

Proposal for the remuneration to the members of the Board of Directors

In determining the proposed Board remuneration, the objective of the Board's Corporate Governance and Nomination Committee is to enable Nokia to compete for the top-of-the-class Board competence in order to maximize the value creation for the shareholders. The Committee's aim is to ensure that the Company has an efficient Board comprised of international professionals representing a diverse and relevant mix of skills, experience, backgrounds and other personal qualities in line with the diversity principles established by the Board. Competitive Board remuneration contributes to the achievement of this target.

Based on benchmarking of the current Board remuneration, the Corporate Governance and Nomination Committee concluded that Nokia's current committee fee structure where no other members than the Chairs of the Personnel and Technology Committees receive any fee for their respective additional services does not align with the committee fee structures of peer companies of Nokia. Further, the Committee considered the increasing demands with respect to competencies, responsibilities and time commitments of the committee members of the boards in general and of Nokia in particular.

Accordingly, the Corporate Governance and Nomination Committee proposed to the Board to introduce additional annual fees to be paid to the members of the Personnel Committee and Technology Committee in addition to the Committee Chairs.

Other remuneration payable to the Board members would remain unchanged and no additional annual fee is proposed to be paid to the members of the Corporate Governance and Nomination Committee or the Chair of the Board for her service in any of the Board Committees.

Consequently, on the recommendation of the Board's Corporate Governance and Nomination Committee, in line with the Company's Remuneration Policy presented to and supported by the Annual General Meeting 2020, the Board of Directors proposes to the Annual General Meeting that the annual fee payable for a term ending at the close of the next Annual General Meeting be as follows:

- EUR 440 000 for the Chair of the Board;
- EUR 185 000 for the Vice Chair of the Board;
- EUR 160 000 for each member of the Board;
- EUR 30 000 each for the Chairs of the Audit Committee and the Personnel Committee and EUR 20 000 for the Chair of the Technology Committee as an additional annual fee; and
- EUR 15 000 for each member of the Audit Committee and Personnel Committee and EUR 10 000 for each member of the Technology Committee as an additional annual fee.

In addition, it is proposed that the meeting fees for Board and Board Committee meetings payable to all the other Board members, except for the Chair of the Board, remain at current level. These meeting fees based on travel required between the Board member's home location and the location of a meeting would be paid for a maximum of seven meetings per term and be structured as follows:



- EUR 5 000 per meeting requiring intercontinental travel; and
- EUR 2 000 per meeting requiring continental travel.

Only one meeting fee would be payable in the usual case of multiple Board and Board Committee meetings per eligible travel.

Moreover, it is proposed that members of the Board of Directors shall be compensated for travel and accommodation expenses as well as other costs directly related to Board and Board Committee work.

In order to align the interests of the directors with those of the shareholders, it is proposed that, in line with the Company's Corporate Governance Guidelines, approximately 40% of the annual fee be paid in Nokia shares either purchased from the market on behalf of the Board members or alternatively delivered as treasury shares held by the Company as soon as practicable after the Annual General Meeting. The rest of the annual fee would be payable in cash, most of which is typically used to cover taxes arising from the remuneration. Also, the meeting fees as well as compensation for travel, accommodation and other costs directly related to Board and Board Committee work would be paid in cash.

It is the Company's policy that the non-executive members of the Board of Directors do not participate in any of the Company's equity programs and do not receive performance shares, restricted shares, or any other equity based or otherwise variable compensation for their duties as Board members. In addition, the directors shall retain until the end of their directorship such number of shares that corresponds to the number of shares they have received as Board remuneration during their first three years of service in the Board.

February 4, 2021

Board of Directors