



PROPOSAL BY THE BOARD OF DIRECTORS TO AUTHORIZE THE BOARD OF DIRECTORS TO RESOLVE TO ISSUE SHARES AND SPECIAL RIGHTS ENTITLING TO SHARES

The Board proposes that the Annual General Meeting authorize the Board to resolve to issue in total a maximum of 560 million shares through issuance of shares or special rights entitling to shares under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act in one or more issues during the effective period of the authorization. The Board may issue either new shares or treasury shares held by the Company. The proposed maximum amount corresponds to less than 10 per cent of the Company's total number of shares as of the date of this proposal.

The Board proposes the authorization to be used to develop the Company's capital structure, diversify the shareholder base, finance or carry out acquisitions or other arrangements, to settle the Company's equity-based incentive plans or for other purposes resolved by the Board.

It is proposed that the authorization includes the right for the Board to resolve on all the terms and conditions of the issuance of shares and special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, including to whom shares or special rights may be issued as well as the consideration to be paid. The authorization thereby includes the right for issuance in deviation from the shareholders' pre-emptive rights within the limits set by law.

It is proposed that the authorization be effective until November 23, 2018 and terminate the authorization for issuance of shares and special rights entitling to shares resolved at the Annual General Meeting on June 16, 2016. The authorization does not terminate the authorization by the Extraordinary General Meeting held on December 2, 2015 granted to the Board for issuance of shares in order to implement the combination of Nokia and Alcatel Lucent.

March 29, 2017

Board of Directors