

PROPOSAL BY THE BOARD OF DIRECTORS OF NOKIA CORPORATION TO AUTHORIZE THE BOARD OF DIRECTORS TO RESOLVE TO DISPOSE NOKIA SHARES HELD BY THE COMPANY

The Board proposes that the Annual General Meeting authorize the Board to resolve to dispose a maximum of 405 000 000 Nokia shares, with a par value of 6 cents. The aggregate number of shares covered by the authorization is less than 10 per cent of the share capital of the Company and the total voting rights as of December 31, 2005, assuming the maximal reduction in share capital through cancellation of shares as proposed by the Board (Notice of Meeting, item 10). The shares may be disposed in one or several occasions.

The Board proposes that the authorization be used to finance or carry out acquisitions or other arrangements or to grant incentives to selected members of the personnel. The authorization is proposed to include the right for the Board to resolve to whom, under which terms and conditions and how many shares are disposed as consideration in connection with acquisitions or in other arrangements or for incentive purposes to selected members of the personnel. The authorization is proposed to include the right to resolve on the disposal price and the grounds for determination thereof, and the right to dispose of shares against consideration in kind or otherwise on special terms, as prescribed by the Finnish Companies Act.

In addition, it is proposed that the shares may otherwise be disposed of in public trading through exchanges the rules of which entitle companies to trade in their own shares. However, if the shares are disposed of through public trading, the selling price of the shares shall be based on the price of Nokia shares in public trading, and the rules and guidelines of the relevant exchange shall be complied with.

The authorization is proposed to include the right to resolve to dispose the shares in another proportion than prescribed by the shareholders' pre-emptive rights to the Company's shares, provided that from the Company's perspective important financial grounds exist. The Board considers that the above mentioned purposes can constitute such important financial grounds. However, the authorization is not proposed to include disposal of shares to the benefit of persons referred to in the Finnish Companies Act, Chapter 1, Section 4, Paragraph 1, as prescribed by the Act.

In practice, the Board could use the authorization to settle performance share and restricted share grants based on the Company's share-based incentive plans in use since 2003 and 2004. The Company will settle such share-based incentive plans in Nokia shares, provided and to the extent that the terms and conditions of the plans are fulfilled. The Company estimates that during 2006, approximately 4.1 million shares will be settled under the restricted share plan of 2003 and performance share plan of 2004. More information on Nokia's share-based plans and their vesting conditions is available in Nokia's annual accounts 2005.

It is proposed that the authorization is effective until March 30, 2007.

The Finnish Government has issued a Government proposal for the new Finnish Companies Act and laws related thereto (HE 109/2005) to be passed by Parliament. The proposed laws are intended to enter into force on September 1, 2006. The new Companies Act, when in force, will allow the general meeting of shareholders to resolve on the authorization for the Board to dispose own shares for a period of up to 5 years. Under the current law, the authorization may be given for a period of up to one year only. In the event that the President of the Republic of Finland approves the laws by the time of the Annual General Meeting, and provided that the new Companies Act enters into force latest on March 30, 2007, the authorization is proposed to be effective until June 30, 2007.

It is proposed that the authorization granted by the Annual General Meeting 2005 on April 7, 2005, to dispose Nokia shares held by the Company shall expire on March 30, 2006, if this authorization is approved.

Espoo, January 26, 2006

Board of Directors