

# Corporate governance statement

This corporate governance statement is prepared in accordance with Chapter 7, Section 7 of the Finnish Securities Markets Act (2012/746, as amended) and the Finnish Corporate Governance Code 2020 (the “Finnish Corporate Governance Code”).

## Introduction

In 2019, we continued on delivering on Nokia’s commitment to strong corporate governance and related practices. To do that, the Board activities were structured to develop the Company’s strategy and to enable the Board to support the management on the delivery of it within a transparent governance framework. In addition to regular business and financial updates at each Board meeting, the table below sets out a high-level overview of the key areas of focus for the Board’s and its Committees’ activities during the year.

Furthermore, we engaged with our shareholders at the Annual General Meeting held in May where shareholders exercised decision-making power and their right to present questions to the Board and management. We also finalized the audit firm rotation process. Nokia had an obligation to organize an audit firm selection procedure in accordance with the EU Audit Regulation concerning the audit for the financial year 2020 (mandatory auditor rotation). The practical requirements for arranging the selection procedure under the EU Audit Regulation and the obligation to include at least two candidates in the recommendation

	January	March	April
<b>Board</b>	<ul style="list-style-type: none"><li>– China strategy update</li><li>– Compliance</li><li>– Leadership</li><li>– Succession planning</li><li>– Board evaluation</li></ul>	<ul style="list-style-type: none"><li>– China strategy and market deep-dive</li><li>– Board proposals and convening of the AGM</li></ul>	
<b>CGN Committee</b>	<ul style="list-style-type: none"><li>– Board composition and remuneration</li><li>– Board evaluation results</li><li>– Corporate Governance Statement</li><li>– Annual review of Corporate Governance Guidelines and Corporate Governance and Nomination Committee Charter</li></ul>	<ul style="list-style-type: none"><li>– AGM proposals</li></ul>	
<b>Personnel Committee</b>	<ul style="list-style-type: none"><li>– CEO compensation</li><li>– Incentive targets and objectives</li><li>– Nokia Equity Program</li><li>– Leadership succession planning</li></ul>		
<b>Audit Committee</b>	<ul style="list-style-type: none"><li>– Q4 and full year 2018 financials</li><li>– Tax update</li><li>– Compliance, internal audit and internal controls updates</li><li>– Review of auditor services</li><li>– Litigation update</li><li>– Cybersecurity</li></ul>	<ul style="list-style-type: none"><li>– Review of annual reports</li><li>– Auditor report</li><li>– AGM proposals</li></ul>	<ul style="list-style-type: none"><li>– Q1 financials</li><li>– Compliance, internal audit and internal controls updates</li><li>– Annual audit plan</li><li>– Review of auditor services</li></ul>
<b>Technology Committee</b>	<ul style="list-style-type: none"><li>– Review of strategic technology initiatives</li><li>– Updates on major innovation and technology trends</li></ul>		

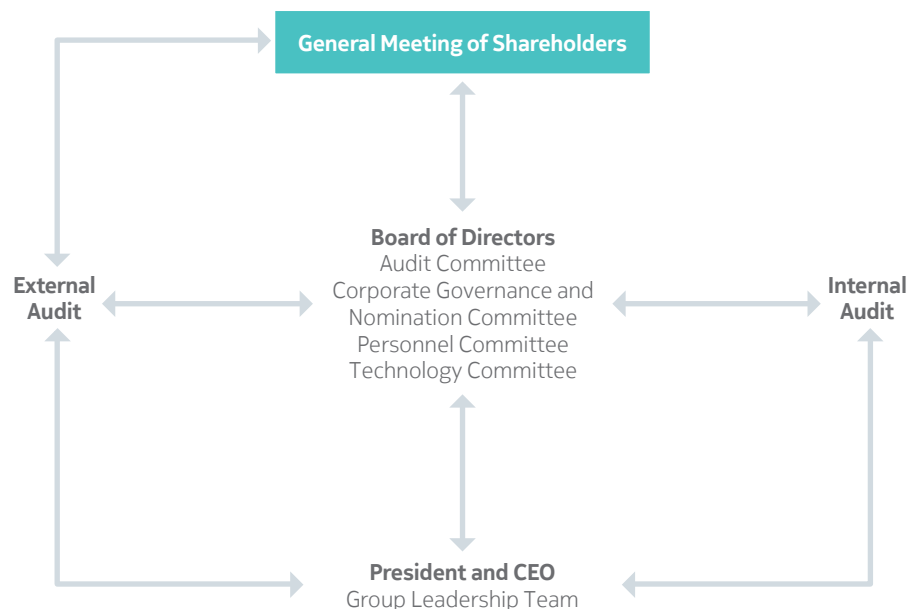
of the Audit Committee caused the Board of Directors to re-evaluate the timing of the auditor election. Consequently, the shareholders elected new auditor for the financial year 2020 already in the 2019 Annual General Meeting. The Board intends in forthcoming Annual General Meetings to continue to make a proposal for the election of the auditor in the same sequence, whereby each Annual General Meeting would elect the auditor for the financial year commencing next after the election. In addition, during 2019, the Chair of the Personnel Committee continued to engage with our largest investors to discuss executive remuneration

as well as the related governance and disclosure practices. In December 2019, Risto Siilasmaa informed the Board that he will step down from the Nokia Board of Directors at the Annual General Meeting 2020 after serving 12 years as a Director and the last eight years as the Chair. Following a nearly one-year succession planning process, the Board's Corporate Governance & Nomination Committee proposes the Vice Chair, Sari Baldauf, to be the new Chair of the Nokia Board and Kari Stadigh to be the new vice Chair of the Board, subject to their re-election to the Board by the Annual General Meeting.

May	July	September/October	December
<ul style="list-style-type: none"> <li>Area and business unit updates and strategies</li> <li>China strategy</li> <li>Enterprise strategy</li> <li>CSP market industry analysis</li> <li>Appointment of the Chairs and Board Committees</li> </ul>	<ul style="list-style-type: none"> <li>Transformation update</li> <li>Sustainability review</li> <li>IT-update</li> <li>Privacy and cybersecurity</li> </ul>	<ul style="list-style-type: none"> <li>Annual strategy meeting</li> <li>Talent development and leadership succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Annual Plan for 2020 and Long-Range Plan</li> <li>Enterprise Risk Management</li> <li>Treasury and liquidity</li> <li>Transformation update</li> <li>China risk</li> </ul>
<ul style="list-style-type: none"> <li>Proposal for the organization of the Board and its Committees</li> <li>Future composition of the Board</li> </ul>		<ul style="list-style-type: none"> <li>Board remuneration</li> <li>Board composition</li> <li>Board evaluation planning</li> <li>Corporate governance update</li> </ul>	<ul style="list-style-type: none"> <li>Board composition</li> <li>Board evaluation update</li> <li>AGM update</li> </ul>
	<ul style="list-style-type: none"> <li>GLT compensation</li> <li>Say on Pay</li> <li>Talent development</li> <li>Workforce demographics and diversity updates</li> <li>Compensation market</li> </ul>	<ul style="list-style-type: none"> <li>Risk review</li> <li>Investor feedback</li> <li>Compensation benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>Corporate culture survey</li> <li>2020 incentive program framework</li> <li>Remuneration statement and report for 2019</li> </ul>
	<ul style="list-style-type: none"> <li>Q2 financials</li> <li>Review of auditor services</li> <li>Compliance, internal audit and internal controls updates</li> </ul>	<ul style="list-style-type: none"> <li>Q3 financials</li> <li>Review of auditor services</li> <li>Compliance, internal audit and internal controls updates</li> <li>IT and cybersecurity</li> <li>Audit firm rotation</li> </ul>	<ul style="list-style-type: none"> <li>Financial update</li> <li>Pension update</li> <li>20-F and annual report update</li> </ul>
<ul style="list-style-type: none"> <li>Review of strategic technology initiatives</li> <li>Updates on major innovation and technology trends</li> </ul>		<ul style="list-style-type: none"> <li>Future strategic vision</li> <li>Future portfolio evolution</li> </ul>	

# Corporate governance statement continued

## Corporate governance framework



## Regulatory framework

Our corporate governance practices comply with Finnish laws and regulations as well as with our Articles of Association. We also comply with the Finnish Corporate Governance Code, available at [www.cgfinland.fi](http://www.cgfinland.fi). Under the Finnish Corporate Governance Code a company is deemed to be in compliance with the Corporate Governance Code even if it departs from individual recommendations, provided that the departures are reported and explained.

In 2019, we complied with the Finnish Corporate Governance Code, with the exception that we were not in full compliance with the recommendation 24 as our restricted share plans did not include performance criteria but were time-based only. Restricted Shares are and will be granted on a limited basis for exceptional purposes related to retention and recruitment to ensure Nokia is able to retain and recruit vital talent for the future success of the company. The Board approves, upon recommendation from the Board's Personnel Committee, any long-term incentive compensation and all equity plans, programs or similar arrangements of significance that the company establishes for its employees.

We comply with the corporate governance standards of Nasdaq Helsinki which are applicable to us due to the listing of our shares on the exchange. Furthermore, as a result of the listing of our American Depositary Shares on the New York Stock Exchange (the NYSE) and our registration under the U.S. Securities Exchange Act of 1934, we must comply with the applicable US federal securities laws and regulations, including the Sarbanes-Oxley Act of 2002 as well as the rules of the NYSE, in particular the corporate governance standards under Section 303A of the NYSE Listed Company Manual available at <http://nysemanual.nyse.com/lcm/>. We comply with these standards to the extent such provisions are applicable to us as a foreign private issuer.

To the extent any non-domestic rules would require a violation of the laws of Finland, we are obliged to comply with Finnish law. There are no significant differences in the corporate governance practices applied by Nokia compared to those applied by the US companies under the NYSE corporate governance standards with the exception that Nokia complies with Finnish law with respect to the approval of equity compensation plans. Under Finnish law, stock option plans require shareholder approval at the time of their launch. All other plans that include the delivery of company stock in the form of newly issued shares or treasury shares require shareholder approval at the time of the

delivery of the shares unless a shareholder approval has been granted through an authorization to the Board, a maximum of five years earlier. The NYSE corporate governance standards require that the equity compensation plans are approved by the company's shareholders. Nokia aims to minimize the necessity for, or consequences of, conflicts between the laws of Finland and applicable non-domestic corporate governance standards.

The Board has also adopted corporate governance guidelines (Corporate Governance Guidelines) to reflect our commitment to good corporate governance. The Corporate Governance Guidelines include the directors' responsibilities, the composition and election of the members of the Board, its committees and certain other matters relating to corporate governance. In addition, the Committees of the Board have adopted charters that define each committee's main duties and operating principles. We also have a Code of Conduct that is applicable to all of our employees, directors and management and the Code of Ethics applicable to the President and CEO, Chief Financial Officer, Deputy Chief Financial Officer, and Corporate Controller. All of the mentioned documents are available on our website at [http://www.nokia.com/en\\_int/investors/corporate-governance](http://www.nokia.com/en_int/investors/corporate-governance).

## Main corporate governance bodies of Nokia

Pursuant to the provisions of the Finnish Limited Liability Companies Act (2006/624, as amended) (the Finnish Companies Act) and Nokia's Articles of Association, the control and management of Nokia are divided among the shareholders at a general meeting, the Board, the President and CEO and the Group Leadership Team, chaired by the President and CEO.

### General meeting of shareholders

Nokia shareholders play a key role in corporate governance, with our Annual General Meeting offering a regular opportunity to exercise their decision-making power in the company. In addition, at the meeting the shareholders may exercise their right to speak and ask questions. Each Nokia share entitles a shareholder to one vote at general meetings of Nokia. The Annual General Meeting decides, among other things, on the election and remuneration of the Board, the adoption of the annual accounts, the distribution of profit shown on the balance sheet, and discharging the members of the Board and the President and CEO from liability, as well as on the

election and fees of the external auditor. Starting from the 2020 Annual General Meeting the remuneration policy shall be presented to the general meeting at least every four years and the remuneration report annually from 2021. Resolutions regarding the policy and report are advisory.

In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened when the Board considers such meeting to be necessary, or when the provisions of the Finnish Companies Act mandate that such a meeting must be held.

### Board of Directors

The operations of Nokia are managed under the direction of the Board, within the framework set by the Finnish Companies Act and Nokia's Articles of Association as well as any complementary rules of procedure as defined by the Board, such as the Corporate Governance Guidelines and the charters of the Board's committees.

### Election and composition of the Board of Directors, election of the Chair and Vice Chair of the Board and the Chairs and members of the Board's Committees

Pursuant to the Articles of Association of Nokia Corporation, we have a Board that is composed of a minimum of seven and a maximum of 12 members. The Board is elected at least annually at each Annual

General Meeting with a simple majority of the shareholders' votes cast at the meeting. The term of a Board member begins at the closing of the general meeting at which he or she was elected, or later as resolved by the general meeting, and expire at the closing of the following Annual General Meeting. The Annual General Meeting convenes by June 30 annually.

Our Board's leadership structure consists of a Chair and Vice Chair elected annually by the Board, and confirmed by the independent directors of the Board from among the Board members upon the recommendation of the Corporate Governance and Nomination Committee. The Chair of the Board has certain specific duties as stipulated by Finnish law and our Corporate Governance Guidelines. The Vice Chair of the Board assumes the duties of the Chair of the Board in the event he or she is prevented from performing his or her duties.

The independent directors of the new Board also confirm the election of the members and chairs for the Board's committees from among the Board's independent directors upon the recommendation of the Corporate Governance and Nomination Committee and based on each committee's member qualification standards. These elections take place at the Board's assembly meeting following the general meeting.

### Board diversity

The Board has adopted principles concerning Board diversity describing our commitment to promoting diverse Board composition and how diversity is embedded into our processes and practices when identifying and proposing new Board candidates as well as re-election of current Board members.









At Nokia, the Board diversity consists of a number of individual elements, including gender, age, nationality, cultural and educational backgrounds, skills and experience. At Nokia, diversity is not a static concept but rather a relevant mix of required elements for the Board as a whole that evolves with time based on, among other things, the relevant business objectives and future needs of Nokia. The Board diversity is treated as a means of improvement and development rather than an end in itself.

Nokia acknowledges and supports the resolution adopted by the Finnish Government on February 17, 2015 on gender equality on the boards of directors of Finnish large and mid-cap listed companies. We report annually our objectives relating to both genders being represented on our Board, the means to achieve them, and the progress we have made in achieving them. We have met our aim to have representation of at least 40% of both genders on our Board.

Currently there are six different nationalities represented in the Board and 40% of the Board members are female.

	Risto Siilasmaa	Sari Baldauf	Bruce Brown	Jeanette Horan	Edward Kozel	Elizabeth Nelson	Olivier Piou	Søren Skou	Carla Smits-Nusteling	Kari Stadigh
Gender	Male	Female	Male	Female	Male	Female	Male	Male	Female	Male
Year of birth	1966	1955	1958	1955	1955	1960	1958	1964	1966	1955
Nationality	Finnish	Finnish	American	British	American	American	French	Danish	Dutch	Finnish
On Board since	2008	2018	2012	2017	2017	2012	2016	2019	2016	2011
Tenure at AGM 2019	11	1	7	2	2	7	3	–	3	8

### Experience and skills of the Board members

General management and business operations		Finance and accounting	
Chief executive officer		Communications Service Provider market	
Chief financial officer		Enterprise business	
Chief technology officer		Technology	

# Corporate governance statement continued

## Members of the Board of Directors

The Annual General Meeting held on May 21, 2019 elected ten members Sari Baldauf, Bruce Brown, Jeanette Horan, Edward Kozel, Elizabeth Nelson, Olivier Piou, Risto Siilasmaa, Søren Skou, Carla Smits-Nusteling and Kari Stadigh to the Board for a term ending at the close of the next Annual General Meeting. Following the meeting, the Board also re-elected Risto Siilasmaa to continue to serve as the Chair. Sari Baldauf was elected as the new Vice Chair of the Board.

The current members of the Board are all non-executive. For the term of the Board that began at the Annual General Meeting, all Board member candidates were determined to be independent from Nokia and significant shareholders under the Finnish corporate governance rules and the rules of the NYSE, as applicable.

We do not have a policy concerning the combination or separation of the roles of the Chair of the Board and the President and CEO. Our leadership structure is dependent on our needs, shareholder value and other relevant factors applicable from time to time, while respecting the highest corporate governance standards. In 2019, Rajeev Suri served as the President and CEO while Risto Siilasmaa served as the Chair of the Board.

## Biographical details of our current Board members

### Chair Risto Siilasmaa

**b. 1966**

Chair of the Nokia Board. Board member since 2008. Chair since 2012. Chair of the Corporate Governance and Nomination Committee and member of the Technology Committee.

Master of Science (Eng.), Helsinki University of Technology, Finland.

President and CEO of F-Secure Oyj 1988–2006.

Chairman of the Board of Directors of F-Secure Oyj. Member of the Board of Directors of Futurice Oy and the Technology Industries of Finland. Member of European Roundtable of Industrialists. Member of the Global Tech panel, an initiative of EU High Representative Federica Mogherini.

Member 2013–2016 and Vice Chairman of the Board of Directors of the Confederation of Finnish Industries (EK) 2017–2018. Vice Chairman 2013–2015 and Chairman of the Board of Directors of Technology Industries of Finland 2016–2018. Chairman of the Board of Directors of Elisa Corporation 2008–2012.

### Vice Chair Sari Baldauf

**b. 1955**

Vice Chair of the Nokia Board. Board member since 2018. Vice Chair since 2019. Member of the Personnel Committee and the Corporate Governance and Nomination Committee.

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 Supervisory Board of Daimler Trucks AG. Member of the Board of Directors and Chair of the Audit Committee of Aalto University. Chair of the Board of Directors of Vexve Armatury Oy. Senior Advisor of DevCo Partners Oy. Member of the Board of Directors of Demos Helsinki.

Member of the Supervisory Board of Deutsche Telekom AG 2012–2018. Chair of the Board of Directors of Fortum Oyj 2011–2018. Member of the Board of Directors of Akzo Nobel 2012–2017.

### Bruce Brown

**b. 1958**

Nokia Board member since 2012. Chair of the Personnel Committee. Member of the Corporate Governance and Nomination Committee and the Technology Committee.

MBA Xavier University, the United States. BS (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, 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 2016–2019. Member of the Board of Directors of Agency for Science, Technology & Research (A\*STAR) in Singapore 2011–2018.

### Jeanette Horan

**b. 1955**

Nokia Board member since 2017. Member of the Audit Committee and the Technology 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 organization.

Member of the Board of Advisors of Cybereason 2017–2018. Member of the Board of Directors of West Corporation 2016–2017 and Microvision 2006–2017.

**Edward Kozel****b. 1955**

Nokia Board member since 2017. Chair of the Technology Committee and 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 Telekom 2010–2012, CEO of Skyriders 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.

Member of the Advisory Board at Telia Ventures.

Various Board Memberships in 1999–2009.

**Elizabeth Nelson****b. 1960**

Nokia Board member since 2012. Member of the Audit Committee and the Personnel Committee.

MBA (Finance), the Wharton School, University of Pennsylvania, the United States. BS (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 Director and Chair of the Audit Committee of Upwork Inc.

Independent Lead Director and Chair of the Audit Committee of Zendesk Inc 2013–2019. Member of the Board of Directors of Pandora Media 2013–2017.

**Chair Risto Siilasmaa****Vice Chair Sari Baldauf****Bruce Brown****Jeanette Horan****Edward Kozel****Elizabeth Nelson**



# Corporate governance statement continued

---

## Olivier Piou

**b. 1958**

Nokia Board member since 2016. Member of the Audit Committee and the Technology Committee.

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 Ltd 1981–2004, including numerous management positions in the areas of technology, marketing and operations, in France and the United States.

Member of the Board of Directors of TechnipFMC, Valeo S.A. and the PESH foundation.

Member of the Board of Directors of Gemalto N.V. 2006–2019 and Alcatel Lucent SA 2008–2016.

---

## Søren Skou

**b. 1964**

CEO of A.P. Møller Mærsk A/S. Nokia Board member since 2019. Member of the Personnel Committee.

MBA (honours), IMD, Switzerland, Business Administration, Copenhagen Business School, Denmark. Maersk International Shipping Education (M.I.S.E.).

Maersk Line Copenhagen CEO 2012–2016. Maersk Tankers Copenhagen CEO 2001–2011. Maersk Tankers Copenhagen Head of Crude and Product 1999–2001. Maersk Line Copenhagen Head of Department 1997–1998. Maersk Line Beijing Operations Manager 1994–1996. Maersk Line Copenhagen and New Jersey, Charterer and other roles 1983–1994.

Member of International Council of Containership Operators (ICCO).

---

## Carla Smits-Nusteling

**b. 1966**

Nokia Board member since 2016. Chair of the Audit Committee and member of the Corporate Governance and Nomination 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. Chair of the Board of Directors of TELE2 AB. Lay Judge in the Enterprise Court of the Amsterdam Court of Appeal since 2015.

---

## Kari Stadigh

**b. 1955**

Nokia Board member since 2011. Member of the Personnel Committee and 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.

Group CEO and President of Sampo plc 2009–2019. 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 of Metso Corporation and Waypoint Capital Group Holdings SA.

Chairman of the Board of Directors of Mandatum Life Insurance Company Limited 2001–2019. Chairman of the Board of Directors of If P&C Insurance Holding Ltd 2002–2019. Member of the Board of Directors of Nordea Bank AB (publ) 2010–2018. Chair of the Board Risk Committee (BRIC) of Nordea Bank AB (publ) 2011–2018. Member of the Board of Directors of Niilo Helanderin Säätiö 2005–2018.

---

## Olivier Piou



---

## Søren Skou



---

## Carla Smits-Nusteling



---

## Kari Stadigh



### Operations of the Board of Directors

The Board represents and is accountable to the shareholders of Nokia. While its ultimate statutory accountability is to the shareholders, the Board also takes into account the interests of the Company's other stakeholders. The Board's responsibilities are active, not passive, and include the responsibility to evaluate the strategic direction of Nokia, its management policies and the effectiveness of the implementation of such by the management on a regular basis. It is the responsibility of the members of the Board to act in good faith and with due care, so as to exercise their business judgment on an informed basis, in a manner which they reasonably and honestly believe to be in the best interests of Nokia and its shareholders. In discharging that obligation, the members of the Board must inform themselves of all relevant information reasonably available to them. The Board and each Board committee also have the power to appoint independent legal, financial or other advisers as they deem necessary. The Company will provide sufficient funding to the Board and to each committee to exercise their functions and provide compensation for the services of their advisers.

The Board is ultimately responsible for monitoring and reviewing Nokia's financial reporting process, effectiveness of related control and audit functions and the independence of Nokia's external auditor, as well as for monitoring the statutory audit of the annual and consolidated financial statements. The Board's responsibilities also include overseeing the structure and composition of our top management

and monitoring legal compliance and the management of risks related to our operations. In doing so, the Board may set annual ranges and/or individual limits for capital expenditures, investments and divestitures and financial and non-financial commitments that may not be exceeded without a separate Board approval.

In risk management policies and processes, the Board's role includes risk analysis and assessment in connection with financial, strategy and business reviews, updates and decision-making proposals. Risk management policies and processes are integral parts of Board deliberations and risk-related updates are provided to the Board on a recurring basis. For a more detailed description of our risk management policies and processes, refer to "—Risk management, internal control and internal audit functions at Nokia—Main features of risk management systems" below.

The Board has the responsibility for appointing and discharging the President, the Chief Executive Officer, Chief Financial Officer and Chief Legal Officer. Since May 2014, Rajeev Suri has served as the President and CEO. His rights and responsibilities include those allotted to the President under Finnish law and he also chairs the Group Leadership Team.

On March 2, 2020 Nokia's Board of Directors appointed Pekka Lundmark as President and Chief Executive Officer of Nokia and he is expected to start in his new role on September 1, 2020. Suri will leave his current position on August 31, 2020 and continue to serve as an advisor to the Nokia Board until January 1, 2021.

Subject to the requirements of Finnish law, the independent directors of the Board confirm the compensation and terms of employment of the President and CEO upon the recommendation of the Personnel Committee of the Board. The compensation and employment conditions of the other members of the Group Leadership Team are approved by the Personnel Committee upon the recommendation of the President and CEO.

### Board evaluation

In line with our Corporate Governance Guidelines, the Board conducts annual performance evaluation which also include evaluation of the Board committees' work, the Board and Committee Chairs and individual Board members. In connection with the same, the Board conducts an evaluation of the President and CEO. In 2019, the Board's evaluation processes consisted of Board self-evaluations, peer evaluations and interviews as well as the evaluation of the President and CEO. The evaluation process included both numeric assessments and the possibility to provide more detailed written and verbal comments. Feedback was also requested from selected members of management as part of the Board evaluation process. Each year, the results of the evaluation are discussed and analyzed by the entire Board and improvement actions are agreed based on such discussion.

### Meetings of the Board of Directors

The Board held 20 meetings excluding committee meetings during 2019, of which approximately 50% were regularly scheduled meetings held in person, occasionally complemented by access via video or conference calls. The other meetings were held in writing.

	Number of meetings in person	Number of meetings in writing	Attendance in all meetings %
Full Board	10	10	98
Audit Committee	9	1	96
Corporate Governance and Nomination Committee	5	–	100
Personnel Committee	4	1	96
Technology Committee	3	–	100



# Corporate governance statement continued

Directors' attendance at Board and Committee meetings in 2019 is set forth in the table below:

	Board meetings %	Audit Committee meetings %	Corporate Governance and Nomination Committee meetings %	Personnel Committee meetings %	Technology Committee meetings %
Risto Siilasmaa (Board Chair)	100		100		100
Sari Baldauf (Board Vice Chair)	100		100	100	
Bruce Brown	100		100	100	100
Jeanette Horan	100	100			100
Louis Hughes (until May 21, 2019)	83	67			
Edward Kozel	100	100			100
Elizabeth Nelson	100	100		100	
Olivier Piou	100	90			100
Søren Skou (from May 21, 2019)	79			75	
Carla Smits-Nusteling	100	100	100		
Kari Stadigh	100		100	100	

Additionally, many of the directors attended, as non-voting observers, meetings of a committee of which they were not a member.

Directors meet without management in connection with each regularly scheduled meeting. According to Board practices, meetings without management present would only be attended by non-executive directors and be chaired by the non-executive Chair of the Board. If the non-executive Chair of the Board is unable to chair these meetings, the non-executive Vice Chair of the Board chairs the meeting. Additionally, the independent directors would meet separately at least once annually. In 2019 all members of the Board were non-executive and determined to be independent from Nokia and significant shareholders under the Finnish corporate governance standards and the rules of the NYSE.

All the directors, excluding Louis Hughes, who served on the Board for the term until the close of the Annual General Meeting in 2019 attended Nokia's Annual General Meeting held on May 21, 2019.

## Committees of the Board of Directors

The Board has four committees: the Audit Committee, Corporate Governance and Nomination Committee, Personnel Committee and Technology Committee. These committees assist the Board in its duties pursuant to their respective committee charters. The Board may also establish ad hoc committees for detailed reviews or consideration of particular topics to be proposed for the approval of the Board. Any director who so wishes may attend, as a non-voting observer, meetings of committees of which they are not members.

### The Audit Committee

The Committee consists of a minimum of three members of the Board who meet all applicable independence, financial literacy and other requirements as stipulated by Finnish law and the rules of Nasdaq Helsinki and the NYSE. From May 21, 2019, the Audit Committee has consisted of the following five members of the Board: Carla Smits-Nusteling (Chair), Jeanette Horan, Edward Kozel, Olivier Piou and Elizabeth Nelson.

The Audit Committee is established by the Board primarily for the purpose of oversight of the accounting and financial reporting processes of Nokia and the audits of its financial statements. The Committee is responsible for assisting the Board in the oversight of:

- the quality and integrity of the company's financial statements and related disclosures;
- the statutory audit of the company's financial statements;

- the external auditor's qualifications and independence;
- the performance of the external auditor subject to the requirements of Finnish law;
- the performance of the company's internal controls and risk management and assurance function;
- the performance of the internal audit function; and
- the company's compliance with legal and regulatory requirements, including the performance of its ethics and compliance program.

In discharging its oversight role, the Audit Committee has full access to all company books, records, facilities and personnel. Audit Committee also maintains procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal controls, or auditing matters and for the confidential, anonymous submission by our employees of concerns relating to accounting or auditing matters. Nokia's disclosure controls and procedures, which are reviewed by the Audit Committee and approved by the President and CEO and the Chief Financial Officer, as well as the internal controls over financial reporting, are designed to provide reasonable assurance regarding the quality and integrity of the company's financial statements and related disclosures. For further information on internal control over financial reporting, refer to "Risk management, internal control and internal audit functions at Nokia-Description of internal control procedures in relation to the financial reporting process" below.

Under Finnish law, an external auditor is elected by a simple majority vote of the shareholders at the Annual General Meeting for one year at a time. The Audit Committee prepares the proposal to the shareholders, upon its evaluation of the qualifications and independence of the external auditor, of the nominee for election or re-election. Under Finnish law, the fees of the external auditor are also approved by the shareholders by a simple majority vote at the Annual General Meeting. The Committee prepares the proposal to the shareholders in respect of the fees of the external auditor, and approves the external auditor's annual audit fees under the guidance given by the Annual General Meeting. For information about the fees paid to Nokia's external auditor, PricewaterhouseCoopers Oy, during 2019, refer to "–Auditor fees and services" below.

The Board has determined that all members of the Audit Committee, including its Chair, Carla Smits-Nusteling, are "audit committee financial experts" as defined in the requirements of Item 16A of the annual report on Form 20-F filed with the U.S. Securities and Exchange Commission (SEC). Ms. Smits-Nusteling and each of the other members of the Audit Committee are "independent directors" as defined by Finnish law and Finnish Corporate Governance Code and in Section 303A.02 of the NYSE Listed Company Manual.

The Audit Committee meets a minimum of four times a year based on a schedule established at the first meeting following the appointment of the Committee. The Committee meets separately with the representatives of Nokia's management, heads of the internal audit, and ethics and compliance functions, and the external auditor in connection with each regularly scheduled meeting. The head of the internal audit function has, at all times, direct access to the Audit Committee, without the involvement of management. Additionally, any director who so wishes may attend meetings of the Audit Committee as a non-voting observer.

#### Audit Committee pre-approval policies and procedures

The Audit Committee of the Board is responsible, among other matters, for oversight of the external auditor's independence, subject to the requirements of applicable legislation. The Audit Committee has adopted a policy regarding an approval procedure of audit services performed by the external auditors of Nokia Group and permissible non-audit services performed by the principal external auditor of the Nokia Group (the "Pre-approval Policy").

Under the Pre-approval Policy, proposed services either: (i) may be pre-approved by the Audit Committee in accordance with certain service categories described in the Pre-approval Policy (general pre-approval); or (ii) require the specific pre-approval of the Audit Committee (specific pre-approval). The Pre-approval Policy sets out the audit, audit-related, tax and other services that have received the general pre-approval of the Audit Committee. All other audit, audit-related (including services related to internal controls and significant mergers and acquisitions projects), tax and other services are subject to specific pre-approval by the Audit Committee. All service requests concerning generally pre-approved services will be submitted to an appointed Audit Committee delegate within management, who will determine whether the services are within the services generally pre-approved. The Pre-approval Policy is subject to annual review by the Audit Committee.

The Audit Committee establishes budgeted fee levels annually for each of the categories of audit and non-audit services that are pre-approved under the Pre-approval Policy, namely, audit, audit-related, tax and other services. At each regular meeting of the Audit Committee, the auditor provides a report in order for the Audit Committee to review the services that the auditor is providing, as well as the cost of those services.

#### The Corporate Governance and Nomination Committee

The Committee consists of three to five members of the Board who meet all applicable independence requirements as stipulated by Finnish law and the rules of Nasdaq Helsinki and the NYSE. From May 21, 2019 the Corporate Governance and Nomination Committee has consisted of the following five members of the Board: Risto Siilasmaa (Chair), Sari Baldauf, Bruce Brown, Carla Smits-Nusteling and Kari Stadigh.

The Corporate Governance and Nomination Committee's purpose is to prepare the proposals for the general meetings in respect of the composition of the Board and the director remuneration to be approved by the shareholders, and to monitor issues and practices related to corporate governance and to propose necessary actions in respect thereof.

The Committee fulfills its responsibilities by:

- actively identifying individuals qualified to be elected members of the Board as well as considering and evaluating the appropriate level and structure of director remuneration;
- preparing proposal to the shareholders on the director nominees for election at the general meetings as well as director remuneration;
- monitoring significant developments in the law and practice of corporate governance and of the duties and responsibilities of directors of public companies;
- assisting the Board and each Committee of the Board in its annual performance evaluations, including establishing criteria to be applied in connection with such evaluations;
- developing and recommending to the Board and administering Nokia's Corporate Governance Guidelines; and
- reviewing Nokia's disclosure in the corporate governance statement.

The Committee has the power and practice to appoint a recruitment firm to identify appropriate new director candidates.

# Corporate governance statement continued

## The Personnel Committee

The Committee consists of a minimum of three members of the Board who meet all applicable independence requirements as stipulated by Finnish law and the rules of Nasdaq Helsinki and the NYSE. From May 21, 2019 the Personnel Committee has consisted of the following five members of the Board: Bruce Brown (Chair), Sari Baldauf, Elizabeth Nelson, Søren Skou and Kari Stadigh.

The primary purpose of the Personnel Committee is to oversee the personnel-related policies and practices at Nokia, as described in the Committee charter. It assists the Board in discharging its responsibilities in relation to all compensation, including equity compensation, of the company's executives and their terms of employment. The Committee has overall responsibility for evaluating, resolving and making recommendations to the Board regarding:

- compensation of the company's top executives and their terms of employment;
- all equity-based plans;
- incentive compensation plans, policies and programs of the company affecting executives; and
- other significant incentive plans.

The Committee is responsible for overseeing compensation philosophy and principles and ensuring the above compensation programs are performance-based, and designed to contribute to long-term shareholder value creation and alignment to shareholders' interests, properly motivate management, and support overall corporate strategies.

## The Technology Committee

The Committee consists of a minimum of three members of the Board who meet applicable independence requirements as stipulated by Finnish law and the rules of Nasdaq Helsinki and the NYSE and have such skills in innovation, technology and science matters as the Board determines adequate from time to time. From May 21, 2019 the Technology Committee has consisted of the following five members of the Board: Edward Kozel (Chair), Bruce Brown, Jeanette Horan, Olivier Piou and Risto Siilasmaa.

The primary purpose of the Technology Committee is to engage in a dialogue with and provide opinions and advice to management with respect to significant innovation and technology strategies of the Company which are formulated and executed by the management of the Company, as described in the Committee charter.

In its dialogue with and provision of opinions and advice to the management, the Committee will periodically review:

- the Company's approach to major technological innovations;
- key technology trends that may result in disruptive threats or opportunities;
- high-level risks and opportunities associated with the Company's Research and Development Programs; and
- the Company's technologic competitiveness and new strategic technology initiatives.

## Group Leadership Team and the President and CEO

We have a Group Leadership Team that is responsible for the operative management of Nokia. The Group Leadership Team is chaired by the President and CEO. The President and CEO's rights and responsibilities include those allotted to the President under Finnish law.

## Biographical details of current and appointed members of the Nokia Group Leadership Team

### Rajeev Suri

**b. 1967**

President and Chief Executive Officer of Nokia Corporation, Chair of the Group Leadership Team, until August 31, 2020. Joined Nokia in 1995.

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

CEO, Nokia Solutions and Networks 2009–2014. Head of Services, Nokia Siemens Networks 2007–2009. Head of Asia Pacific, Nokia Siemens Networks 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.

Member of the Board of Directors of Stryker Corporation.

### Pekka Lundmark

**b. 1963**

Appointed President and Chief Executive Officer of Nokia Corporation. Expected to start in his role on September 1, 2020.

Master of Science, Department of Technical Physics, Helsinki University of Technology, Finland.

President and CEO of Fortum Corporation (until August 31, 2020).

President and CEO of Konecranes Plc 2005–2015 and Group Executive Vice President 2004–2005. President and CEO of Hackmann Oyj Abp 2002–2004. Managing Partner of Startupfactory Oy 2000–2002. Various executive positions at Nokia 1990–2000.

Chairman of the Board of Confederation of Finnish Industries. Member of the Board of East Office of Finnish Industries, Climate Leadership Council and Finnish Athletics Federation. Chairman of the Board of Fortum Foundation.

### Nassib Abou-Khalil

**b. 1972**

Chief Legal Officer. Group Leadership Team member since 2019. Joined Nokia in 2014.

Bachelor of Arts (Political Sciences), Civil Law (LL.L.), Common Law (LL.B.) and Master of Law (LL.M), University of Ottawa, Canada.

General Counsel, Customer Operations, Nokia 2016–2019. Head of Legal & compliance, MEA, Nokia 2014–2015. Head of Public Policy, MEA & General Counsel, MEA, Yahoo! 2010–2014. Regional Counsel, Middle East, Africa and India, GE Oil & Gas 2007–2010. Regulatory Counsel, Etisalat 2006–2007. Various legal counsel roles, TMF Netherlands 2002–2006. Legal articling – Fasken Martineau 1999–2001.

### Basil Alwan

**b. 1962**

Co-president of IP/Optical Networks. 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.

### Kathrin Buvac

**b. 1980**

President of Nokia Enterprise. Group Leadership Team member since 2016. Joined Nokia Siemens Networks in 2007.

German Diplom in Computer Science from the University of Cooperative Education, Germany. Bachelor's Degree in Business Administration from Open University London, the United Kingdom.

Chief Strategy Officer, Nokia 2016–2019. Vice President, Corporate Strategy, Nokia Networks 2014–2016. Chief of staff to the CEO, Nokia Solutions and Networks 2011–2013. Head of Strategic Projects, Business Solutions, Nokia Siemens Networks 2009–2011. General Manager, Integration Programme, Nokia Siemens Networks 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.

### Rajeev Suri



### Pekka Lundmark



### Nassib Abou-Khalil



### Basil Alwan



### Kathrin Buvac



# Corporate governance statement continued

---

## **Ricky Corker**

**b. 1967**

President of Customer Operations, Americas. Group Leadership Team member since 2019. Joined Nokia in 1993.

Bachelor in Communications and Electronic Engineering from the Royal Melbourne Institute of Technology, Australia.

Executive Vice President and President of North America, Nokia 2011–2018. Head of APAC, Nokia Siemens Networks 2009–2011. Head of Sales, APAC, Nokia Siemens Networks 2009. Head of Asia North Region, Nokia Siemens Networks 2008–2009. Head of Hutchison Global Customer Business Team, Nokia Siemens Networks 2007–2008. Vice President APAC, Nokia Networks 2005–2007. Lead Sales Director APAC, Nokia Networks 2004–2005. Account Director Telstra, Nokia Networks 2002–2003. Account Director Vodafone Australia and New Zealand, Sales Director Vodafone APAC Customer Business Team, Nokia Networks 2001–2002. Commercial Director Global Accounts British Telecom, Nokia Networks 2001. Held senior sales and marketing positions at Nokia 1993–2001.

---

## **Barry French**

**b. 1963**

Chief Marketing Officer. 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, Nokia Siemens Networks 2010–2014. Head of Communications, Nokia Siemens Networks 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.

Member of the Board of Directors of HMD Global.

---

## **Sanjay Goel**

**b. 1967**

President of Global Services and President of Nokia Operations. Group Leadership Team member since 2018. Joined Nokia Networks in 2001.

Bachelor's Degree in Engineering in Electronics and Telecommunications from Manipal Institute of Technology, Karnataka, India.

Senior Vice President, Global Services Sales, Global Services 2015–2018. 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.

---

## **Bhaskar Gorti**

**b. 1966**

President of Nokia Software and Chief Digital Officer. Group Leadership Team member since 2016. Joined Nokia in 2016.

Master's degree in Electrical Engineering from Virginia Polytechnic Institute and State University, Blacksburg, the United States. Bachelor's degree in Technology and Electrical Engineering from National Institute of Technology, Warangal, India.

Previously President of IP Platforms, Alcatel Lucent 2015–2016. Senior Vice President and General Manager, Communications Global Business Unit, Oracle 2006–2015. Senior Vice President, Portal Software 2002–2006.

Telemanagement Forum – Industry Standard Body Board Member.

---

## **Ricky Corker**



---

## **Barry French**



---

## **Sanjay Goel**



---

## **Bhaskar Gorti**





**Federico Guillén****Federico Guillén****b. 1963**

President of Customer Operations, EMEA & APAC. 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.

**Jenni Lukander**

President of Fixed Networks, Nokia, 2016–2018. 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.

**Sandra Motley****Jenni Lukander****b. 1974**

President of Nokia Technologies. Group Leadership Team member since 2019. Joined Nokia in 2007.

Master of Law, University of Helsinki, Finland.

Senior Vice President, head of Patent Business, Nokia 2018–2019. Vice President, head of Patent Licensing, Nokia 2018. Vice President, head of Litigation and Competition Law, Nokia 2016–2018. Director, head of Regulatory and Competition Law, Nokia 2015–2016. Director, head of Competition Law, Nokia 2011–2015. Senior Legal Counsel, Nokia 2007–2011. Lawyer, Roschier Ltd. 1999–2007.

**Sri Reddy****Sandra Motley****b. 1959**

President of Fixed Networks. Group Leadership Team member since 2019. Joined Nokia in 2016.

Master of Business Administration (Finance), Farleigh Dickinson University, New Jersey, the United States. Executive Business Program graduate, Smith College, Massachusetts, the United States. Post-Masters Mechanical Engineering studies at Columbia University, New York. Bachelor of Science and Master of Science degrees in Mechanical Engineering from State University of New York at Buffalo.

Chief Operating Officer, Fixed Networks, Nokia 2017–2018. Chief Operating Officer, Wireless Business, Alcatel Lucent 2011–2013. Vice President Sales, U.S. Wireless Accounts, Alcatel Lucent 2009–2011. Vice President and General Manager of the CDMA Product Unit, Alcatel Lucent 2007–2009. Various roles in North America & CALA in pre- and post-sales and business operations for Alcatel Lucent's Wireless business.

Member of the Board of Advisors for Light Reading's Women in Communications.

**Kristian Pullola****b. 1973**

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

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

**Sri Reddy****b. 1964**

Co-president of IP/Optical Networks. Group Leadership Team member since 2018. Joined Nokia in 2016.

Master of Business Administration (Finance), Santa Clara University, the United States. Masters of Science (Electrical Engineering), Oregon State University, the United States. Bachelor of Science (Electrical Engineering), Jawaharlal Nehru Technological University, India.

Senior Vice President and General Manager, IP Routing and Packet Core Business Unit, Nokia, 2016–2018. Vice President, Engineering, IP Routing, Alcatel Lucent, 2003–2016. Vice President, Engineering, Timetra, 2000–2003. Vice President, Engineering, Bay Networks, 1991–1999.

# Corporate governance statement continued

---

## Gabriela Styf Sjöman

**b. 1969**

Chief Strategy Officer. Group Leadership Team member since 2019. Joined Nokia in 2019.

Master of Business Administration, University of Durham Business School, the United Kingdom. Degree in Electrical Power Engineering, Thorildsplan College, Sweden. Degree in Basic Commercial Law and Social Political Studies, University of Uppsala, Sweden.

Vice President, Head of Group Network Systems and Delivery, Telia Company, Sweden 2019. Vice President, Head of Group Networks and Deputy Head of Global Services and Operations (COO), Telia Company, Sweden 2017–2019. Vice President, Engineering & TIM Labs, Telecom Italia, Italy 2015–2017. Vice President, Product Line IP Network Management, Ericsson, USA 2011–2014. Vice President, Product Development Unit Mobile Core, Ericsson, Germany 2007–2011. General Manager, Service Layer & Systems Integration, Ericsson, China 2004–2007. Director, Product Marketing, Teligent AB, Sweden, 2004. Managing Director, Athena Solutions/Ansi Consult, Sweden 2002–2004. Manager, Sales & Marketing, Melody Solutions, Sweden 2000–2002. Strategic Product Manager, Ericsson, Sweden 2000. Product Manager, Ericsson, Hong Kong 1995–1998. Field Support Engineer, Project Manager, Product Manager, Ericsson, USA, Spain, Netherlands 1989–1995.

---

## Tommi Uitto

**b. 1969**

President of Mobile Networks. Group Leadership Team member since 2019. Joined Nokia in 1996.

Master's degree in industrial management, Helsinki University of Technology, Finland. Master's degree in operations management, Michigan Technological University, the United States.

Senior Vice President, Global Product Sales, Mobile Networks, Nokia 2016–2018. Senior Vice President, Global MBB Sales, Customer Operations, Nokia Networks, 2015–2016. Senior Vice President, West Europe, Customer Operations, Nokia Networks, 2013–2015. Head of Radio Cluster (SVP), Mobile Broadband, Nokia Siemens Networks, 2012–2013. Head of Global LTE Radio Access Business Line (VP), Mobile Broadband, Nokia Siemens Networks, 2011–2012. Head of Quality, Mobile Broadband, 2012. Head of Product Management, Network Systems, Nokia Siemens Networks, 2010. Head of Product Management, Radio Access, Nokia Siemens Networks, 2009. Head of WCDMA/HSPA and Radio Platforms Product Management, Nokia Siemens Networks, 2008. Head of WCDMA/HSPA Product Line Management, Nokia Siemens Networks, 2007. General Manager, Radio Controller Product Management, Nokia Networks 2005–2007. Director, Sales & Marketing (Lead Sales Director), France Telecom/Orange Nokia Networks, 2002–2005. Operations Director, Northeast Europe, Central & Eastern Europe and Middle East, Nokia Networks, 1999–2002.

---

## Marcus Weldon

**b. 1968**

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

Ph.D (Physical Chemistry) degree, Harvard University, Cambridge, Massachusetts, the United States. Bachelor of Science (Computer Science and Chemistry) joint degree, King's College, London, the United Kingdom.

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.

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

---

## Stephanie Werner

**b. 1972**

Chief Human Resources Officer. Group Leadership Team as of 2020. Joined Nokia in 1998.

Diploma in Applied business languages (Chinese) and International business studies, University of Applied Sciences, Bremen, Germany.

Vice President, Global Center of Expertise, Germany, Nokia, 2018–2019. Vice President, Business HR Head for Nokia Corporate Functions, Germany, Nokia, 2016–2018. Managing Director, International Management GmbH, Germany, Nokia, 2013–2017. Head of Business Human Resources for Chief Finance Officer/Organization, Germany, Nokia, 2012–2015. Head of NSN Business Talent, Leadership & Organization Development, Germany, Nokia Siemens Networks, 2011–2012. Head of Business Human Resources of Nokia Radio Access, Germany, Nokia 2007–2011. Head of HR Emerging Markets, Romania, Nokia, 2007. Senior HR Manager, Strategic Projects, USA, Nokia, 2004–2006. HR Manager Global Platforms, Germany, Nokia, 2001–2004. HR Country Manager Philippines, Philippines, Nokia, 1999–2001. HR Manager Nokia Networks for Switzerland, Nokia, 1998–1999.

---

## Gabriela Styf Sjöman



---

## Tommi Uitto



---

## Marcus Weldon



---

## Stephanie Werner



During 2019 and thereafter, the following new appointments were made to the Group Leadership Team:

- Ricky Corker was appointed President of Customer Operations, Americas and member of the Group Leadership Team as of January 1, 2019;
- Tommi Uitto, President of Mobile Networks, was appointed to the Group Leadership Team as of January 31, 2019;
- Sandra Motley, President of Fixed Networks, was appointed to the Group Leadership Team as of January 31, 2019;
- Nassib Abou-Khalil was appointed Chief Legal Officer and member of the Group Leadership Team as of August 1, 2019;
- Jenni Lukander was appointed President of Nokia Technologies and member of the Group Leadership Team as of August 1, 2019;
- Gabriela Styf Sjöman was appointed Chief Strategy Officer and member of the Group Leadership Team as of December 1, 2019;
- Stephanie Werner was appointed Chief Human Resources Officer and member of the Group Leadership Team as of January 1, 2020; and
- Pekka Lundmark was appointed President and CEO on March 2, 2020. He is expected to start in his role on September 1, 2020.

During 2019 and thereafter, the following members of the Group Leadership Team resigned:

- Maria Varsellona, President of Nokia Technologies and Chief Legal Officer, stepped down from the Group Leadership Team as of July 31, 2019;
- Joerg Erlemeier, Chief Operating Officer, stepped down from the Group Leadership Team as of December 31, 2019;
- Hans-Jürgen Bill, Chief Human Resources Officer, stepped down from the Group Leadership Team as of December 31, 2019; and
- Rajeev Suri, President and CEO and the Chair of the Group Leadership Team, will step down from the Group Leadership Team as of August 31, 2020.

Furthermore, during 2019 and thereafter, the following changes took place within the Group Leadership Team:

- Kathrin Buvac, Chief Strategy Officer (until 30 November 2019) and member of the Group Leadership Team was appointed President of Nokia Enterprise as of January 1, 2019;
- Federico Guillén, President of Fixed Networks and member of the Group Leadership Team was appointed President of Customer Operations, EMEA & APAC as of January 1, 2019;
- Sanjay Goel, President of Global Services and member of the Group Leadership Team was in addition to this appointed President of Operations as of January 1, 2020; and
- Bhaskar Gorti, President of Nokia Software and member of the Group Leadership Team was in addition to his role as President of Software appointed Chief Digital Officer as of January 1, 2020.

## Risk management, internal control and internal audit functions at Nokia

### Main features of risk management systems

We have a systematic and structured approach to risk management. Key risks and opportunities are primarily identified against business targets either in business operations or as an integral part of strategy and financial planning. Risk management covers strategic, operational, financial and hazard risks. Key risks and opportunities are analyzed, managed and monitored as part of business performance management with the support of risk management personnel and the centralized Enterprise Risk Management function.

The principles documented in the Nokia Enterprise Risk Management Policy, which is approved by the Audit Committee of the Board, require risk management and its elements to be integrated into key processes. One of the core principles is that the business or function head is also the risk owner, although all employees are responsible for identifying, analyzing and managing risks, as appropriate, given their roles and duties. Our overall risk management concept is based on managing the key risks that would prevent us from meeting our objectives, rather than solely focusing on eliminating risks. In addition to the principles defined in the Nokia Enterprise Risk Management Policy, other key policies reflect implementation of specific aspects of risk management.

Key risks and opportunities are reviewed by the Group Leadership Team and the Board in order to create visibility on business risks as well as to enable prioritization of risk management activities. Overseeing risk is an integral part of the Board's deliberations. The Board's Audit Committee is responsible for, among other matters, risk management relating to the financial reporting process and assisting the Board's oversight of the risk management function. The Board's role in overseeing risk includes risk analysis and assessment in connection with financial, strategy and business reviews, updates and decision-making proposals.

### Description of internal control procedures in relation to the financial reporting process

The management is responsible for establishing and maintaining adequate internal control over financial reporting for Nokia. Our internal control over financial reporting is designed to provide reasonable assurance to the management and the Board regarding the reliability of financial reporting and the preparation and fair presentation of published financial statements.

The management conducts a yearly assessment of Nokia's internal controls over financial reporting in accordance with the Committee of Sponsoring Organizations framework (the "COSO framework", 2013) and the Control Objectives for Information and Related Technology (COBIT) framework of internal controls. The assessment is performed based on a top-down risk assessment of our financial statements covering significant accounts, processes and locations, corporate-level controls and information systems' general controls.

# Corporate governance statement continued

As part of its assessment the management has documented:

- the corporate-level controls, which create the “tone from the top” containing the Nokia values and Code of Conduct and which provide discipline and structure to decision-making processes and ways of working. Selected items from our operational mode and governance principles are separately documented as corporate-level controls;
- the significant processes: (i) give a complete end-to-end view of all financial processes; (ii) identify key control points; (iii) identify involved organizations; (iv) ensure coverage for important accounts and financial statement assertions; and (v) enable internal control management within Nokia;
- the control activities, which consist of policies and procedures to ensure the management’s directives are carried out and the related documentation is stored according to our document retention practices and local statutory requirements; and
- the information systems’ general controls to ensure that sufficient IT general controls, including change management, system development and computer operations, as well as access and authorizations, are in place.

Further, the management has also:

- assessed the design of the controls in place aimed at mitigating the financial reporting risks;
- tested operating effectiveness of all key controls; and
- evaluated all noted deficiencies in internal controls over financial reporting in the interim and as of year-end.

In 2019, Nokia has followed the procedures as described above and has reported on the progress and assessments to the management and to the Audit Committee of the Board on a quarterly basis.

## Description of the organization of the internal audit function

We also have an internal audit function that acts as an independent appraisal function by examining and evaluating the adequacy and effectiveness of our system of internal control. Internal audit reports to the Audit Committee of the Board. The head of the internal audit function has direct access to the Audit Committee, without involvement of the management. The internal audit staffing levels and annual budget are approved by the Audit Committee. All authority of the internal audit function is derived from the Board. The internal audit aligns to the business regionally and by business and function.

Annually, an internal audit plan is developed with input from the management, including key business risks and external factors. This plan is approved by the Audit Committee. Audits are completed across the business focused on site level, customer level, business project level, IT system implementation, IT security, operations activities or at a Group function level. The results of each audit are reported to the management identifying issues, financial impact, if any, and the correcting actions to be completed. Quarterly, the internal audit function communicates the progress of the internal audit plan completion, including the results of the closed audits, to the Audit Committee.

Internal audit also works closely with our Ethics and Compliance office to review any financial concerns brought to light from various channels and, where relevant, works with Enterprise Risk Management to ensure priority risk areas are reviewed through audits.

In 2019, the internal audit plan was completed and all results of these reviews were reported to the management and to the Audit Committee.

## Related party transactions

We determine and monitor related parties in accordance with the International Accounting Standards (IAS 24) and other applicable regulations. We maintain information of our related parties as well as monitor and assess related party transactions. As a main principle all transactions are conducted at arm’s-length and are considered to be part of ordinary course of business. In an exceptional case where these principles would be deviated from, the company would set up a separate process to determine related parties and seek relevant approvals in accordance with internal guidelines and applicable regulations.



## Main procedures relating to insider administration

Our insider administration is organized according to the applicable European Union and Finnish laws and regulations. In addition, the Board of Directors has approved Nokia Insider Policy which sets out Nokia-wide rules and practices to ensure full compliance with applicable rules and that inside information is recognized and treated in an appropriate manner and with the highest integrity. The policy is applicable to all Nokia employees.

### Persons discharging managerial responsibilities

Nokia has identified members of the Board of Directors and the Group Leadership Team as persons discharging managerial responsibilities who, along with persons closely associated with them, are required to notify Nokia and the Finnish Financial Supervisory Authority of their transactions with Nokia's financial instruments. Nokia publishes the transaction notifications.

In addition, under the Nokia Insider Policy, persons discharging managerial responsibilities are obligated to clear with the Deputy Chief Legal Officer, Corporate, a planned transaction in Nokia's financial instruments in advance. It is also recommended that trading and other transactions in Nokia's financial instruments are carried out in times when the information available to the market is as complete as possible.

### Closed window

Persons discharging managerial responsibilities are subject to a closed window period of 30 calendar days preceding the disclosure of Nokia's quarterly or annual result announcements, as well as the day of the disclosure. During the closed window period, persons discharging managerial responsibilities are prohibited from dealing in Nokia's financial instruments.

Nokia has imposed this closed window period also on separately designated financial reporting persons who are recurrently involved with the preparation of Nokia's quarterly and annual results announcements. These persons are separately notified of their status as designated financial reporting persons.

### Insider registers

Nokia does not maintain a permanent insider register. Insiders are identified on a case-by-case basis for specific projects and are notified of their insider status. Persons included in a project-specific insider register are prohibited from dealing in Nokia's financial instruments until the project ends or is made public.

### Supervision

Our insider administration's responsibilities include internal communications related to insider matters and trading restrictions, setting up and maintaining our insider registers, arranging related trainings as well as organizing and overseeing compliance with the insider rules.

Violations of the Nokia Insider Policy must be reported to the Deputy Chief Legal Officer, Corporate. Nokia employees may also use channels stated in the Nokia Code of Conduct for reporting incidents involving alleged violations of the Nokia Insider Policy.

## Share ownership of the Board of Directors and the Nokia Group Leadership Team

The following table sets forth the number of shares and ADSs held by the members of the Board at December 31, 2019 when they held a total of 2 496 107 shares and ADSs in Nokia, which represented approximately 0.04% of our total shares and voting rights excluding shares held by Nokia Group.

Name	Shares <sup>(1)</sup>	ADSs <sup>(1)</sup>
Risto Siilasmaa (Board Chair)	1 386 629	
Sari Baldauf (Board Vice Chair)	114 697	
Bruce Brown		144 835
Jeanette Horan	41 331	
Edward Kozel	44 669	20 525
Elizabeth Nelson		88 239
Olivier Piou	295 575	
Søren Skou	14 063	
Carla Smits-Nusteling	57 755	
Kari Stadigh	287 789	

(1) The number of shares or ADSs includes shares and ADSs received as director compensation as well as shares and ADSs acquired through other means. Stock options or other equity awards that are deemed as being beneficially owned under the applicable SEC rules are not included. For the number of shares or ADSs received as director compensation, refer to section "–Compensation" and Note 35, Related party transactions, of our consolidated financial statements included in this annual report.



# Corporate governance statement continued

The following table sets forth the number of shares and ADSs held by the President and CEO and the other members of the Group Leadership Team in office at December 31, 2019 when they held a total of 5 520 978 shares and ADSs in Nokia, which represented approximately 0.10% of our total shares and voting rights excluding shares held by Nokia Group.

Name	Position in 2019	Shares <sup>(1)</sup>	ADSs <sup>(1)</sup>
Rajeev Suri	President and CEO	2 798 146	
Nassib Abou-Khalil	Chief Legal Officer	32 863	
Basil Alwan	Co-president of IP/Optical Networks	206 333	81 000
Hans-Jürgen Bill	Chief Human Resources Officer	261 742	
Kathrin Buvac	President of Nokia Enterprise	147 570	
Rick Corker	President of Customer Operations, Americas	175 597	
Joerg Erlemeier	Chief Operating Officer	136 833	
Barry French	Chief Marketing Officer	302 789	
Sanjay Goel	President of Global Services	175 963	
Bhaskar Gorti	President of Nokia Software	269 698	
Federico Guillén	President of Customer Operations Officer, EMEA & APAC	194 767	
Jenni Lukander	President of Nokia Technologies	7 609	
Sandra Motley	President of Fixed Networks	15 298	
Kristian Pullola	Chief Financial Officer	347 029	
Sri Reddy	Co-president of IP/Optical Networks	171 150	100 000
Gabriela Styf Sjöman	Chief Strategy Officer	4 000	
Tommi Uitto	President of Mobile Networks	27 364	
Marcus Weldon	Chief Technology Officer and President of Bell Labs	65 227	

(1) The number of shares or ADSs includes shares received as executive compensation as well as shares and ADSs acquired through other means. Stock options or other equity awards that are deemed as being beneficially owned under the applicable SEC rules are not included. For further information on compensation refer to section "–Compensation".

## Auditor fees and services

PricewaterhouseCoopers Oy has served as our auditor for each of the financial years in the three-year period ended December 31, 2019. The auditor is elected annually by our shareholders at the Annual General Meeting for the financial year in question. The Audit Committee of the Board prepares the proposal to the shareholders in respect of the appointment of the auditor based upon its evaluation of the qualifications and independence of the auditor to be proposed for election or re-election on an annual basis.

The following table presents fees by type paid to PricewaterhouseCoopers' network of firms for the years ended December 31:

EURm	2019	2018
Audit fees <sup>(1)</sup>	22.7	24.9
Audit-related fees <sup>(2)</sup>	1.2	2.1
Tax fees <sup>(3)</sup>	1.9	1.8
All other fees <sup>(4)</sup>	–	0.2
<b>Total</b>	<b>25.8</b>	<b>29.0</b>

(1) Audit fees consist of fees incurred for the annual audit of the Group's consolidated financial statements and the statutory financial statements of the Group's subsidiaries.

(2) Audit-related fees consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Group's financial statements or that are traditionally performed by the independent auditor, and include consultations concerning financial accounting and reporting standards; advice and assistance in connection with local statutory accounting requirements; due diligence related to mergers and acquisitions; and audit procedures in connection with investigations in the pre-litigation phase and compliance programs. They also include fees billed for other audit services, which are those services that only the independent auditor can reasonably provide, and include the provision of comfort letters and consents in connection with statutory and regulatory filings and the review of documents filed with the SEC and other capital markets or local financial reporting regulatory bodies.

(3) Tax fees include fees billed for: (i) services related to tax compliance including preparation and/or review of tax returns, preparation, review and/or filing of various certificates and forms and consultation regarding tax returns and assistance with revenue authority queries; compliance reviews, advice and assistance on other indirect taxes; and transaction cost analysis; (ii) service related to tax audits; (iii) services related to individual compliance (preparation of individual tax returns and registrations for employees (non-executives), assistance with applying visa, residency, work permits and tax status for expatriates); (iv) services related to technical guidance on tax matters; (v) services related to transfer pricing advice and assistance with tax clearances; and (vi) tax consultation and planning (advice on stock-based remuneration, local employer tax laws, social security laws, employment laws and compensation programs and tax implications on short-term international transfers).

(4) Other fees include fees billed for company establishments; liquidations; forensic accounting, data security, other consulting services and reference materials and services.