulated by the International Accounting Standards Board;

"**Indebtedness**" means (without double counting) any indebtedness in respect of:

- (i) moneys borrowed or raised;
- (ii) any debenture, bond, note, loan stock, commercial paper or similar instrument;
- (iii) any acceptance credit, bill discounting, note purchase or documentary credit facility;
- (iv) any payment obligations under any leases which would in accordance with IFRS be treated as finance or capital leases;
- (v) any receivables purchase, factoring or discounting arrangement under which there is recourse in whole or in part to any member of the Group;
- (vi) any other transaction having the commercial effect of a borrowing and which would, in accordance with IFRS, be treated as a borrowing; or
- (vii) any guarantees or other legally binding assurance against financial loss in respect of the indebtedness of any person arising under an obligation falling within paragraphs (i) to (vi) above;

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

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

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

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

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

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

"**Intra-Group Debt**" means any indebtedness owed by a member of the Group to another member of the Group;

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

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

"**LIBOR**" means the London inter-bank offered rate;

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

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

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

"**Meeting**" means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

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

"**NIBOR**" means the Norwegian inter-bank offered rate;

"**Non-recourse Securitisation**" means any securitisation, asset backed financing or similar transaction under which a Securitisation Entity on commercially reasonable terms:

- (i) acquires receivables or other assets for principally cash consideration or uses existing receivables or other assets;
- (ii) issues any notes, bonds, commercial paper, loans or other securities (whether or not listed on a recognised stock exchange) to fund the purchase of or otherwise backed by those receivables or other assets and/or any shares or other interests referred to in paragraph (ii) of the definition of "Permitted Security Interest" and the payment obligations in respect of such notes, bonds, commercial paper, loans or other securities:
 - (a) are secured directly on those receivables or other assets; and
 - (b) are not guaranteed by any member of the Group (other than as a result of any Permitted Security Interest);

"**Non-recourse Securitisation Debt**" means any Indebtedness incurred by a Securitisation Entity pursuant to a securitisation of receivables or other assets where the recourse in respect of that Indebtedness to any member of the Group (other than the Securitisation Entity) is limited to:

- (i) those receivables and/or other assets; and
- (ii) if those receivables or other assets comprise all or substantially all of the business of such Securitisation Entity, the shares or other interests of any member(s) of the Group in such Securitisation Entity;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination and Title — Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination and Title — Title to Registered Notes*);

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

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

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

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

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

"**Payment Business Day**" means:

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

"Permitted Security Interest" means any Security Interest over:

- (i) the assets or revenues of a Securitisation Entity which are subject to a Non-recourse Securitisation as security for Non-recourse Securitisation Debt raised by such Securitisation Entity in respect of such assets and revenues; and/or
- (ii) the shares or other interests owned by any member of the Group in any Securitisation Entity as security for Non-recourse Securitisation Debt raised by such Securitisation Entity provided that the assets or revenues which are the subject of the relevant Non-recourse Securitisation comprise all or substantially all of the business of such Securitisation Entity;

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

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

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

"Principal Subsidiary" means a Subsidiary of the Issuer whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten per cent. of the consolidated net sales of the Group or the consolidated total assets of the Group, as the case may be, in each case:

- (i) as shown in the latest published audited or unaudited consolidated financial statements of the Issuer and its Subsidiaries; and
- (ii) adjusted to take account of any significant changes in circumstances resulting from any transfers between members of the Group or any acquisitions made by members of the Group since the date as at which such financial statements were prepared;

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

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

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

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

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

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

"Reference Rate" means LIBOR, EURIBOR, NIBOR or STIBOR, as specified 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 (i) the date on which the payment in question first becomes due and (ii) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

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

"**Relevant Indebtedness**" means any Indebtedness (other than Non-Recourse Securitisation Debt) which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) or held in a securities clearance system;

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

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

"**Reserved Matter**" means any proposal:

- (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (iii) to change the currency in which amounts due in respect of the Notes are payable;
- (iv) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (v) to amend this definition;

"**Securitisation Entity**" means any special purpose vehicle created for the sole purpose of carrying out, or otherwise used for the purpose of carrying out, a Non-recourse Securitisation or any other member of the Group which is effecting Non-recourse Securitisations;

"**Security Interest**" means any mortgage, charge, assignment by way of security, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"**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;

"**STIBOR**" means the Stockholm inter-bank offered rate;

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

- (i) which is controlled, directly or indirectly, by the first Person;
- (ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first Person; or
- (iii) which is a subsidiary of another subsidiary of the first Person;

and, for these purposes, the second Person shall be treated as being controlled by the first Person if the first Person 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 19 November 2007;

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

"**Treaty**" means the Treaty establishing the European Communities, 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) 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 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Interpretation — Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination and Title**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to Conditions 3(i) (*Form, Denomination and Title — Closed periods*) and 3(j) (*Form, Denomination and Title — Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Form, Denomination and Title — Transfers of Registered Notes*), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3(g), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status of the Notes**

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

5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Principal 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 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 — Bearer Notes*) or Condition 11 (*Payments — Registered Notes*). 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) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note 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 — Bearer Notes*) or Condition 11 (*Payments — Registered Notes*). 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(b) (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 five days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth 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 at the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of Condition 7(c)(i), such rate does not appear on that page or, in the case of Condition 7(c)(ii), fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

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

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

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Linear Interpolation:* If Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant 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 Reference Rate (where Screen Rate Determination is specified as applicable in the relevant Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the relevant Final Terms), one of which 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 the other of which 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 or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such

amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation 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 publish the Interest Amount in relation to the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (j) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and, in the case of Registered Notes, the Registrar and the Transfer Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 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 (A) 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 (B) the day which is five days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth 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, subject as provided in Condition 10 (*Payments — Bearer Notes*) or Condition 11 (*Payments — Registered Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if 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 10 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*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 prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 9(b), 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 to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 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 (Call Option)*: If the Issuer Call is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 10 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Redemption at the option of the Issuer (Make-Whole)*: If the Issuer Make-Whole is specified in the relevant Final Terms, the Issuer may, having given:
 - (i) not less than 10 nor more than 30 days' notice to the Noteholders in accordance with Condition 19 (*Notices*); and
 - (ii) not less than seven days before the giving of notice referred to in (i) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-Whole Redemption Date**") redeem, in whole or, if so specified in the relevant Final Terms, in part, the Notes then outstanding at any time prior to their Maturity Date at their Make-Whole Redemption Amount.

For the purposes of this Condition 9(d), the following expressions shall have the following meanings:

"Calculation Date" means the third Business Day prior to the Make-Whole Redemption Date.

"Make-Whole Redemption Amount" means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-Whole Redemption Date) each such remaining scheduled payment of principal and interest being discounted to the relevant Make-Whole Redemption Date on either an annual or a semi-annual basis (as specified in the relevant Final Terms) at the Make-Whole Redemption Rate plus a Make-Whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-Whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

"Make-Whole Redemption Margin" means the margin specified as such in the relevant Final Terms.

"Make-Whole Redemption Rate" means the average of the two quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-Whole Redemption Date at 11:00 a.m. (Central European Time ("**CET**")) ("**Reference Dealer Quotation**").

"Quotation Agent" means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-Whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

"Reference Dealers" means each of the two banks, as specified in the relevant Final Terms or, if the two reference dealers are not so specified, the two banks as selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"Reference Security" means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-Whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 19 (*Notices*).

"Similar Security" means a reference bond or reference bonds issued by the same issuer as the Reference Security having 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 of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

- (e) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*) or Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*), as applicable, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*) or Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*), as applicable, 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) or Make-Whole Redemption Amount, as applicable, shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Redemption at the option of Noteholders*: If the Investor Put 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. Any conditions and/or circumstances that must be satisfied before an Investor Put can be exercised will be set out in the relevant Final Terms. In order to exercise the option contained in this Condition 9(f), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), 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(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (g) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) (*Redemption and Purchase — Scheduled redemption*) to 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*).

- (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 respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- (j) *Cancellation:* All Notes must be cancelled if they are redeemed by the Issuer pursuant to Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*), Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*) or purchased and cancelled pursuant to Condition 9(i) (*Redemption and Purchase — Purchase*) and, in each case, any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments — Bearer Notes**

This Condition 10 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (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 Condition 10(h) (*Payments — Bearer Notes — Payments other than in respect of matured Coupons*), 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 Condition 10(a) (*Payments — Bearer Notes — Principal*).
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this Condition 10(e)(ii)(A) 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 Condition 10(a) (*Payments — Bearer Notes — Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 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 in whole of such Note pursuant to Conditions 9(b) (*Redemption and Purchase — Redemption for tax reasons*), 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*), 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*), 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments — Bearer Notes — Payments in New York City*)).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11. **Payments — Registered Notes**

This Condition 11 is only applicable to Registered Notes.

- (a) *Principal*: Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Registrar will annotate the Register with a record of the amount and date of such payment and, in the case of partial payment upon presentation of a Note Certificate, endorse on the relevant Note Certificate a statement indicating the amount and the date of such payment.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each of Clearstream Banking, Luxembourg and Euroclear Bank SA/NV is open for business. Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
 - (i) held by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
 - (ii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days assuming that day to have been a Payment Day.
- (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.

13. Events of Default

If any of the following events occur:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within fourteen days of the due date for payment thereof;
- (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 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;
- (c) *Cross-acceleration*:
 - (i) any Indebtedness of the Issuer or any Principal Subsidiary (other than Non-recourse Securitisation Debt or Intra-Group Debt) is not paid when due (taking into account grace periods and extensions, if any) or any Indebtedness of the Issuer or any Principal Subsidiary (other than Non-recourse Securitisation Debt or Intra-Group Debt) is declared to be or otherwise becomes due and payable prior to its specified maturity by reason of the occurrence of an event of default (howsoever described); and
 - (ii) the aggregate of all Indebtedness referred to in Condition 13(c)(i) exceeds EUR 75,000,000 or its equivalent in other currencies;
- (d) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a significant part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries;
- (e) *Insolvency etc.*: (i) the Issuer or any of its Principal 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 Principal Subsidiaries or the whole or a significant part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer or any of its Principal 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;
- (f) *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 Principal Subsidiaries; or
- (g) *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 Conditions 13(d) (*Events of Default — Security enforced*) to 13(f) (*Events of Default — Winding up etc.*),

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.

14. Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange

and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16. **Agents**

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

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; *provided, however, that:*

- (a) the Issuer shall at all times maintain a Fiscal Agent and a registrar;
- (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 such competent authority, stock exchange and/or quotation system.

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

17. **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 them 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 one more than 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 and Couponholders, whether present or not.
- (b) *Modification:* The Notes and these Conditions may be amended without the consent of the Noteholders or the 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 not materially prejudicial to the interests of the Noteholders.

18. **Further Issues**

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

19. **Notices**

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*), 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). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

20. **Currency Indemnity**

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

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

21. **Rounding**

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (i) 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.), (ii) all U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (iii) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (iv) 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.

22. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Notes and all non-contractual obligations arising out of or in connection with the Notes shall be governed by and construed in accordance with English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: Condition 22(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 22 prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent*: Without prejudice to any other mode of service allowed under any relevant law, the Issuer irrevocably agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Nokia UK Limited, The Forum, Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in the United Kingdom at which process may be served on it. The Issuer agrees that failure by an agent for service of process to notify it will not invalidate the proceedings concerned. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder addressed and delivered to the Issuer or to the Specified Office of the Fiscal Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint

such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this Condition 22(e) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

Final Terms dated []

NOKIA CORPORATION
Issue of [] []
under the EUR 5,000,000,000
Euro Medium Term Note Programme

PART A — CONTRACTUAL 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 ("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 ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), 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. 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.]¹

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 4 May 2018 [and the supplemental prospectus dated [] 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. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [and the supplement[s] to it].]

[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 [8 December 2008/21 February 2017] [and the supplemental prospectus dated []] which are incorporated by reference in the base prospectus dated 4 May 2018 (the "**Base Prospectus**"). 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 [as so supplemented], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated [8 December 2008/21 February 2017] [and the supplement[s] to it]].

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental prospectus] [is] [are] available on [the website of Euronext Dublin <http://www.ise.ie/Market-Data-Announcements/Debt/Individual-Debt-Instrument-Data/Dept-Security-Documents/?progID=750&uID=5437&FIELD SORT=docId>] and for viewing during normal business hours at the registered office of the Issuer at Karaportti 3, FI-02610 Espoo, Finland.

- | | | | |
|----|------|-----------------|-------------------|
| 1. | (i) | Issuer: | Nokia Corporation |
| 2. | (i) | Series Number: | [] |
| | (ii) | Tranche Number: | [] |

¹ Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

- [(iii) Date on which Notes shall be consolidated and form a single series:] [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [] on []/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about []]
3. Specified Currency: []
4. Aggregate Nominal Amount:
 [(i) Series:] []
 [(ii) Tranche:] []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (i) Specified Denominations: [] subject to a minimum denomination of EUR 100,000 or the equivalent amount in any other currency
- (ii) Calculation Amount: []
7. (i) Issue Date: []
 (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [[]/Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
 [[[●] month LIBOR/EURIBOR/NIBOR/STIBOR]]
 +/- [] per cent.
 Floating Rate]
 [Zero Coupon]
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at par]
11. Change of Interest or Redemption/Payment Basis: [Applicable/Not Applicable]
12. Put/Call Options: [Issuer Call]
 [Issuer Make-Whole]
 [Investor Put]
 [See paragraph [17/18/19] below]
13. Date [Board] approval for issuance of Notes obtained: []
- Provisions Relating to Interest (if any) Payable**
14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [] in each year up to and including the Maturity Date [adjusted in accordance with []/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
 [Not Applicable]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/365 / Actual/Actual(ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond Basis / 30E/360(ISDA)]
15. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period: []
- (ii) Specified Interest Payment Dates: []
- (iii) First Interest Payment Date: []
- (iv) Business Day Convention: [FRN Convention/Floating Rate]

	Convention/Eurodollar Convention /Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/No Adjustment]
(v) Additional Business Centre(s):	[]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[Name] shall be the Calculation Agent]
(viii) Screen Rate Determination:	[LIBOR/EURIBOR/NIBOR/STIBOR]
• Reference Rate:	[]
• Interest Determination Date(s):	[]
• Relevant Screen Page:	[]
• Relevant Time:	[]
• Relevant Financial Centre:	[]
(ix) ISDA Determination:	[Applicable/Not Applicable]
ISDA 2006 Definitions:	[]
• Floating Rate Option:	[]
• Designated Maturity:	[]
• Reset Date:	[]
	(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)
(x) Linear Interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (<i>specify for each short or long interest period</i>)]
(xi) Margin(s):	[+/-][] per cent. per annum
(xii) Minimum Rate of Interest:	[] per cent. per annum
(xiii) Maximum Rate of Interest:	[] per cent. per annum
(xiv) Day Count Fraction:	[Actual/Actual (ICMA) / Actual/365 / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360(ISDA)]
16. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i) Accrual Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) Day Count Fraction in relation to Early Redemption Amounts	[Actual/Actual (ICMA) / Actual/365 / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis/30E/360(ISDA)]
PROVISIONS RELATING TO REDEMPTION	
17. Issuer Call	[Applicable/Not Applicable]
(i) Optional Redemption Date(s) (Call):	[]
(ii) Optional Redemption Amount(s) (Call) of each Note:	[] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[] per Calculation Amount
(b) Maximum Redemption Amount	[] per Calculation Amount
(iv) Notice period:	[]
18. Issuer Make-Whole	[Applicable/ /Not Applicable]
(i) Parties to be notified by Issuer of Make-Whole Redemption Date and Make-Whole	[] [Not Applicable]

- Redemption Amount (if other than set out in Condition 9(d)):
- (ii) Make-Whole Redemption Margin: []
- (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-Whole Redemption Amount: [Annual/Semi-Annual]
- (iv) Reference Security: [][Not Applicable]
- (v) Reference Dealers: [][Not Applicable]
- (vi) Quotation Agent: [][Not Applicable]
- (vii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
19. **Investor Put** [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) (Put) of each Note: [] per Calculation Amount
- (iii) Notice period: []
20. **Final Redemption Amount of each Note** [] per Calculation Amount
21. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable/[] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. **Form of Notes:**

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

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

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

[The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."]

Registered Notes: [Global Registered Note [U.S./Euro [●] nominal amount registered in the name of a nominee for DTC/a common depository for Euroclear and Clearstream, Luxembourg / a common safekeeper for Euroclear and Clearstream, Luxembourg (that is held under the New Safekeeping Structure (NSS))]

23. New Global Note: [Yes]/[No]
24. Additional Financial Centre(s): [Not Applicable/[]]
25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes]/[No]

26. Prohibition of Sales to EEA Retail Investors

[Applicable/Not Applicable]

[Where the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.]

THIRD PARTY INFORMATION

[] has been extracted from []. 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 [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not applicable.]

Signed on behalf of Nokia Corporation:

By: _____
Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Admission to trading and listing: [[Application has been made/Application is expected to be made by the Issuer] (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin's regulated market with effect from [].]
[[Application has been made/Application is expected to be made by the Issuer] (or on its behalf) for the Notes to be admitted to listing on the Official List of Euronext Dublin with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:
[S&P: []]
[Moody's: []]

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

[Save for any fees payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue 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

[].]

5. [YIELD (Fixed Rate Notes only)

Indication of yield: []
[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. OPERATIONAL INFORMATION

- (i) ISIN: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): []
- (iv) Names and addresses of additional Paying Agent(s) (if any): []
- (v) 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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper)]] [include this text for registered notes] 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 [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes]. 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.]

7. DISTRIBUTION

U.S. Selling Restrictions:

[Reg. S Category 2]
(In the case of Bearer Notes)
[TEFRA C/TEFRA D/TEFRA not applicable]
(In the case of Registered Notes)
[Not Applicable]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

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

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

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered 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 and, in the case of a NGN, effectuated, 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 to or to the order of the Fiscal Agent within seven 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 Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) 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 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 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. In relation to any issue of Notes which are represented by a "Global Note exchangeable to Definitive Notes" in circumstances other than in the limited circumstances specified in the Global Note, such Notes may only be issued in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

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 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 to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been 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.

Exchange of Global Registered Notes

Whenever a Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the 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 holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then the Global Registered Note (including the obligation to deliver Individual Note Certificates) 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 holder of the Global Registered Note will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered 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 Global Registered Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Note became void, they had been the holders of Individual Note Certificates 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 and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

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

Exercise of investor put: In order to exercise the option contained in Condition 9(f) (*Redemption and Purchase — Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of Issuer call or Issuer make-whole: In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase — Redemption at the option of the Issuer (Call Option)*) or Condition 9(d) (*Redemption and Purchase — Redemption at the option of the Issuer (Make-Whole)*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

SELECTED FINANCIAL DATA

Reconciliation of Our Alternative Performance Measures

We present gross profit, gross margin, EBITDA, EBITDA-margin and operating margin of each segment and Nokia Group as supplemental measures of our operating performance. We define gross profit of each segment as segment net sales less segment cost of sales, gross margin as segment gross profit divided by segment net sales and segment EBITDA as segment operating profit before depreciation and amortisation charges and share of results of associated companies and joint ventures. We define Nokia Group total EBITDA as (loss)/profit from continuing operations plus (i) income tax (expense) / benefit, (ii) financial income and expenses and (iii) depreciation and amortisation. We define EBITDA-margin as EBITDA divided by net sales. We define operating margin of each segment as segment operating profit divided by segment net sales. Our segment reporting is based on operating results, which exclude unallocated items.

Gross profit, gross margin, EBITDA, EBITDA-margin and operating margin have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for an analysis of our results as reported under IFRS.

The following tables set forth the reconciliation of gross profit and gross margin of each segment to net sales, EBITDA, EBITDA-margin and operating margin of each segment to its operating (loss)/profit measure and to the Nokia reported total (Loss)/Profit from Continuing operations for the years ended 31 December 2017 and 2016 and for the three-month periods ended 31 March 2018 and 2017, respectively:

Continuing operations Q1/2018	Ultra Broadband Networks	Global Services	IP Networks and Applications	Nokia's Networks business Total	Nokia Technologies	Group Common and Other	Elimin ations	Total Segme nts	Unallocated	Nokia Total
EUR million										
	(unaudited)									
Net sales	1,857	1,239	1,228	4,324	365	252	(12)	4,929	(5)	4,924
Cost of sales	(978)	(1,067)	(731)	(2,776)	(10)	(215)	12	(2,988)	(131)	(3,119)
Gross profit	879	172	497	1,549	355	37		1,941	(135)	1,805
Gross margin	47.3%	13.9%	40.5%	35.8%	97.3%	14.7%		39.4%		36.7%
EBITDA	139	10	2	151	279	(65)		365	(333)	32
EBITDA-margin	7.5%	0.8%	0.2%	3.5%	76.4%	(25.8)%		7.4%		0.6%
Depreciation and amortisation	(59)	(16)	(38)	(113)	(5)	(12)		(130)	(242)	(372)
Share of results of associated companies and joint ventures	4			4	(1)			4		4
Operating (loss)/profit	85	(6)	(36)	43	274	(78)		239	(575)	(336)
Operating margin	4.6%	(0.5)%	(2.9)%	1.0%	75.1%	(31.0)%		4.8%		(6.8)%
Share of results of associated companies and joint ventures	(4)			(4)	1			(4)		(4)
Financial income and expenses										(108)
Income tax (expense)/benefit										94
(Loss)/Profit from continuing operations										(354)

Continuing operations Q1/2017	Ultra Broadband Networks	Global Services	IP Networks and Applications	Nokia's Networks business Total	Nokia Technologies	Group Common and Other	Elimin ations	Total Segme nts	Unallocated	Nokia Total
EUR million										
	(unaudited)									
Net sales	2,236	1,361	1,304	4,902	247	254	(15)	5,388	(11)	5,378
Cost of sales	(1,105)	(1,118)	(744)	(2,967)	(13)	(227)	15	(3,192)	(61)	(3,252)
Gross profit	1,131	243	560	1,935	234	27		2,196	(71)	2,125
Gross margin	50.6%	17.9%	42.9%	39.5%	94.7%	10.6%		40.8%		39.5%
EBITDA	311	75	66	451	109	(88)		472	(204)	268
EBITDA-margin	13.9%	5.5%	5.1%	9.2%	44.1%	(34.6)%		8.8%		5.0%
Depreciation and amortisation	(64)	(19)	(43)	(126)	(4)	(11)		(141)	(264)	(404)
Share of results of associated companies and joint ventures	(1)			(1)	10			9		9
Operating (loss)/profit	245	55	23	324	116	(99)		341	(468)	(127)
Operating margin	11.0%	4.0%	1.8%	6.6%	47.0%	(39.0)%		6.3%		(2.4)%
Share of results of associated companies and joint ventures	1			1	(10)			(9)		(9)
Financial income and expenses										(146)
Income tax (expense)/benefit										(154)
(Loss)/Profit from continuing operations										(435)

Continuing operations 2017	Ultra Broadband Networks	Global Services	IP Networks and Applications	Nokia's Networks business Total	Nokia Technologies	Group Common and Other	Elimi- nations	Total Segments	Unallocated	Nokia Total
EUR million										
	(unaudited, unless otherwise indicated)									
Net sales	8,970	5,810	5,743	20,523	1,654	1,114	(69)	23,222	(75)	23,147
Cost of sales	(4,723)	(4,698)	(3,169)	(12,590)	(71)	(957)	69	(13,549)	(460)	(14,008) ⁽¹⁾
Gross profit	4,247	1,113	2,573	7,933	1,583	158		9,674	(535)	9,139⁽¹⁾
Gross margin	47.3%	19.2%	44.8%	38.7%	95.7%	14.2%		41.7%		39.5%
EBITDA	1,060	491	679	2,231	1,126	(201)		3,156	(1,538)	1,618
EBITDA-margin	11.8%	8.5%	11.8%	10.9%	68.1%	(18.0)%		13.6%		7.0%
Depreciation and amortisation ⁽¹⁾	(258)	(80)	(160)	(498)	(12)	(48)		(558)	(1,033)	(1,591)
Share of results of associated companies and joint ventures ⁽¹⁾	(21)			(21)	10			(11)		(11)
Operating (loss)/profit⁽¹⁾	781	411	519	1,711	1,124	(248)		2,587	(2,571)	16
Operating margin	8.7%	7.1%	9.0%	8.3%	68.0%	(22.2)%		11.1%		0.1%
Share of results of associated companies and joint ventures ⁽¹⁾	21			21	(10)			11		11
Financial income and expenses ⁽¹⁾										(537)
Income tax (expense)/benefit ⁽¹⁾										(927)
(Loss)/Profit from continuing operations⁽¹⁾										(1,437)

⁽¹⁾ Audited.

Continuing operations 2016	Ultra Broadband Networks	Global Services	IP Networks and Applications	Nokia's Networks business Total	Nokia Technologies	Group Common and Other	Elimi- nations	Total Segments	Unallocated	Nokia Total
EUR million										
	(unaudited, unless otherwise indicated)									
Net sales	9,758	6,036	6,036	21,830	1,053	1,142	(53)	23,972	(331)	23,641
Cost of sales	(5,210)	(4,825)	(3,335)	(13,370)	(42)	(957)	53	(14,316)	(801)	(15,117)
Gross profit	4,548	1,211	2,701	8,460	1,011	185		9,657	(1,133)	8,524
Gross margin	46.6%	20.1%	44.7%	38.8%	96.0%	16.2%		40.3%		36.1%
EBITDA	1,211	476	775	2,461	588	(307)		2,742	(2,230)	512
EBITDA-margin	12.4%	7.9%	12.8%	11.3%	55.8%	(26.9)%		11.4%		2.2%
Depreciation and amortisation	(270)	(70)	(160)	(500)	(9)	(43)		(552) ⁽¹⁾	(1,042) ⁽¹⁾	(1,594) ⁽¹⁾
Share of results of associated companies and joint ventures	(18)			(18)				(18) ⁽¹⁾		(18) ⁽¹⁾
Operating (loss)/profit	922	406	615	1,943	579	(350)		2,172⁽¹⁾	(3,272)⁽¹⁾	(1,100)⁽¹⁾
Operating margin	9.4%	6.7%	10.2%	8.9%	55.0%	(30.6)%		9.1%		(4.7)%
Share of results of associated companies and joint ventures	18			18				18 ⁽¹⁾		18 ⁽¹⁾
Financial income and expenses										(287) ⁽¹⁾
Income tax (expense)/benefit										457 ⁽¹⁾
(Loss)/Profit from continuing operations										(912)⁽¹⁾

⁽¹⁾ Audited.

In addition to information on our reported IFRS results, we provide certain information on a non-IFRS, or underlying business performance, basis. Non-IFRS results exclude costs related to the Acquisition of Alcatel Lucent and related integration, goodwill impairment charges, intangible asset amortisation and other purchase price fair value adjustments, restructuring and associated charges, and certain other items that may not be indicative of Nokia's underlying business performance. We report our segment operating profit on a non-IFRS basis, therefore non-IFRS exclusions are reported only at the Nokia consolidated level. We believe that our non-IFRS results provide meaningful supplemental information to both management and investors regarding Nokia's underlying business performance by excluding the items that may not be indicative of Nokia's business operating results. Non-IFRS operating profit is used in determining management remuneration.

The following tables set forth the reconciliation of non-IFRS results to consolidated statement of comprehensive income for the years ended 31 December 2017 and 2016 and for the three-month periods ended 31 March 2018 and 2017, respectively:

Continuing operations Q1/2018	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other income and expenses	Operating profit/(loss)	Financial income and expenses	Income tax (expense)/benefit	Profit/(loss) from continuing operations
EUR million					(unaudited)				
Non-IFRS	4,929	(2,988)	(1,011)	(732)	41	239	(116)	(36)	83
Release of acquisition-related fair value adjustments to deferred revenue and inventory	(5)					(5)		2	(3)
Amortization and depreciation of acquired intangible assets and property, plant and equipment		(1)	(148)	(93)		(242)		59	(183)
Transaction and related costs, including integration costs		(1)		(22)		(23)		5	(18)
Restructuring and associated charges					(153)	(154)		32	(122)
Product portfolio strategy costs		(128)	(8)			(136)		28	(108)
Impairment of intangible assets					(15)	(15)		4	(11)
Change in financial liability to acquire NSB non-controlling interest							8		8
Deferred tax valuation allowance								(12)	(12)
Operating model integration								13	13
Total non-IFRS exclusions	(5)	(131)	(156)	(116)	(168)	(575)	8	130	(437)
Reported	4,924	(3,119)	(1,167)	(847)	(127)	(336)	(108)	94	(354)

Continuing operations Q1/2017	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other income and expenses	Operating profit/(loss)	Financial income and expenses	Income tax (expense)/benefit	Profit/(loss) from continuing operations
EUR million					(unaudited)				
Non-IFRS	5,388	(3,192)	(1,080)	(781)	6	341	(81)	(48)	203
Release of acquisition-related fair value adjustments to deferred revenue and inventory	(11)					(11)		4	(7)
Amortization and depreciation of acquired intangible assets and property, plant and equipment		(2)	(161)	(101)		(264)		77	(187)
Transaction and related costs, including integration costs related		(5)		(37)		(42)		9	(33)
Restructuring and associated charges				(1)	(74)	(75)		20	(55)
Product portfolio strategy costs		(54)	(23)			(76)		17	(59)
Early redemption cost of debt							(64)	13	(51)
Operating model integration								(245)	(245)
Total non-IFRS exclusions	(11)	(61)	(184)	(138)	(74)	(468)	(64)	(106)	(638)
Reported	5,378	(3,252)	(1,265)	(919)	(69)	(127)	(146)	(154)	(435)

Continuing operations 2017	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other income and expenses	Operating profit/(loss)	Financial income and expenses	Income tax (expense)/benefit	Profit/(loss) from continuing operations
EUR million					(unaudited)				
Non-IFRS	23,223	(13,549)	(4,225)	(3,024)	162	2,587	(280)	(443)	1,875
Release of acquisition-related fair value adjustments to deferred revenue and inventory	(55)					(55)		17	(37)
Amortisation and depreciation of acquired intangible assets and property, plant and equipment		(7)	(633)	(394)		(1,033)		309	(725)
Transaction and related costs, including integration costs		(19)	(2)	(194)	9	(206)		44	(161)
Restructuring and associated charges				(4)	(576)	(579)		140	(439)
Product portfolio strategy costs	(20)	(433)	(57)		(25)	(536)		113	(423)
Impairment of assets					(173)	(173)		8	(165)
Gain on sale of fixed assets					11	11		(2)	10
Loss on sale of financial assets							(32)	68	36
Early redemption cost of debt							(220)	44	(176)
Uncertain tax position in Germany							(69)	(137)	(206)
Change in financial liability to acquire NSB non-controlling interest							64	(29)	35
Deferred tax valuation allowance								(77)	(77)
Operating model integration								(245)	(245)
Deferred tax expense due to tax rate changes								(738)	(738)
Total non-IFRS exclusions	(75)	(460)	(691)	(591)	(753)	(2,571)	(257)	(484)	(3,311)
Reported	23,147	(14,008)	(4,916)	(3,615)	(591)	16	(537)	(927)	(1,437)
Continuing operations 2016	Net sales	Cost of sales	Research and development expenses	Selling, general and administrative expenses	Other income and expenses	Operating profit/(loss)	Financial income and expenses	Income tax (expense)/benefit	Profit/(loss) from continuing operations
EUR million					(unaudited)				
Non-IFRS	23,972	(14,316)	(4,314)	(3,082)	(88)	2,172	(246)	(695)	1,250
Release of acquisition-related fair value adjustments to deferred revenue and inventory	(331)	(509)				(840)		197	(644)
Amortisation and depreciation of acquired intangible assets and property, plant and equipment		(11)	(619)	(386)	(9)	(1,026)		322	(703)
Transaction and related costs, including integration costs		(2)	(2)	(294)	3	(294)		40	(254)
Restructuring and associated charges		(7)	(3)	(4)	(759)	(774)		95	(679)
Product portfolio strategy costs		(274)	(62)	(8)	(6)	(349)		71	(278)
Other non-IFRS exclusions in operating profit		1	3	7		11		(2)	9
Early redemption cost of debt							(41)	14	(27)
Legal entity integration								(25)	(25)
Operating model integration								439	439
Deferred tax income due to tax rate changes								1	1
Total non-IFRS exclusions	(331)	(801)	(683)	(685)	(772)	(3,272)	(41)	1,151	(2,162)
Reported	23,641	(15,117)	(4,997)	(3,767)	(860)	(1,100)	(287)	457	(912)

DESCRIPTION OF NOKIA

Company Overview

Nokia is a global technology leader at the heart of our connected world. Powered by the research and innovation of Nokia Bell Labs, we serve communications service providers, governments, large enterprises and consumers, with a competitive end-to-end portfolio of products, services and licensing. From the enabling infrastructure for 5G and the Internet of Things ("**IoT**"), we believe we are shaping the future of technology to transform the human experience.

We maintain listings on three major securities exchanges. The listing venues for our shares are NASDAQ OMX Helsinki and Euronext Paris, in the form of shares, and the New York Stock Exchange, in the form of American Depositary Shares.

We are a public limited liability company, which is incorporated under the laws of Finland with registration number 0112038-9. We were incorporated on 19 December 1896. Our principal executive office is located at Karaportti 3, FI-02610 Espoo, Finland and our telephone number is +358 (0) 10 44 88 000.

Business Overview

The Group has two businesses: Nokia's Networks business and Nokia Technologies, and four reportable segments for financial reporting purposes: (1) Ultra Broadband Networks, comprised of the Mobile Networks and Fixed Networks business groups; (2) Global Services, comprised of the Global Services business group; (3) IP Networks and Applications, comprised of the IP/Optical Networks and Nokia Software business groups (together with Ultra Broadband Networks and Global Services, the "**Networks business**"); and (4) Nokia Technologies.

The Group has aggregated Mobile Networks and Fixed Networks operating segments to one reportable segment, Ultra Broadband Networks; and IP/Optical Networks and Nokia Software operating segments to one reportable segment, IP Networks and Applications. The aggregated operating segments have similar economic characteristics, such as long-term margins; have similar products, production processes, distribution methods and customers; and operate in a similar regulatory environment.

The Group adopted its current operational and reporting structure on 1 April 2017. Previously the Group had three reportable segments for financial reporting purposes: Ultra Broadband Networks and IP/Networks and Applications within Nokia's Networks business, and Nokia Technologies. Ultra Broadband Networks was comprised of two aggregated operating segments: Mobile Networks and Fixed Networks, and IP Networks and Applications were comprised of two aggregated operating segments: IP/Optical Networks and Nokia Software. On 17 March 2017, the Group announced changes in its organisational structure which included the separation of the Group's former Mobile Networks operating segment into two distinct operating segments: one focused on products and solutions, called Mobile Networks, and the other on services, called Global Services. The Global Services operating segment is comprised of the services that resided within the previous Mobile Networks operating segment, including company-wide managed services. Global Services does not include the services of Fixed Networks, IP/Optical Networks and Nokia Software, which continue to reside within the respective operating segments.

Acquisition of Alcatel Lucent

Combining Nokia with Alcatel Lucent brings together the complementary capabilities of both companies with an end-to-end portfolio of software, services and products, which will be weighted towards next-generation technologies enabling Nokia to provide better solutions to customers and access new opportunities in an expanded, addressable market. Alcatel Lucent provided us with the opportunity to cross-sell and upsell our expanded portfolio, and better leverage our global sales channel. From a geographic perspective, we gained a stronger position in many regions. In North America we have significantly increased our market share; in China we are one of the largest vendors headquartered outside the country; and in Europe, Latin America and the Middle East and Africa we have roughly doubled our size.

The acquisition has given us a total of more than 40,000 research scientists and engineers focused on inventing and deploying technologies that are shaping the future of the connected world: 5G, Cloud-based networks, IP routing, optical fibre transport and data analytics. Our combined research and development ("**R&D**") spend supports near and longer term scientific research at Nokia Bell Labs — building a strong platform for putting us ahead of the competition.

In China, Alcatel Lucent has a joint venture, Alcatel-Lucent Shanghai Bell ("**ASB**"). ASB is a foreign-invested company limited by shares in China, owned by Alcatel Lucent (50% plus one share) and China Huaxin (50% minus one share). ASB provides end-to-end telecommunication solutions and services for customers in China and worldwide.

In August 2015, Nokia and China Huaxin signed a memorandum of understanding ("**MoU**") confirming their intention to combine Nokia's telecommunications infrastructure businesses in China ("**Nokia China**") and ASB into a new joint venture. On 18 May 2017, definitive agreements for the creation of the Nokia Shanghai Bell joint venture were signed and announced. The closing marked the official start of Nokia Shanghai Bell operations, although ASB and Nokia's China business have effectively operated as one entity since January 2016 when an interim operational agreement was signed.

Sale of the HERE Business

The HERE digital mapping and location services business, an arena we entered in 2006, was a pillar of our operational performance. But in 2015, the Nokia Board of Directors (the "**Board**") held a strategic review of the business in light of plans to purchase Alcatel Lucent. The result of that meeting led us to selling the HERE business in a deal agreed with the Consortium valued at EUR 2.8 billion.

The deal was announced on 3 August 2015 and closed on 4 December 2015.

Recent developments

On 27 March 2018, the Board resolved to convene the annual general meeting for 2018. Proposals to the annual general meeting included (i) payment of a dividend of €0.19 per share for 2017, (ii) proposals on the composition and remuneration of the Board, (iii) proposals to authorise the repurchase and issuance of shares, (iv) proposals on the re-election of Nokia's auditor and its remuneration, and (v) plans to establish a technology committee following the annual general meeting. Nokia released the agenda for the annual general meeting on 28 March 2018.

On 11 April 2018, a total of 7,113 Nokia shares held by Nokia were transferred without consideration to participants of Nokia's equity-based incentive plan as settlement in accordance with the plan rules. The transfer is based on the resolution of the Board to issue shares held by Nokia to settle its commitments to plan participants as announced on 1 February 2018. The number of own shares held by Nokia Corporation following the transfer is 32,493,664.

Nokia's strategy

Nokia's new strategy builds upon its enhanced business portfolio, and focuses on four key priority areas:

- *Lead in high-performance, end-to-end networks with communication service providers:* Use our unparalleled, end-to-end portfolio to sustain our market leadership and profitability.
- *Expand network sales to select vertical markets with carrier-grade needs:* Broaden our footprint in five select markets: energy, transportation, public sector, technological extra-large enterprises and webscales.
- *Build a strong, standalone software business:* Our ambition is to build on our foundation in the telecommunications software market, strengthen our position in telecoms software, and address new customer segments, thereby creating a global software player that has a growth and margin profile like leading software companies.
- *Create new business and licensing opportunities in the consumer ecosystem:* Expand successful patent licensing efforts into areas like automotive and consumer electronics. We are exploring opportunities to license our unique technological capabilities in virtual reality.

Operational Governance and Leadership

We have a strong and experienced leadership team that brings together leaders with many years of experience in telecommunications and technology, finance, sales and operations and various other business disciplines.

The diversity of business backgrounds of the Nokia Group Leadership Team (the "**Group Leadership Team**") members has been integral to the transformation of Nokia into an industry and innovation leader in next-generation technology and services in recent years.

The Group Leadership Team is responsible for the operative management of Nokia, including decisions concerning our strategy and the overall business portfolio. The Chair and members of the Group Leadership Team are appointed by the Board. The Group Leadership Team is chaired by the President and Chief Executive Officer.

The Group Leadership Team consists of the following members:

- Rajeev Suri as President and CEO of Nokia
- Kristian Pullola as Chief Financial Officer
- Joerg Erlemeier as Chief Operating Officer
- Basil Alwan as President of IP/Optical Networks
- Bhaskar Gorti as President of Nokia Software
- Federico Guillén as President of Fixed Networks
- Sanjay Goel as President of Global Services
- Marc Rouanne as President of Mobile Networks
- Gregory Lee as President of Nokia Technologies
- Ashish Chowdhary as Chief Customer Operations Officer
- Hans-Jürgen Bill as Chief Human Resources Officer
- Kathrin Buvac as Chief Strategy Officer
- Barry French as Chief Marketing Officer
- Maria Varsellona as Chief Legal Officer
- Marcus Weldon, Corporate Chief Technology Officer and President of Nokia Bell Labs

Networks Business

Our Networks business is conducted through its three business groups: Ultra Broadband Networks, Global Services and IP Networks and Applications.

Market Overview

Through our comprehensive end-to-end portfolio of products and services, we are addressing a market that encompasses mobile and fixed network access infrastructure, IP routing and optical networks as well as software platforms and applications. Demand for our portfolio is driven by exponentially increasing growth in data traffic as people's lives and enterprises become ever more digitalised. This drives the demand for highly reliable networks for massive connectivity.

Ultra Broadband Networks

Ultra Broadband Networks is comprised of Mobile Networks and Fixed Networks operating segments.

Mobile Networks

Market overview

The primary market for our Mobile Networks business group includes technologies for mobile access, core networks and microwave transport. This encompasses access and core network technologies ranging from 2G to 5G licensed and unlicensed spectrums for both macro and small cell deployments. The primary addressable market for Mobile Networks was estimated at EUR 27 billion in 2017.

The adjacent market for Mobile Networks includes solutions for the public sector, technical extra-large enterprises ("TXLEs"), and webscales, and drives expansion into domains such as 4G long-term evolution ("LTE") for public safety, private LTE and unlicensed radio access. The adjacent market, including verticals, was estimated at EUR 4 billion in 2017.

Business overview and organisation

Providing connectivity is the core business of our Mobile Networks business group. Our Mobile Networks strategy focuses on maintaining the strong business that we have today, and prudently expanding it to new customer segments and technologies. To implement our strategy, and to become fast and agile in our execution, Mobile Networks introduced a new organisational structure and new ways of working in October 2017. We target to lead in high-performance mobile networks with communications service providers. In practice, we define leading with two indicators: customer feedback and return on investment.

Practically, we aim at being perceived as a leader in 5G, as well as providing the best value to our customers as they evolve their networks towards cloudification. As we move from 4G to 5G and transform our networks into a cloud-native environment, we aim to become a champion of unified software development and software operations, and continuous delivery. 5G is more than a mobile access technology: the full potential of 5G is only achieved if every part of the network can perform to the same level, and for this we have developed our Future X network architecture blueprint. The capacity, latency, agility, reliability and speed offered by this technology make it applicable to communications service providers ("**CSPs**") and other industry verticals.

We believe that 5G will change the way in which communications technology is used in virtually every sphere of life. As we move along the path towards making 5G a commercial reality, we aim to extend our leadership in LTE with a smooth evolution path comprising successive generations of 4.5G, 4.5G Pro and 4.9G offerings. Mobile Networks' rationalised portfolio, featuring the 5G-ready AirScale radio access, is setting the standard for scalability, openness, energy efficiency and multitechnology support ("**Single RAN**").

An important part of our focus is the transformation of service providers as they adopt cloud computing technologies to enable digitalisation. Particularly on the Core networks side, there has been a continuous evolution from traditional monolithic products, passing through virtualisation and now into a cloud-native network architecture. To support this transition, in 2017 Nokia launched the AirGile cloud-native core which is a full portfolio of network functions built to execute on the demands brought by the future 5G and IoT networks. A proof point of the maturity of the Telco Cloud market and of the leadership position that Nokia has achieved is the strong deal momentum that we have achieved, with more than 120 commercial cloud references with operators and enterprises across the world.

Competition

The mobile networks market is a highly consolidated market and our main competitors are Huawei and Ericsson. Additionally, there are two regional vendors, ZTE and Samsung, that operate with an estimated below 10% market share. As network infrastructure gets virtualised and cloudified, we expect IT companies, such as HP Enterprise and Cisco, to emerge in this field.

Fixed Networks

Market overview

The primary market for our Fixed Network business group includes technologies for fixed access and related services in addition to fixed network transformation services with a focus on transformation of legacy fixed switching networks. The primary market for Fixed Networks was estimated at EUR 8.4 billion in 2017. In this market, we see a shift from copper to fibre technologies, and networks increasingly use a combination of multiple technologies, such as copper, fibre and wireless.

The adjacent market, including verticals, for Fixed Networks includes virtualisation solutions for cable access platforms, Digital Home (IoT) and passive optical local area network. The adjacent market, including verticals, was estimated at EUR 0.2 billion in 2017.

Business overview and organisation

Our Fixed Networks business group creates Intelligent Access networks that are more advanced, bringing connectivity to more people sooner to deliver the best broadband experience.

The Fixed Networks business group provides the broad access to networks toolkit including copper, fibre, coax and fixed-wireless access technologies to deliver more bandwidth to more people, faster and in a cost-efficient way. The portfolio allows for a customised combination of technologies that brings fibre to the most economical point for our customers. Nokia is a market leader in copper-based solutions to boost capacity on existing copper infrastructure, such as VDSL2 Vectoring, Vplus, and G.fast. Together with Nokia Bell Labs, we continue the innovation and development of even higher-capacity technologies like XG-Fast, which allows 10 Gb/s over copper. The Fixed Networks business group

is also a market leader in fibre-to-the-home solutions, with technologies such as GPON, EPON, Ethernet point-to-point, as well as the award-winning 10 gigabit next generation fibre technologies (XGS-PON and TWDM-PON).

Following the acquisition of Gainspeed, Nokia has been extending its cable operator portfolio, with a comprehensive Unified Cable Access solution, including both fibre and coax solutions, as well as its ground-breaking and award-winning virtualised distributed access architecture solution ("**vCMTS**"). With this enhanced portfolio, Nokia provides cable operators with the end-to-end technology capabilities needed to support growing capacity requirements today and into the future.

Delivering a gigabit to the home is no longer enough, when in-home network, especially Wi-Fi capabilities, is often the pain point. To ensure carrier-grade in-home connectivity, Nokia has expanded its smart home portfolio with its carrier-grade Nokia Wi-Fi solution, providing coverage in every corner of the home, supporting communications service providers to offer enriched customer experience and diversify their services.

Virtualisation will have a key role in keeping operational costs low as the network gets more complex. Moving functions to the cloud makes networks easier to manage and scale. With its Software Defined Access solution, Nokia takes a very pragmatic approach towards fixed access virtualisation, working closely with service providers around the world to define the use cases that make the most sense for them. Nokia's Software-Defined Access Network ("**SDAN**") solution includes Altiplano cloud-native software and Lightspan open programmable hardware, enabling scalable deployment practices, automated operations and integration services. Nokia was awarded the Broadband Award 2017 for Achievement in Virtualisation.

The Fixed Networks services portfolio is based on our expertise and experience and includes amongst others, Public Switched Telephone Network transformation, ultra-broadband network design, deployment and operation, site implementation and outside plant, and multivendor maintenance. With predictive care, Nokia brings the powerful and proven intelligent analytics and automation capabilities of Nokia AVA cognitive services platform to fixed networks, providing near-real time monitoring capabilities to identify network anomalies before they impact service.

Competition

The competitive landscape in fixed access has similar characteristics to mobile access, where the market is dominated by three main vendors, Nokia, Huawei, and ZTE, and a handful of other vendors with estimated less than 10% market share.

Global Services

Market overview

The Global Services business group's market includes network implementation, care and professional services for mobile networks in addition to managed services for the fixed, mobile, applications, IP and optical domains. The primary market for mobile networks services was estimated at EUR 28 billion in 2017. The adjacent market for Global Services, including services for Mobile Networks vertical segments, was estimated at EUR 5 billion.

Business overview and organisation

Our services, solutions and multivendor capabilities help communications service providers navigate through the evolving technology landscape, network complexity and data growth as well as improve end user experience while supporting them also in day-to-day network planning, implementation, operations and maintenance. At the same time, we expand our offering in select attractive verticals as well as for IoT and cloud by leveraging our innovative portfolio and telco grade expertise.

We differentiate strategically through our service delivery by driving speed, quality and efficiency with the right combination of local expertise and globalised delivery centres, as well as automation and advanced analytics powered by Nokia AVA, our cognitive service delivery platform.

The Global Services business group consists of five business units:

Network Planning and Optimisation helps customers maximise their network performance and quality of end users' experience, while also keeping capital expenditure under tight control. Analytics-based services powered by Nokia AVA are designed to satisfy the surging need for a use-case driven approach to addressing customer pain points.

Network Implementation deploys, expands and modernises mobile networks of the communications service providers, enterprise and public sector customers in growth and mature markets, thus optimising customers' total cost of ownership (both capital expenditure and operating expenditure) and deployment schedules while minimising risks.

Systems Integration offers network architecture, integration, customisation, and migration services. The portfolio focuses on core and SDN, data centre services, telco cloud, transformation and prime integration for communications service providers and other specific services for vertical customers.

Care assures optimal network availability by providing network operation support, maintenance, orchestration and expert services. With the power of Nokia AVA and its latest analytics and automation, our offering includes proactive and predictive solutions that are fully customisable to local and customer-specific requirements.

Managed Services provides tailored packages for its communications service providers, public sector, transport and utility customers to help them transform their business and excel in the fixed, mobile, applications, IP and optical domains. The full portfolio comprises of network and service management, a build-operate-transfer model, hosting, advanced analytics, IoT, cloud and security operations.

Competition

In a market segment that combines products and services, Nokia competes against Huawei, Ericsson, ZTE, and Cisco, while for the service-led businesses like managed services and systems integration we see other competitors, such as TechMaindra, HPE and IBM, emerging in addition to Ericsson and Huawei.

IP Networks and Applications

IP Networks and Applications comprises IP/Optical Networks and Nokia Software operating segments.

IP/Optical Networks

Market overview

The primary market for our IP/Optical Networks business group includes routing and optical technologies and related services sold to CSPs. This market includes technologies such as IP aggregation, edge and core routing, mobile packet core, Wave Division Multiplex, and packet optical transport networking solutions. We also have analytics and end-to-end Software-Defined Network ("SDN") solutions. The primary market for IP/Optical Networks was estimated at EUR 25 billion in 2017.

A growing portion of IP/Optical Networks revenue is derived from its adjacent market, which includes customer segments like webscales and enterprise. In the enterprise segment, we address verticals like energy, transport, public sector, and TXLEs. We address this mission-critical market with our IP, Optical and Nuage Networks portfolios. The adjacent market was estimated at EUR 6 billion in 2017.

Business overview and organisation

The IP/Optical Networks business group provides the high-performance and massively scalable networks that underpin the digital world's dynamic interconnectivity. IP/Optical Networks' portfolio of carrier-grade software, systems and services play across multiple domains, from programmable IP and optical transport networks for the smart fabric to analytics and software-defined capabilities for the programmable network operating system and more.

The networks of CSPs are under tremendous pressure from cloud-based applications, ultra-broadband evolution and the IoT. IP/Optical Networks solutions reduce time-to-market and risk in CSPs launching new services, enabling rapid scaling to meet surging demands in the most optimised configurations. Our insight-driven network automation solutions further assure that network services are delivered with consistent quality, reliability and security and that restorative actions are automatically initiated when any parameter varies beyond set limits. These carrier-grade attributes also benefit—and are valued by—the needs of webscales, energy, transport, public sector and TXLEs.

The IP/Optical Networks product portfolio includes:

- comprehensive IP and optical Wide Area Networking ("**WAN**") solutions that dynamically, reliably and securely connect people and things from any universal broadband access modality to any clouds and edge clouds at the lowest cost-per-bit;

- advanced, cloud-optimised IP service gateways for residential, business, mobile and IoT services and unique hybrid solutions enabling a converged services future;
- analytics and carrier SDN solutions for insight-driven network automation that dynamically provision, optimise and assure network services and resources end-to-end, from access to the cloud, and spanning IP and optical technology layers;
- advanced datacentre automation and software-defined WAN solutions that configure network connectivity among clouds and to any enterprise branch office with the ease and efficiency of cloud compute using products from our Nuage portfolio;
- advanced IP video services offering the utmost user experience streamed efficiently and flawlessly from the cloud; and
- an extensive portfolio of professional services to accelerate the benefits of integrating new technologies to transform networks and leverage the latest innovations in SDN, virtualisation, video and programmable all-IP networks.

Competition

The competitive landscape includes Cisco, Juniper Networks, Huawei, and Nokia in addition to various specialised players in optical, such as Ciena.

Nokia Software

Market overview

Nokia Software's primary solution segments include software for 1) digital experience and monetisation (i.e., Business Support Systems), 2) digital operations (i.e., Operational Support Systems), 3) digital networks (i.e., Session Border Controllers, Authentication, Authorisation, and Accounting ("AAA"), and Diameter Routing), and 4) digital intelligence (i.e., big data analytics, augmented and artificial intelligence, etc.). The primary addressable market for Nokia Software and associated professional services was estimated at EUR 14 billion in 2017.

The adjacent market for Nokia Software includes emerging software and services for Network Function Virtualisation ("NFV") and NFV Management Orchestration ("MANO"), Self-Organising Networks, IoT platforms, and security. This market also includes digital enterprises and IoT verticals. The adjacent market, including verticals, was estimated at EUR 8 billion in 2017.

Business overview and organisation

The Nokia Software business group serves communications service providers by helping them harness the power of connected intelligence to enrich and monetise experiences. Nokia is helping customers move from the slow, siloed, and monolithic systems they have today to agile, scalable and lightweight solutions that are built to work in digital time. Each solution is designed to provide intelligence, automation, security, cloud readiness and multi-vendor capabilities over a common software foundation.

The Nokia Software portfolio contains:

- Digital experience and monetisation: helps service providers identify and act upon the small windows of digital time where the opportunities to enrich and monetise are the best. Our portfolio includes solutions for omni-channel customer engagement, autonomous customer care, fixed and mobile device management, and policy and charging software that can be utilised across all network types from any vendor. Today, we have more than 300 digital experience and monetisation customers, we are a market leader in both fixed and mobile device management, and we have one of the industry's first 5G charging solutions.
- Digital operations: helps service providers simplify, automate and optimise their service and network operations. Our portfolio includes solutions for service fulfilment, assurance, orchestration, and network management. We have more than 500 digital operations customers globally, hold leading market positions in NFV MANO and service assurance and have been recognised as the "one stop shop for Operations Support Systems" by Analysys Mason.

- Digital networks: software that creates an elastic, programmable, and secure cloud-based foundation to address performance and reliability requirements. Our products include one of the industry's first cloud-native session border controllers, a portfolio of active security solutions, and market-leading mobile network management solutions.
- Our digital intelligence portfolio provides a complete 360-degree view on the market. We use artificial intelligence to provide advanced summarisation, correlation, and prediction to determine sentiment, marketing targets, and the next best actions. We are a market leader in network analytics and have over 350 customers.

Competition

Nokia is one of the leading providers of telecom software products according to Analysys Mason. As the market is highly fragmented, the top six vendors all hold less than 10% market share while the remaining market is shared across several niche players.

Our competitors fall into two categories: Independent Software Vendors ("**ISVs**") and Network Equipment Providers ("**NEPs**"). The main ISV competitors are Amdocs, Netcracker, and Oracle. The main NEP competitors are Huawei and Ericsson, selling software as part of large infrastructure deals.

Nokia Bell Labs

Nokia Bell Labs, our research arm, produces disruptive innovations for the next phase of human existence. This has been the charter for Nokia Bell Labs for 90 years and led to a wealth of industry redefining innovations, eight Nobel Prizes and other honours.

Three functions create the Nokia Bell Labs' foundation to disrupt and transform the future:

- 1) Chief Technology Office which defines the technological and architectural vision for the future of human needs.
- 2) Nokia Bell Labs Research which understands the key challenges in the future vision and invents solutions that are better than what is currently possible.
- 3) Bell Labs Consulting which advises the industry on the economics of the vision and how to efficiently achieve this future goal, from the current starting point.

Sales and Marketing

The Customer Operations ("**CO**") organisation is responsible for sales and account management across the five network-oriented business groups. The CO teams are represented worldwide (in approximately 130 countries) to ensure that we are close to our customers and have a deep understanding of local markets. In this way, we strive to create and maintain deep customer intimacy across our customer base.

Geographically, the CO organisation is divided into seven markets:

- Asia-Pacific and Japan spans a varied geographical scope, ranging from advanced telecommunications markets, such as Japan and the Republic of South Korea, to developing markets including Philippines, Bangladesh, Myanmar, Vietnam and others. In 2017, we worked with all the leading operators in the market, and collaborated on 5G, IoT and other leading network evolution topics with operators from Japan and the Republic of South Korea. We also run a major Service Delivery Hub in Japan. Furthermore, we work across a wide range of vertical markets in Asia-Pacific and Japan including public sector, transportation and energy enabling solutions through its end-to-end portfolio.
- In Europe, we engaged with all the major operators serving millions of customers. We have extensive R&D expertise in Europe, and some of our largest Technology Centres, which are developing future technologies, are based in this market. We also have a Global Delivery Center (across two locations: Portugal and Romania) and three regional Service Delivery Hubs in Europe (one in Russia and two in Poland). With our strong end-to-end portfolio, Nokia is well positioned in Europe to help maximise the benefits of 5G, IoT and the digital transformation in the local digital ecosystems.

- In Greater China, we are the leading player among companies headquartered outside China, and work with all the major operators. We have also extended our market presence to the public and enterprise sectors, including energy, railways and public security. In 2017, we worked with numerous China-based webscale companies, and all the major operators in Taiwan. In China, we have six Technology Centres, one regional Service Delivery Hub and more than 80 offices spread over megacities and provinces. A major achievement in 2017 was the closing of our agreement with our Chinese partner, which resulted in the formation of the joint venture – Nokia Shanghai Bell. This was the last major organisational step in Nokia and Alcatel Lucent integration, bringing together approximately 8,000 colleagues from both companies into a single organisation.
- In India, we are a strong supplier and service provider to the leading public and private operators. Collectively, our networks for these operators serve 418 million subscribers across some 459,000 sites with Nokia managing networks supporting 154 million subscribers. In addition, we are a key telecom infrastructure supplier to non-operator segments, including large enterprises, utilities companies, and the Indian defence sector. We are also a strategic telecommunications partner in GSM-Railways technology in India. Nokia's operations in the country include a Global Delivery Center, a Service Delivery Hub and a Global Technology Center.
- In Latin America, an estimated 24% of mobile subscribers use LTE services, almost double from a year ago, due to accelerated adoption in Brazil, Mexico and Argentina. High-speed fixed broadband, meanwhile, is still in its early phase. With the aim of providing broadband services to a population of over 600 million people in the area, we supplied ultra-competitive solutions to all major operators. In 2017, we also closed our biggest ever deal in the market – the nationwide wholesale LTE network in Mexico known as 'Red Compartida', for Altán Redes, and the largest LTE 700 MHz deployment in Brazil with TIM.
- In Middle-East and Africa, we see strong opportunities for Nokia, and we are closely working with all key global and regional operators. We have been laying the foundation for early 5G adoption and Smart Cities deployments in the Middle-East region, and continue to see strong growth in the number of mobile broadband users in Africa, driven by increasing affordability of smartphones and commercial LTE deployments across the continent.
- In North America, we count all the major operators as our key customers. We also deliver advanced IP networking, ultra-broadband access, and cloud technology solutions to a wide array of customers, including local service providers, cable operators, large enterprises, state and local governments, utilities, and many others. North America is also home to the our most important and thriving innovation practices—from the renowned Nokia Bell Labs headquarters in Murray Hill, New Jersey, to the development labs in Silicon Valley.

These efforts are led by two teams within Customer Operations. These are Global Enterprise TEPS (transportation, energy and public sector) and Global Enterprise Webscale / TXLE.

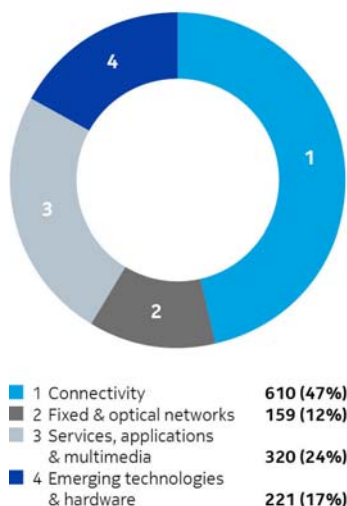
Within TEPS, we focus on the needs of public sector customers for technology in public safety, government driven broadband initiatives and smart city projects. For example, we work with Nedaa (the Dubai government security networks operator) in both public safety and smart city; as a key supplier to AT&T, Nokia will play a significant part in building the FirstNet nationwide U.S. Public Safety broadband network; we supply the Shanghai Oriental Pearl Group with technology for smart city services and work with the Digital Poland Operational Program, in which, together with Infracapital, we formed a joint venture to design, deploy and operate GPON fibre-optic networks to serve more than 400,000 residences and 2,500 schools in 13 regions in central and northern Poland.

In transportation, Nokia is a market leader in global system for mobile communications for railway customers ("GSMR") world-wide. And in aviation, we are working with Skyguide on modernising Switzerland's nationwide mission-critical communications network for air traffic control, managing both civil and military air traffic. We also supply Air2Ground private LTE solutions for major airline corporations, in cooperation with Deutsche Telekom and Inmarsat, among others. In energy, we are the global leader in Private LTE solutions for the mining industry. In 2017, we also added our first water utility with Placer County Water Authority in the United States, where our technology is helping to control water quality, prevent water loss and more effectively manage hydro-electric power generation. We also work with the world's largest utility companies, including the world's largest utility by production – EDF – the world's largest utility by customers – SGCC in China – Tata Power in India and the major utilities for both generation and distribution across the United States, including Ameren.

Our Webscale / TXLE business saw significant progress during 2017. In Webscale, our business has grown steadily and we now count Facebook, Amazon Web Services ("AWS"), Apple, Xiaomi Baidu, Alibaba and Tencent among our customers and we also work with some of these as partners. We announced a partnership with AWS, providing a full suite of services to support service providers in their migration to AWS, a patent agreement with Xiaomi and a business and patent license and business collaboration agreement with Apple. Among our TXLE customers, we include international banks—such as BBVA, Santander, and Crédit Andorrà—to which we supply software-defined networking and / or software-defined WAN solutions.

Research and Development

Breakdown of patent filings in 2017 by technology



Our Networks business is one of the industry's largest R&D investors in information communication technology and we expect it to drive innovation across telecommunications and vertical industries to meet the needs of a digitally connected world. Product development is continually underway to meet the highly programmable, agile and efficiency requirements of the next generation software-defined networks that will accommodate the IoT, intelligent analytics, and automation used to forge new human possibilities.

Our five networks-focused business groups are responsible for product R&D within the Networks business. The Networks business has a global network of R&D centres, each with individual technology and competence specialties. The main R&D centres are located in Belgium, Canada, China, Finland, France, Germany, Greece, Hungary, India, Italy, Japan, Poland, the Philippines, Portugal, Romania, the United Kingdom, and the United States. We believe that the geographical diversity of our R&D network is an important competitive advantage for us. In addition, the ecosystem around each R&D centre helps us to connect with experts on a global scale and our R&D network is further complemented by cooperation with universities and other research facilities.

All of our Networks business groups, and also Nokia Technologies, are committed to the Future X network architecture defined by Nokia Bell Labs. The Future X network is based on a vision of a massively distributed, cognitive, continuously adaptive, learning and optimising network connecting humans, senses, things, systems, infrastructure, and processes. The Future X network aims to provide a 10-fold improvement across key technology domains in response to the six megatrends identified by Nokia as driving new technological requirements. For a more detailed description refer to "Our strategy" section.

Patents and Licenses

Intellectual property assets are fundamental to Nokia, and we own a large patent portfolio of approximately 20,000 patent families. The Patent Business in Nokia Technologies is the primary monetisation entity for patent assets.

Industry leading R&D in our Networks business including Nokia Bell Labs in fields such as wireless, IP networking, ultra-broadband access and cloud technologies and applications continues to generate valuable new, patentable innovations.

Our Networks business has patent license agreements in place with a number of third parties as part of its ordinary course of business.

Nokia Technologies

Market overview

Building on decades of innovation and R&D leadership in technologies, Nokia Technologies is expanding our patent licensing business, reintroducing the Nokia brand to smartphones through brand licensing, and establishing a technology licensing business.

Smartphones, feature phones, and tablets had a global estimated wholesale market of over EUR 360 billion in 2017. Global smartphone wholesale revenues alone are forecasted to increase by 12% in 2018 and total over EUR 350 billion. In the automotive industry, expectations are that around half of the approximately 100 million new cars sold annually around the world will have connectivity in the next five years.

Business overview and organisation

Nokia Technologies is determined to explore, discover and develop the ways in which technology can transform our lives. Nokia Technologies makes our vision for a connected future today's reality. Nokia Technologies' mission is to create effortless and impactful technological products and solutions that expand human possibilities.

Nokia Technologies currently consists of a portfolio of four businesses.

With the acquisition of Withings in 2016, our Digital Health business entered the market with a portfolio of premium, intuitive consumer products designed to inspire the individual to take control of their own health. Since then, we expanded this business into corporate wellness and elder care and developed an innovative patient care platform focused on remote patient care monitoring.

In the future, we plan to reduce our focus on consumer incubation in Nokia Technologies to allow us to prioritise our core strengths in business-to-business and licensing patents, technologies and the Nokia brand. In February 2018, Nokia announced a strategic review of options for the Digital Health consumer products business.

Our Brand Partnerships business works with our exclusive licensee for the Nokia brand for phones and tablets, HMD Global, which has launched six new Android smartphones and five new feature phones during 2017.

Our Patent Business continues to grow its successful patent licensing and monetisation activities, which drive most of Nokia Technologies' net sales today, giving us the ability to invest in our new businesses in a disciplined, venture capital-like manner.

We have launched a Technology Licensing business, focused on innovative spatial audio and visual technologies stemming from our OZO VR camera, which is no longer in production.

Sales and marketing

Our Patent Business manages intellectual property as a technology asset and seeks a return on our investments by making our innovations available to the markets through licensing activities and transactions. Nokia Technologies currently has more than 100 licensees, mainly for our standards essential patents ("SEPs").

Nokia Technologies also continues to engage in global sales and marketing activities supporting the technology licensing solutions stemming from the OZO VR camera, as well as our portfolio of connected health products in both regulated and non-regulated markets.

Nokia Technologies sees further opportunities in licensing its proprietary technologies, intellectual property and brand assets into telecommunications and vertical industries.

Research and Development

The applied nature of our R&D in Nokia Technologies has resulted in various relevant and valuable inventions in areas that we believe are important for emerging consumer experiences, such as audio and video standardisation, sensing technologies and advanced machine learning-based health analytics.

Nokia Technologies has R&D centres in Finland and France.

Patents and Licenses

For more than 20 years, we have defined many of the fundamental technologies used in virtually all mobile devices and taken a leadership role in standards setting. As a result, we own a leading share of essential patents for GSM, 3G radio and 4G LTE technologies. These, together with others for Wi-Fi and video standards, form the core of our patent portfolio for monetisation purposes. As mentioned above, Nokia Technologies currently has more than 100 licensees, mainly for our SEPs.

With the acquisitions of Nokia Siemens Networks in 2013 and Alcatel Lucent in 2016, we added the results of their sustained innovation, including that of Bell Labs, creating a larger and more valuable IP portfolio than ever before. As part of our active portfolio management approach, we are continuously evaluating our collective assets and taking actions to optimise the size of our overall portfolio while preserving the high quality of our patents. Through a series of structured divestments in 2017, we have enabled product companies to access Nokia innovations. At the end of 2017, our portfolio stands at around 20,000 patent families, built on combined R&D investments of more than EUR 123 billion over the last two decades.

We continue to refresh our portfolio from R&D activities across all Nokia businesses, filing patent applications on more than 1,300 new inventions in 2017. Continuing our focus on communications standards, we also expect to have a leading position in 5G. Through 2017, we continued to be a leading contributor to the development of emerging 5G standards.

Competition

In the digital health market, our competitors range from large multinationals to innovative smaller specialist vendors. Until recently, our focus was on higher growth segments of the total market, including consumer health and wellness products such as hybrid smart watches, blood pressure monitors, scales and thermometers, as well as remote patient monitoring. Fitbit, Garmin, Xiaomi, and Apple compete in personal wellness products, along with players like Omron, Qardio, and iHealth. Philips, Honeywell Life Care Solutions, Medtronic, and Vivify Health are active around remote patient monitoring.

Group Common and Other

Group Common and Other includes Alcatel-Lucent Submarine Networks and Radio Frequency Systems, both of which are being managed as separate entities. In addition, Group Common and Other include Nokia Bell Labs' operating expenses, as well as certain corporate-level and centrally managed operating expenses.

Discontinued Operations

HERE business

We sold our HERE digital mapping and location services business to a German automotive industry consortium comprised of AUDI AG, BMW Group and Daimler AG, that was completed on 4 December 2015 (the "**Sale of HERE Business**").

The transaction, originally announced on 3 August 2015, valued HERE at an enterprise value of EUR 2.8 billion, subject to certain purchase price adjustments. We received net proceeds from the transaction of EUR 2.55 billion at the closing

of the transaction. We recorded a gain on the Sale of the HERE Business, including a related release of cumulative foreign exchange translation differences of EUR 1.2 billion, in the year ended 31 December 2015.

Devices & Services Business

We sold substantially all of our Devices & Services business to Microsoft in a transaction that was completed on 25 April 2014 (the "**Sale of the D&S Business**"). We granted Microsoft a ten-year non-exclusive license to our patents and patent applications. The announced purchase price of the transaction was EUR 5.44 billion, of which EUR 3.79 billion related to the purchase of substantially all of the Devices & Services business, and EUR 1.65 billion to the ten-year mutual patent license agreement and the option to extend this agreement into perpetuity. Of the Devices & Services-related assets, our former CTO organisation and our patent portfolio remained within the Nokia Group, and are now part of the Nokia Technologies business group.

Significant subsidiaries

The following is a list of Nokia's significant subsidiaries at 31 December 2017.

Continuing Nokia Group Companies	Country of Incorporation	Nokia Ownership Interest	Nokia Voting Interest
Nokia Solutions and Networks B.V.	The Netherlands	100%	100% ⁽¹⁾
Nokia Solutions and Networks Oy	Finland	100%	100%
Nokia of America Corporation	United States	100%	100%
Nokia Solutions and Networks Japan Corporation.	Japan	100%	100%
Nokia Solutions and Networks India Private Limited	India	100%	100%
Nokia Solutions and Networks System Technology (Beijing) Co., Ltd.	China	100%	100%
Nokia Solutions and Networks Branch Operations Oy ...	Finland	100%	100%
Nokia Solutions and Networks Taiwan Co., Ltd.	Taiwan	100%	100%
Nokia Finance International B.V.	The Netherlands	100%	100%
Nokia Technologies Oy	Finland	100%	100%
Nokia Bell NV	Belgium	100%	100%
Nokia Spain, S.A.	Spain	100%	100%
Nokia Shanghai Bell Co., Ltd.	China	50% plus one share	50% plus one share
Nokia Solutions and Networks GmbH & Co. KG	Germany	100%	100%
Nokia Services Limited	Australia	100%	100%
Alcatel-Lucent SAS	France	100%	100%
Alcatel-Lucent Canada Inc.	Canada	100%	100%
Alcatel-Lucent International SAS	France	100%	100%
Alcatel-Lucent Italia S.p.A.	Italy	100%	100%
Alcatel-Lucent Submarine Networks SAS	France	100%	100%
Alcatel-Lucent Participations SA	France	100%	100%

Shareholders

To our knowledge, Nokia is not directly or indirectly owned or controlled by any other corporation or any government, and there are no arrangements that may result in a change of control of Nokia.

Directors, Senior Management and Employees

Pursuant to the provisions of the Finnish Limited Liability Companies Act and Nokia's Articles of Association, the control and management of Nokia is divided among the shareholders at a general meeting, the Board, the President and Chief Executive Officer (CEO) and the Nokia Group Leadership Team, chaired by the President and CEO.

Board of Directors

The members of the Board were elected at the Annual General Meeting on 23 May 2017, except for Sari Baldauf who is expected to be elected at the Annual General Meeting to be held on 30 May 2018. Sari Baldauf will replace Jean C. Monty on the Board.

The Chairman and Vice Chairman, as well as the Chairmen and members of the committees of the Board, were elected from among the Board members and among the independent directors of the Board, respectively.

The members of the Board are elected on an annual basis for a one-year term ending at the close of the next Annual General Meeting. The election is made by a simple majority of the shareholders' votes cast at the Annual General Meeting.

The current members of the Board of Directors and its committees are set forth below.

Chair Risto Siilasmaa, b. 1966	<i>Chair of the Board of Directors of Nokia Corporation. Board member since 2008. Chair since 2012. Chair of the Corporate Governance and Nomination Committee.</i> Master of Science (Eng.), Helsinki University of Technology, Finland. President and CEO of F-Secure Corporation 1988-2006. Chairman of the Board of Directors of F-Secure Corporation. Chairman of the Board of Directors of The Federation of Finnish Technology Industries. Vice Chairman of the Board of Directors of The Confederation of Finnish Industries (EK). Member of European Roundtable of Industrialists. Chairman of the Board of Directors of Elisa Corporation 2008-2012.
Vice Chair Olivier Piou, b. 1958	<i>Vice Chair of the Board of Directors of Nokia Corporation. Board member and Vice Chair since 2016. Member of the Personnel Committee and the Corporate Governance and Nomination Committee.</i> Engineer, École Centrale de Lyon, France. Chief Executive Officer of Gemalto N.V. 2006-2016. Chief Executive Officer of Axalto N.V. 2004-2006. With Schlumberger 1981-2004, includes numerous management positions in the areas of technology, marketing and operations, in France and the United States. Member of the Board of Directors of Gemalto N.V. Member of the Board of Directors of the PESH Foundation. Member of the Board of Directors of Alcatel-Lucent SA 2008-2016.
Bruce Brown, b. 1958	<i>Member of the Board of Directors of Nokia Corporation since 2012. Chair of the Personnel Committee. Member of the Corporate Governance and Nomination Committee.</i>

M.B.A. (Marketing and Finance), Xavier University, the United States. B.S. (Chemical Engineering), Polytechnic Institute of New York University, the United States.

Retired from The Procter & Gamble Company in 2014. Chief Technology Officer of The Procter & Gamble Company 2008–2014. Various executive and managerial positions in Baby Care, Feminine Care, and Beauty Care units of The Procter & Gamble Company since 1980 in the United States, Germany and Japan.

Member of the Board of Directors of Agency for Science, Technology & Research (A*STAR) in Singapore. Member of the Board of Directors, the Audit Committee and the Nominating and Corporate Governance Committee of P.H. Glatfelter Company. Member of the Board of Directors, the Audit Committee and the Compensation Committee of Medpace, Inc.

Louis R. Hughes, b. 1949

Member of the Board of Directors of Nokia Corporation since 2016. Member of the Audit Committee.

Master's Degree in Business Administration, Harvard University, Graduate School of Business, the United States. Bachelor of Mechanical Engineering, General Motors Institute, now Kettering University, the United States.

President & Chief Operating Officer of Lockheed Martin in 2000. Executive Vice President of General Motors Corporation 1992–2000. President of General Motors International Operations 1992–1998. President of General Motors Europe 1992–1994.

Chairman of InZero Systems (formerly GBS Laboratories) (USA). Independent Director and member of the Audit Committee of AkzoNobel. Independent Director and Chairman of the Audit, Finance and Compliance Committee of ABB. Executive advisor partner of Wind Point Partners.

Member of the Board of Directors of Alcatel-Lucent SA 2008–2016.

Carla Smits-Nusteling, b. 1966

Member of the Board of Directors of Nokia Corporation since 2016. Member of the Audit Committee.

Master's Degree in Business Economics, Erasmus University Rotterdam, the Netherlands. Executive Master of Finance and Control, Vrije University Amsterdam, the Netherlands.

Member of the Board of Directors and Chief Financial Officer of KPN 2009-2012. Various financial positions in KPN 2000-2009. Various financial and operational positions in TNT/PTT Post 1990-2000.

Member of the Supervisory Board since 2013 and Chair of the Audit Committee of ASML. Member of the Board of Directors since 2013 and Chair of the Audit Committee and member of the Remuneration Committee of TELE2 AB. Member of the Management Board of the Unilever Trust Office since 2015. Lay Judge in the Enterprise Court of the Amsterdam Court of Appeal since 2015.

Elizabeth Nelson, b. 1960

Member of the Board of Directors of Nokia Corporation since 2012. Chair of the Audit Committee.

M.B.A. (Finance), The Wharton School, University of Pennsylvania, the United States. B.S. (Foreign Service), Georgetown University, the United

States.

Executive Vice President and Chief Financial Officer, Macromedia, Inc. 1997–2005. Vice President, Corporate Development, Macromedia, Inc. 1996–1997. Various roles in Corporate Development and International Finance, Hewlett-Packard Company 1988–1996.

Chairman of the Board of Directors of DAI. Independent Lead Director and Chair of the Audit Committee of Zendesk Inc. Member of the Board of Directors of Pandora Media 2013-2017.

Member of the Boards of Directors of Brightcove, Inc. 2010–2014, SuccessFactors, Inc. 2007–2012 and Ancestry.com, Inc. 2009–2012.

Jean C. Monty, b. 1947

Member of the Board of Directors of Nokia Corporation since 2016. Member of the Personnel Committee.

Bachelor of Arts, Collège Sainte-Marie de Montréal, Canada. Master of Arts in Economics, University of Western Ontario, Canada. Master of Business Administration, University of Chicago, the United States.

Chairman of the Board and Chief Executive Officer of Bell Canada Enterprises until 2002. President and Chief Executive Officer of Nortel Networks Corporation until 1997. Member of the Board of Directors of Fiera Capital Inc.

Member of the Board of Directors of Bombardier 1998-2017. Member of the Board of Directors of Alcatel-Lucent SA 2008–2016.

Sari Baldauf, b. 1955

Member of the Board of Directors of Nokia Corporation since 2018.

Master of Business Administration, Helsinki School of Economics and Business Administration. Bachelor of Science, Helsinki School of Economics and Business Administration. Honorary doctorates in Technology (Helsinki University of Technology) and Business Administration (Turku School of Economics and Business Administration and Aalto University School of Business).

Executive Vice President and General Manager, Networks Business Group, Nokia, 1998–2005. Various executive positions at Nokia in Finland and the United States 1983-1998.

Member of the Supervisory Board and Member of the Nomination Committee of Daimler AG. Member of the Board of Directors of Aalto University. Chair of the Vexve Holding Oy. Senior Advisor of DevCo Partners Oy. Member of the Supervisory Board of Deutsche Telekom AG 2012 until May 17, 2018 (end of the current term). Chair of the Board of Directors of Fortum Oyj 2011-2018. Member of the Board of Directors of Akzo Nobel 2012–2017. Member of the Board of Directors of F-Secure Oyj 2005-2014. Member of the Board of Directors of Hewlett-Packard Corporation 2006-2012.

Kari Stadigh, b. 1955

Group CEO and President of Sampo plc. Member of the Board of Directors of Nokia Corporation since 2011. Member of the Personnel Committee. Member of the Corporate Governance and Nomination Committee.

Master of Science (Eng.), Helsinki University of Technology, Finland. Bachelor of Business Administration, Hanken School of Economics,

Helsinki, Finland.

Deputy CEO of Sampo plc 2001–2009. President of Sampo Life Insurance Company Limited 1999–2000. President of Nova Life Insurance Company Ltd 1996–1998. President and COO of Jaakko Pöyry Group 1991–1996.

Member of the Board of Directors and Chairman of the Board's Risk Committee of Nordea Bank AB (publ). Chairman of the Board of Directors of If P&C Insurance Holding Ltd (publ) and Mandatum Life Insurance Company Limited. Member of the Board of Directors of the Federation of Finance Finland (previously Finnish Financial Services). Member of the Board of Directors of Waypoint Capital Group Holdings SA Member of the Board of Directors of Niilo Helanderin Säätiö.

Jeanette Horan, b. 1955

Member of the Board of Directors of Nokia Corporation since 2017. Member of the Audit Committee.

MBA, Business Administration and Management, Boston University, the United States. BSc, Mathematics, University of London, United Kingdom.

Various executive and managerial positions in IBM 1998-2015. Vice President of Digital Equipment Corporation 1994-1998. Vice President, Development, of Open Software Foundation 1989-1994.

Member of the Supervisory Board at Wolters Kluwer, and the Chair of the Remuneration Committee. Member of the Board of Advisors at Jane Doe No More, a non-profit organisation.

Member of the Board of Advisors of Cyberreason 2017-2018. Member of the Board of Directors of West Corporation 2016-2017. Member of the Board of Directors of Microvision 2006-2017.

Edward Kozel, b. 1955

Member of the Board of Directors of Nokia Corporation since 2017. Member of the Audit Committee.

Degree in Electrical Engineering and Computer Science, University of California, the United States.

President and CEO of Range Networks 2013-2014, Owner of Open Range 2000-2013, Chief Technology and Innovation Officer and member of the Board of Management of Deutsche Telecom 2010-2012, CEO of Skyrider 2006-2008, Managing Director of Integrated Finance 2005-2006, Senior Vice President, Business development and Chief Technology Officer and Board Member of Cisco 1989-2001.

Various Board Memberships in 1999–2009.

The business address of the persons mentioned above is Karaportti 3, FI-02610 Espoo, Finland.

The current members of the Board are all non-executive. For the term of the Board that began at the Annual General Meeting on May 23, 2017, all Board member candidates were determined to be independent under the Finnish corporate governance standards and the rules of the NYSE and, accordingly, there are no conflicts of interest between any duties to Nokia of the Directors and their private interests or duties.

Nokia Group Leadership Team

According to our Articles of Association, the Nokia Group Leadership Team is responsible for the operative management of the Company. The Chairman and members of the Nokia Group Leadership Team are appointed by the Board. Only the Chairman of the Nokia Group Leadership Team, the President and CEO, can be a member of both the Board and the Nokia Group Leadership Team.

The members of the Nokia Group Leadership Team are set forth below.

Rajeev Suri, b. 1967

President and Chief Executive Officer of Nokia. Nokia Group Leadership Team member and Chairman since 2014. Joined Nokia in 1995.

Bachelor of Engineering (Electronics and Communications), Manipal Institute of Technology, Mangalore University, Karnataka, India.

CEO, Nokia Solutions and Networks ("NSN") 2009-2014. Head of Services, NSN, 2007–2009. Head of Asia Pacific, NSN, April 2007. Senior Vice President, Nokia Networks Asia Pacific, 2005–2007. Vice President, Hutchison Customer Business Team, Nokia Networks, 2004–2005. General Manager, Business Development, Nokia Networks Asia Pacific, 2003. Sales Director—BT, O2 and Hutchison Global Customers, Nokia Networks, 2002. Director, Technology and Applications, BT Global Customer, Nokia Networks, 2000–2001. Head of Global Competitive Intelligence, Nokia Networks, 1999–2000. Head of Product Competence Center, Nokia Networks South Asia, 1997–1999. System Marketing Manager, Cellular Transmission, Nokia Networks India, 1995–1997. Head of Group Procurement, imports and special projects, Churchgate Group, Nigeria, 1993–1995. National Account Manager—Transmission/Manager—Strategic Planning, ICL India (ICIM), 1990–1993. Production Engineer, Calcom Electronics, 1989.

Kristian Pullola, b. 1973

Group Chief Financial Officer. Nokia Group Leadership Team member since 2017. Joined Nokia 1999.

Master of Science (Economics), the Hanken School of Economics, Helsinki, Finland. Finance diploma from the Stockholm School of Economics, Stockholm, Sweden.

Senior Vice President, Corporate Controller, Nokia 2011–2016. Vice President, Treasury & Investor Relations, Nokia 2009–2011. Vice President, Corporate Treasurer, Nokia 2006-2008. Director, Treasury Finance & Control, Nokia 2003-2006. Various roles in Nokia Treasury 1999-2003. Associate, Citibank International 1998-1999.

Member of the Board of Directors of Ilmarinen Mutual Pension Insurance Company.

Joerg Erlemeier, b. 1965

Chief Operating Officer. Nokia Group Leadership Team member since 2017. Joined Nokia 1994.

Bachelor of Engineering (Electronics and Telecommunications) from Fachhochschule Aachen, Germany.

Senior Vice President, Integration, Nokia, 2015. Vice President, Global Services, Europe, Nokia, 2015. Head of Delivery, North America market, Nokia, 2013/14. Head of Program Management Office, Nokia Siemens Networks, 2012. Head of Middle East & Africa, Nokia Siemens Networks, 2009 – 2011. Held several executive level positions in Nokia/Nokia Siemens Networks, 1994 – 2009.

Basil Alwan, b. 1962

President of IP/Optical Networks. Nokia Group Leadership Team member since 2016. Joined Nokia in 2016.

Bachelor in Computer Engineering, University of Illinois at Urbana-Champaign, the United States.

Previously President of IP Routing and Transport, Alcatel-Lucent 2012–2016. President of IP Division, Alcatel Lucent 2003–2012. Founder, President and CEO, TiMetra Networks 2000–2003. Vice President and

- General Manager, Bay Networks (acquired by Nortel) Enterprise Products Division (EPD) 1997–2000. Vice President of Product Management and Marketing, Rapid City Communications 1996–1997.
- President of Nokia Software. Nokia Group Leadership Team member since 2016. Joined Nokia in 2016.*
- Master of Science graduate degree in Electrical Engineering from Virginia Tech, USA. Bachelor's in Technology, Electrical Engineering, from National Institute of Technology, Warangal, India.
- Previously President of IP Platforms, Alcatel-Lucent. Senior Vice President and General Manager, Communications Global Business Unit, Oracle 2006– January 2015. Senior Vice President, Portal Software 2002–2006.
- Bhaskar Gorti, b. 1966
- President of Fixed Networks. Nokia Group Leadership Team member since 2016. Joined Nokia in 2016.*
- Degree in Telecommunications Engineering, ETSIT at Universidad Politécnica de Madrid, Spain. Master's degree in Switching & Communication Architectures, ETSIT at Universidad Politécnica de Madrid, Spain. Master's Degree in International Management, ESC Lyon and Alcatel, France.
- President of Fixed Networks, Alcatel Lucent 2013–2016. President and CEO of Alcatel-Lucent Spain & Global Account Manager Telefonica, Alcatel Lucent 2009–2013. Vice President Sales of Vertical Market Sales in Western Europe, Alcatel Lucent 2009. Head of Regional Support Centre within Alcatel Lucent's Fixed Access Division for South Europe, MEA, India and CALA 2007–2009. CEO, Alcatel Mexico & Global Account Manager, Telmex 2003–2007. Various R&D, Portfolio and Sales Management Positions, Telettra and then Alcatel in Spain, Belgium and the United States. 1989–2003.
- Federico Guillén, b. 1963
- President of Global Services. Nokia Group Leadership Team member since 2018. Joined Nokia Networks in 2001.*
- Senior Vice President, Global Services. President of Global Services and Group Leadership Team member as of 1 April 2018. Joined Nokia Networks in 2001.
- Bachelor's Degree in Engineering in Electronics and Communications from Manipal Institute of Technology, Karnataka, India.
- Senior Vice President, Services Portfolio Sales, Global Services, Nokia since 2015. Vice President, Services, Customer Operations, Asia, Middle East & Africa, Nokia Networks 2012 – 2015. Head of Global Services, Asia Pacific & Japan, Nokia Siemens Networks 2009-2012. Head of Managed Services, Asia Pacific (including India & Japan), Nokia Siemens Networks 2007-2009. Several director and manager level positions in Nokia Networks 2001-2007. Manager in IBM India 1996-2001. Several engineer positions in Asea Brown Boveri Ltd 1990-1996.
- Sanjay Goel, b. 1967
- President of Mobile Networks. Nokia Group Leadership Team member since 2016. Joined NSN in 2008.*
- Ph.D. in Information Theory from University of Notre Dame, Indiana, the United States. Engineering degree in Signal Processing from Supélec, France. Degree in Computer Science from Université d'Orsay, France.
- Executive Vice President, Mobile Broadband, Nokia Networks 2011–
- Marc Rouanne, b. 1963

2016. Head of Network Systems, NSN 2010–2011. Head of Radio Access, NSN 2008–2009. Executive Vice President of Alcatel, President of Convergence Business Group, Alcatel Lucent 2006–2008. Chief Operating Officer, then President Wireless Business Group, then Executive Vice President, Alcatel 2003–2006. VP positions, then Chief Operating Officer, then President Wireless Business Division, Alcatel 1997–2003. R&D and Engineering Director positions, Matra and Nortel Matra Cellular 1988–1997.

Chairman of Advisory Board of Dhatim.

Gregory Lee, b. 1963

President of Nokia Technologies. Nokia Group Leadership Team member since 2017. Joined Nokia in 2017.

Bachelor of Science degree in Biochemistry, University of California at San Diego, the United States.

President and Chief Executive Officer, North America and Director, Media Solutions Center of America, Samsung Electronics Co. Ltd 2014–2017. President, Samsung Telecommunications America (STA) 2013–2014. President, Samsung Asia 2010–2013. Global Chief Marketing Officer, Samsung Electronics Co. Ltd 2004–2010. Vice President, Franchises and Customer Development, Johnson & Johnson Consumer Asia Pacific 2002–2004. President, Vision Care, Asia Pacific, Johnson & Johnson Medical Devices 1999–2002.

Ashish Chowdhary, b. 1965

Chief Customer Operations Officer. Nokia Group Leadership Team member since 2016. Joined Nokia in 2003.

MBA, Wharton School, University of Pennsylvania, Philadelphia, the United States. MS Computer Science, Emory University, Atlanta, the United States. BA Mathematics from University of Delhi, India.

Executive Vice President and Chief Business Officer at Nokia Networks 2015–2016. Head of Customer Operations Asia, Middle East & Africa (AMEA), Nokia Networks 2011–2015. Head of Global Services, NSN 2009–2010. Head of Managed Services, NSN 2007–2009. Country Head India, Nokia Networks 2003–2007. Vice President for Enterprise Business, Hughes Communications Ltd 2000–2003 and 1994–1998. Software and Project Engineer, Hughes Network Systems 1989–1993. Teaching Assistant, Computer Science, Emory University 1987–1989.

Hans-Jürgen Bill, b. 1960

Chief Human Resources Officer. Nokia Group Leadership Team member since 2016. Joined NSN in 2007.

Diploma in Telecommunications from the University of Deutsche Bundespost, Dieburg/Darmstadt, Germany. Diploma in Economics from the University of Applied Sciences, Pforzheim, Germany.

Executive Vice President, Human Resources, Nokia Corporation 2014–2016. Head of Human Resources, NSN 2009–2014. Head of West South Europe region, NSN 2007–2009. Head of Asia Pacific for Mobile Networks, Siemens 2003–2007. Head of Operations for Mobile Networks, Siemens 2001–2003. Head of Region Central-East and North Europe for Mobile Networks, Siemens 1998–2001. Head of Mobile Networks in Indonesia, Siemens 1994–1998. Various management positions, Siemens 1983–1994.

Kathrin Buvac, b. 1980

Chief Strategy Officer. Nokia Group Leadership Team member since 2016. Joined NSN in 2007.

Degree in Business Information Systems from University of Cooperative Education, Germany. Bachelor Degree in Business Administration from Open University, London, the United Kingdom.

Vice President, Corporate Strategy, Nokia Networks 2014–2016. Chief of staff to the CEO, NSN 2011–2013. Head of Strategic Projects, Business Solutions, NSN 2009–2011. General Manager, Integration Programme, NSN 2007–2009. General Manager, Corporate Audit, Siemens Holding S.p.A. 2006–2007. Head of Controlling International Businesses, Siemens Communications 2003–2006. Head of Performance Controlling USA, Siemens Communications 2002–2003. Business Process Manager Global IT Strategy, Siemens Communications 2001–2002. Business Analyst, EADS Aerospace and Defence 1999–2000.

Barry French, b. 1963

Chief Marketing Officer. Nokia Group Leadership Team member since 2016. Joined Nokia in 2006.

Master's Degree in International Affairs from Columbia University's School of International and Public Affairs, New York, the United States. Bachelor of Arts degree in Political Science, Bates Colleges, Lewiston, Maine, the United States.

Chief Marketing Officer and Executive Vice President, Marketing and Corporate Affairs, Nokia 2014–2016. Head of Marketing and Corporate Affairs, NSN 2010–2014. Head of Communications, NSN 2006–2010. Vice President, Corporate Communications, United Airlines 2004–2006. Director, Corporate Communications, Dell 2000–2004. Additional roles included communications, government relations and management positions, Engineering Animation, Raytheon, KRC Research and the Sawyer/Miller Group.

Board member, World Affairs Council of Dallas.

Maria Varsellona, b. 1970

Chief Legal Officer. Nokia Group Leadership Team member since 2016. Joined NSN in 2013.

Law Degree from University of Palermo (Juris Doctor), Italy.

Executive Vice President and Chief Legal Officer, Nokia 2014–2016. General Counsel, NSN 2013–2014. Tetra Pak Group General Counsel, Tetra Laval Group 2011–2013. Sidel Group General Counsel, Tetra Laval Group 2009–2011. Senior Counsel Commercial Operations and Global Services, GE Oil & Gas 2006–2009. Senior Counsel Europe, Hertz Europe 2005–2006. Senior Counsel Global Services, GE Oil & Gas 2001–2005. Lawyer, Pini Birmingham & Partners 1998–2001. Lawyer, Greco Law Firm 1994–1998.

Member of the Board of Directors of Nordea Bank AB (publ).

Marcus Weldon, b. 1968

Corporate Chief Technology Officer and President of Nokia Bell Labs. Nokia Group Leadership Team member since 2017. Joined NSN in 2016.

Ph.D (Physical Chemistry) degree from Harvard University in Cambridge, Massachusetts, USA. Bachelor of Science (Computer Science and Chemistry) joint degree from King's College in London, UK.

Corporate Chief Technology Officer and President of Bell Labs, Alcatel-Lucent (then Nokia) 2013-2016. Corporate Chief Technology Officer, Alcatel-Lucent 2009-2013. Chief Technology Officer, Broadband Networks & Solutions, Alcatel-Lucent 2006-2009. Member of Technical Staff, Bell Labs, Lucent Technologies 1997-2006. Postdoctoral Member of

Technical Staff, AT&T Bell Labs 1995-1997.

Network Partner to Keen Venture Partners. Advisor to Mundi Ventures.

The business address of the persons mentioned above is Karaportti 3, FI-02610 Espoo, Finland. There are no conflicts of interest between any duties to Nokia of the members of the Leadership Team and their private interests or duties.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If in respect of any particular issue of Notes there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

TAXATION

The following is a general description addressing only the Finnish withholding tax treatment of income arising from the Notes and Coupons. This description is (i) based on the laws, regulations and published case law in full force and effect in Finland and the interpretation thereof as at the date of this Base Prospectus, which may be subject to change in the future, potentially with retroactive effect, and (ii) prepared on the assumption that the Issuer is resident in Finland for tax purposes. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The following description is based on an interpretation of general provisions of tax law. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, exercise, redemption, sale or other disposition of the Notes and Coupons.

Non-Resident Holders of Notes and Coupons

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a Finnish branch, permanent establishment or other fixed place of business in Finland may be made without withholding or deduction for, or on account of, any present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Provided that the paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Notes and Coupons is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary, the entity effecting the payment should ensure whether the recipient of the payment is non-resident for Finnish tax purposes. When payments are effected through a non-Finnish tax resident paying agent or intermediary, no Finnish withholding or related liabilities should relate to the payments.

Resident Holders of Notes and Coupons

Corporates

Payments made by or on behalf of the Issuer to corporates resident in Finland for tax purposes may be made without withholding or deduction for, or on account of, any present taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

Individuals and Estates

Interest and any similar payments (e.g. interest compensation FI: "jälkimarkkinahyvitys" and index compensation FI: "indeksihyvitys") made to individuals or estates resident in Finland are generally subject to advance withholding of income tax. Payments classified as capital gain for Finnish income tax purposes are not subject to advance withholding of income tax.

The withholding liability should primarily lie with a possible paying agent or other intermediary (such as a financial institution) effecting the payment to the holder of Notes and Coupons, if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary. When payments are effected through a non-Finnish tax resident paying agent or intermediary, no withholding or related liabilities should relate to the payments.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International and J.P. Morgan Securities plc (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an Amended and Restated Dealer Agreement dated 4 May 2018 (as amended and/or supplemented and/or restated from time to time, the "**Dealer Agreement**") and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

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

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

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

Each Dealer has agreed that, 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 (as defined in Regulation S) 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.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, 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 in relation thereto to any retail investor in the European Economic Area pursuant to Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**"). 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; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

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

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC as amended, and includes any relevant implementing measure in the Member State concerned.

United Kingdom

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

- (a) *No deposit-taking*: in relation to any Notes which have 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 as 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 Financial Services and Markets Act 2000 ("**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 an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (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 (Law No. 25 of 1948, as amended; the "**FIEA**"). Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

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 complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus, any Drawdown Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

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

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by resolutions of the Board passed on 25 and 26 October 2007. The updating of the Programme was authorised by resolutions of the Board of the Issuer passed on 30 April 2014. 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 its obligations under the Notes.

Legal and Arbitration Proceedings

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

Significant/Material Change

3. There has been no significant change in the financial or trading position of Nokia taken as a whole since 31 March 2018 and there has been no material adverse change in the financial position or prospects of Nokia since 31 December 2017.

Independent Auditors

4. The auditors of Nokia are PricewaterhouseCoopers Oy, Authorised Public Accountants, with Authorised Public Accountant (KHT) Pasi Karppinen as the auditor with principal responsibility who is a member of the Finnish Association of Auditors. PricewaterhouseCoopers Oy has audited Nokia's financial statements, without qualification, in accordance with good auditing practice in Finland, for each of the financial years ended on 31 December 2016 and 31 December 2017. The auditors of Nokia have no material interest in Nokia.

Documents on Display

5. Copies of the following documents may be inspected in physical form during normal business hours at the registered offices of the Issuer and from the specified offices of the Fiscal Agent for 12 months from the date of this Base Prospectus:
 - (a) the constitutive documents of the Issuer (with an accurate/direct translation thereof);
 - (b) the audited consolidated financial statements of the Issuer as at and for the years ending 31 December 2016 and 2017;
 - (c) the unaudited consolidated interim financial statements of the Issuer as at and for the three months ended 31 March 2018;
 - (d) the Agency Agreement;
 - (e) the Deed of Covenant;
 - (f) the Dealer Agreement;
 - (g) the Programme Manual (which contains the forms of the Notes in global and definitive form);
 - (h) a copy of this Base Prospectus;
 - (i) 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); and
 - (j) any future prospectuses, offering circulars, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a

regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing of the Notes

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

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.

Conditions for determining price

7. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Post-issuance information

8. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

REGISTERED OFFICE OF THE ISSUER

Nokia Corporation

Karaportti 3
FI-02610
Espoo,
Finland

DEALERS

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Goldman Sachs International

Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

FISCAL AGENT

Citibank N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

IRISH LISTING AGENT

J&E Davy

Davy House
49 Dawson Street
Dublin 2
Ireland

PAYING AGENT AND TRANSFER AGENT

Citibank Europe plc

1 North Wall Quay
Dublin 1
Ireland

REGISTRAR

Citigroup Global Markets Deutschland AG

Reuterweg 16
60323 Frankfurt
Germany

LEGAL ADVISERS

To the Issuer as to English law:

Shearman & Sterling (London) LLP

9 Appold Street
London EC2A 2AP
United Kingdom

To the Dealers as to English law:

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

To the Issuer as to Finnish law:

Roschier, Attorneys Ltd.

Kasarmikatu 21 A
FI-00130 Helsinki
Finland

AUDITORS TO THE ISSUER

PricewaterhouseCoopers Oy

P.O. Box 1015
Itämerentori 2
FI-00101 Helsinki
Finland