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 2015, which entered into force on January 1, 2016 (the "Finnish Corporate Governance Code").

"The Board has also adopted Corporate Governance Guidelines to reflect our commitment to good corporate governance."

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, with the following exception:

In 2015, we complied with the old Finnish Corporate Governance Code 2010, with the exception that we were not in full compliance with recommendation 39, because our restricted share plans did not include performance criteria but were time-based only. The restricted shares vest in three equal tranches on the first, second and the third anniversary of the award subject to continued employment with Nokia. Restricted shares were to be granted on a highly limited basis and only in exceptional retention and recruitment circumstances, primarily in the United States, to ensure our ability able to retain and recruit talent vital to the future success of the company. The restricted share plan 2016 is designed in a similar manner, to be used on a limited basis for exceptional purposes related to retention and recruitment, primarily in the United States.

We comply with the corporate governance standards of Nasdaq Helsinki, which are applicable 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 US Securities Exchange Act of 1934, we must comply with the 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, which is available at http://nysemanual.nyse.com/lcm/. We comply with these standards to the extent such provisions are applicable to foreign private issuers.

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 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 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 be approved by a 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. Our Corporate Governance Guidelines are available on our website at company.nokia.com/en/about-us/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 is 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

The shareholders may exercise their decision-making power and their right to speak and ask questions at the general meeting of shareholders. Each Nokia share entitles a shareholder to one vote at general meetings of Nokia. Pursuant to the Finnish Companies Act, an Annual General Meeting must convene by June 30 annually. The Annual General Meeting decides, among other things, on the election and remuneration of the Board, the adoption of 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.

In addition to the Annual General Meeting, an Extraordinary General Meeting shall 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.

Corporate governance framework

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
Pursuant to the Articles of Association, Nokia Corporation has a Board of Directors 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 shall begin 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.

The Annual General Meeting held on May 5, 2015 elected the following eight members to the Board: Vivek Badrinath, Bruce Brown, Elizabeth Doherty, Simon Jiang, Jouko Karvinen, Elizabeth Nelson, Risto Siilasmaa and Kari Stadigh. Further changes to the composition of the Board took place at the Extraordinary General Meeting held on December 2, 2015 due to the transaction between Nokia and Alcatel Lucent. Elizabeth Doherty had informed that she would step down from the Board following the completion of the initial public exchange offer for all outstanding Alcatel Lucent securities and the Extraordinary General Meeting elected, based on the proposal of the Board's Corporate Governance and Nomination Committee that, following the completion of the initial public exchange offer for all outstanding Alcatel Lucent securities, Louis R. Hughes, Jean C. Monty and Olivier Piou be elected as new members of the Board. The changes resolved at the Extraordinary General Meeting became effective as of January 8, 2016, after which the Board has consisted of ten members.

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. On May 5, 2015, the Board elected Risto Siilasmaa to continue to serve as the Chair and Jouko Karvinen as the Vice Chair of the Board. On January 8, 2016, following the changes to the Board composition as resolved by the Extraordinary General Meeting on December 2, 2016 and the completion of the initial public exchange offer for all outstanding Alcatel Lucent securities, the Board elected Risto Siilasmaa to continue as the Chair of the Board and Olivier Piou as the new Vice Chair of the Board. 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.

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, but the leadership structure is dependent on the company needs, shareholder value and other relevant factors applicable from time to time, while respecting the highest corporate governance standards. In 2015, Rajeev Suri served as the President and CEO, while Risto Siilasmaa served as the 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 in 2015, all Board member candidates were determined to be independent under the Finnish corporate governance standards and the rules of the NYSE. Further, the new members elected at the Extraordinary General Meeting on December 2, 2015 were determined to be independent under the Finnish corporate governance standards and the rules of the NYSE.

The Board has adopted principles concerning Board diversity describing (a) our commitment to promote diverse Board composition and (b) 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, board diversity consists of a number of individual elements, including gender, age, nationality, cultural and educational backgrounds, skills and experience. For us 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 others, the relevant business objectives and future needs of Nokia. We treat board diversity as a means for 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 in the boards of directors of Finnish large and mid-cap listed companies. Accordingly, we aim to have representation of 40 percent of both genders in our Board of Directors by January 1, 2020 by proposing a corresponding Board composition for shareholder approval in the Annual General Meeting of 2019, at the latest. We will report annually the objectives relating to both genders being represented in our Board, the means to achieve the objectives, and the progress in achieving the objectives.

Members of the Board of Directors

Set forth below are the current members and the biographical details of the members of the Board, as elected at the Annual General Meeting on May 5, 2015 and at the Extraordinary General Meeting on December 2, 2015.

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.

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. Member of the Board of Directors of the Confederation of Finnish Industries (EK). Member of European Roundtable of Industrialists. Member of the Board of Directors of Alcatel Lucent SA.

Chairman of the Board of Directors of Elisa Corporation 2008–2012.

Vice Chair Olivier Piou

b. 1958

Chief Executive Officer of Gemalto N.V. Vice Chair of the Nokia Board. Board member and Vice Chair since 2016. Member of the Personnel Committee and the Corporate Governance and Nomination Committee.

Degree in Engineering, École Centrale de Lyon, France.

Chief Executive Officer of Gemalto N.V. since 2006. Chief Executive Officer of Axalto N.V. 2004–2006. With Schlumberger 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 Gemalto N.V.

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

Vivek Badrinath

b. 1969

Deputy Chief Executive Officer, Accor Group. Nokia Board member since 2014. Member of the Audit Committee.

École Polytechnique and ENST, France.

Deputy Chief Executive Officer of Orange 2013–2014. Head of Business Services of Orange 2010–2013. Member of Group's Executive Committee, Head of networks and operators division 2009–2010. CTO of mobile activities of Orange 2004–2009. CEO of Thomson India in 2000–2004. Various technical positions with the long-distance networks division of Orange Group 1996–2000.

Member of the Board of Directors of ACCPC India.

Bruce Brown

b. 1958

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

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 Trustees of Xavier University. Member of the Board of Directors, the Audit Committee and the Nominating and Corporate Governance Committee of P. H. Glatfelter Company.

Louis R. Hughes

b. 1949

Nokia Board member 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.

Simon Jiang

b. 1953

Founder and Chairman of CyberCity International Limited (CCI). Nokia Board member since 2015. Member of the Personnel Committee.

B.A., Beijing Foreign Studies University, China. M.A., Australian National University, Australia. MPhil and PhD (Economics), University of Cambridge, the United Kingdom.

Chairman of Vision Century Corporation Ltd 2002–2008. Founder of CyberCity Group of Companies 1997–2002. Deputy Chief and Fund Manager of United Nations Joint Staff Pension Fund 1992–1997.

Non-executive director of China Petroleum Chemical Corp (Sinopec). Non-executive director of COSCO International Holdings Ltd. Trustee of Cambridge China Development Trust. Director of China Disabled Persons Federation. Committee member of Chinese People's Political Consultative Conference. Senior Fellow of Judge Business School, Cambridge University. Member of United Nations Pension Fund Investments Committee.

Jouko Karvinen

b. 1957

Nokia Board member since 2011. Chair of the Audit Committee. Member of the Corporate Governance and Nomination Committee.

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

CEO of Stora Enso Oyj 2007–2014. CEO of Philips Medical Systems Division 2002–2006. Member of Board of Management of Royal Philips Electronics 2006 and Group Management Committee 2002–2006. Holder of executive and managerial positions at ABB Group Limited from 1987, including Executive Vice President, Head of Automation Technology Products Division and Member of Group Executive Committee 2000–2002.

Vice Chairman of the Board of Directors and member of the Audit Committee of Finnair. Member of the Board of Directors of Valmet Corporation. Member of the Foundation Board and the Supervisory Board of International Institute for Management Development. Member of the International Advisory Board of Komatsu Corporation of Japan.

Elizabeth Nelson
b. 1960
Nokia Board member since 2012. Member 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 and Chair of the Audit Committee of Pandora Media.

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
Nokia Board member since 2016. Member of the Audit 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 beginning in 1993.

Member of the Boards of Directors of Bombardier and Fiera Capital Inc.

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

Kari Stadigh
b. 1955
Group CEO and President of Sampo plc. Nokia Board member 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, Swedish School of Economics and Business Administration, 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 Chair 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 Finnish Financial Services. Member of the Board of Directors of Waypoint Capital Group Holdings Ltd. Member of the Board of Directors of Niilo Helanderin Säätiö.

Chairman of the Board of Directors of Alma Media Corporation 2005–2011.

The following individuals served on the Board until the close of the Annual General Meeting held on May 5, 2015

Mårten Mickos
b. 1962
Board member 2012–2015.

Dennis F. Strigl
b. 1946
Board member 2014–2015. Served as a member of the Personnel Committee until May 5, 2015.

Risto Siilasmaa

Olivier Piou

Vivek Badrinath

Bruce Brown

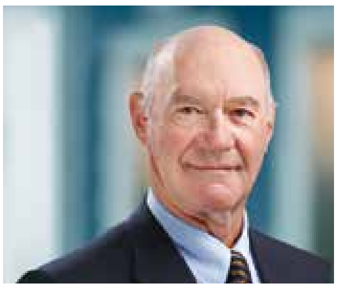
Louis R. Hughes

Simon Jiang

Jouko Karvinen

Elizabeth Nelson

Jean C. Monty



Kari Stadigh

Operations of the Board of Directors
The Board represents and is accountable to the shareholders of Nokia. 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 from time to time.

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 commitments that may not be exceeded without 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 and CEO and the other members of the Group Leadership Team. 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.

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.

The Board has three committees: the Audit Committee, the Corporate Governance and Nomination Committee and the Personnel Committee. These committees assist the Board in its duties pursuant to their respective committee charters. The independent directors of the Board elect the members and chairs of the Board's committees from among the Board's independent directors based on the recommendation of the Corporate Governance and Nomination Committee and based on each committee's member qualification standards. 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.

In line with our Corporate Governance Guidelines, the Board conducts annual performance evaluations, which also include evaluations of the Board committees' work. In 2015, the Board conducted an evaluation process consisting of self-evaluations and peer evaluations, as well as interviews. The feedback from selected members of management was also requested as part of this evaluation process. The results of the evaluation are discussed by the entire Board.

Meetings of the Board of Directors

The Board held 25 meetings excluding committee meetings during 2015, of which approximately 40% were regularly scheduled meetings held in person, complemented by meetings via video or conference calls or by other means. Additionally, in 2015, the non-executive directors held meetings regularly without management in connection with Board meetings. Also, the independent directors held one separate meeting in 2015.

Directors' attendance at the Board meetings, including committee meetings but excluding meetings among the non-executive directors or independent directors only, in 2015 is set forth in the table below:

	Board meetings %	Audit Committee meetings %	Corporate Governance and Nomination Committee meetings %	Personnel Committee meetings %
Vivek Badrinath	100	100	–	–
Bruce Brown	96	–	100	100
Elizabeth Doherty	92	71	–	–
Simon Jiang (as of May 5, 2015)	93	–	–	75
Jouko Karvinen	100	100	100	–
Mårten Mickos (until May 5, 2015)	100	–	–	–
Elizabeth Nelson	88	85	–	–
Risto Siilasmaa	100	–	100(1)	–
Kari Stadigh	100	–	86	86
Dennis F. Strigl (until May 5, 2015)	80	–	–	66

(1) As of May 5, 2015.

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

According to the Board practices, the non-executive directors meet without management in connection with each regularly scheduled meeting. Such sessions are 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 meet separately at least once annually.

All the directors who served on the Board for the term until the close of the Annual General Meeting in 2015, except Dennis F. Strigl, attended Nokia's Annual General Meeting held on May 5, 2015. All the directors elected at the Annual General Meeting 2015, except for Simon Jiang and Kari Stadigh, attended the Extraordinary General Meeting held on December 2, 2015. The Finnish Corporate Governance Code 2010 recommended that the Chair of the Board and a sufficient number of directors attend the general meeting of shareholders to ensure the possibility for the shareholders to exercise their right to present questions to both the Board and management.

Committees of the Board of Directors

The Audit 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. As of May 5, 2015, the Audit Committee consisted of the following four members of the Board: Jouko Karvinen (Chair), Vivek Badrinath, Elizabeth Doherty and Elizabeth Nelson. As of January 8, 2016, following the completion of the initial offer period of the public exchange offer for all outstanding Alcatel Lucent securities, the Audit Committee has consisted of the following five members of the Board: Jouko Karvinen (Chair), Vivek Badrinath, Louis R. Hughes, Jean C. Monty 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:

(1) the quality and integrity of company's financial statements and related disclosures;

(2) the statutory audit of the company's financial statements;

(3) the external auditor's qualifications and independence;

(4) the performance of the external auditor subject to the requirements of Finnish law;

(5) the performance of the company's internal controls and risk management and assurance function;

(6) the performance of the internal audit function; and

(7) the company's compliance with legal and regulatory requirements, including the performance of its ethics and compliance program. The 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 shareholders by a simple majority vote at the Annual General Meeting for one fiscal 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, during 2015, refer to the "—Auditor fees and services" below.

In discharging its oversight role, the Audit Committee has full access to all company books, records, facilities and personnel. The Committee may appoint counsel, auditors or other advisers in its sole discretion, and must receive appropriate funding, as determined by the Audit Committee, from Nokia for the payment of compensation to such outside advisers.

The Board has determined that all members of the Audit Committee, including its Chair, Jouko Karvinen, 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"). Mr. Karvinen and each of the other members of the Audit Committee are "independent directors" as defined in Section 303A.02 of the NYSE Listed Company Manual.

The Audit Committee meets a minimum of four times a year based upon 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.

The Audit Committee held seven meetings in 2015. The average attendance at the meetings was 100%. Additionally, any director who so wishes may attend meetings of the Audit Committee as a non-voting observer.

The Corporate Governance and Nomination 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. As of May 5, 2015, the Corporate Governance and Nomination Committee consisted of the following four members of the Board: Risto Siilasmaa (Chair), Bruce Brown, Jouko Karvinen and Kari Stadigh. As of January 8, 2016, following the completion of the initial offer period of the public exchange offer for all outstanding Alcatel Lucent securities, the Corporate Governance and Nomination Committee has consisted of the following five members of the Board: Risto Siilasmaa (Chair), Bruce Brown, Jouko Karvinen, Olivier Piou and Kari Stadigh.

The Corporate Governance and Nomination Committee's purpose is: (1) 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 (2) to monitor issues and practices related to corporate governance and to propose necessary actions in respect thereof.

The Committee fulfills its responsibilities by:

(1) 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;

(2) proposing the director nominees to the shareholders for election at the general meetings as well as the director remuneration;

(3) monitoring significant regulatory and legal developments as well as in the practice of corporate governance and of the duties and responsibilities of directors of public companies;

(4) 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;

(5) developing and recommending to the Board and administering Nokia's Corporate Governance Guidelines; and

(6) reviewing Nokia's disclosure in the corporate governance statement.

The Committee has the power to appoint recruitment firms or advisers to identify appropriate candidates. The Committee may also appoint counsel or other advisers, as it deems appropriate from time to time. The Committee has the sole authority to appoint or terminate the services of such firms or advisers and to review and approve such firm's or adviser's fees and other retention terms. It is the Committee's practice to appoint a recruitment firm to identify new director candidates.

The Corporate Governance and Nomination Committee held seven meetings in 2015. The average attendance at the meetings was 96.3%. Additionally, any director who so wishes may attend meetings of the Corporate Governance and Nomination Committee as a non-voting observer.

The Personnel 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. As of May 5, 2015, the Personnel Committee consisted of the following three members of the Board: Bruce Brown (Chair), Simon Jiang and Kari Stadigh. As of January 8, 2016, following the completion of the initial offer period of the public exchange offer for all outstanding Alcatel Lucent securities, the Personnel Committee has consisted of the following four members of the Board: Bruce Brown (Chair), Simon Jiang, Olivier Piou 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:

(1) compensation of the company's top executives and their terms of employment;

(2) all equity-based plans;

(3) incentive compensation plans, policies and programs of the company affecting executives; and

(4) other significant incentive plans. The Committee is responsible for overseeing compensation philosophy and principles and ensuring the above compensation programs are performance-based, designed to contribute to the long-term shareholder value creation and alignment to shareholders' interests, properly motivate management, and support overall corporate strategies. The Committee is responsible for the review of senior management development and succession plans.

The Personnel Committee held seven meetings in 2015. The average attendance at the meetings was 81.5%. Additionally, any director who so wishes may attend meetings of the Personnel Committee as a non-voting observer.

Nokia Group Leadership Team and the President and CEO

Nokia has a Group Leadership Team that is responsible for the operative management of Nokia. The Chair and members of the Group Leadership Team are appointed by the Board. 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.

Members of the Nokia Group Leadership Team

Set forth below are the current members of the Group Leadership Team and their biographical details. Information about the shares and share-based rights of the members of the Group Leadership Team is disclosed in the Remuneration Statement, refer to "—Compensation" below.

During 2015 and thereafter, the following new appointments were made to the Group Leadership Team:

- Federico Guillén was appointed the President of Fixed Networks and member of the Group Leadership Team as of January 8, 2016;
- Basil Alwan was appointed the President of IP/Optical Networks and member of the Group Leadership Team as of January 8, 2016;
- Bhaskar Gorti was appointed the President of Applications & Analytics and member of the Group Leadership Team as of January 8, 2016;
- Hans-Jürgen Bill was appointed the Chief Human Resources Officer and member of the Group Leadership Team as of January 8, 2016;
- Kathrin Buvac was appointed the Chief Strategy Officer and member of the Group Leadership Team as of January 8, 2016;
- Ashish Chowdhary was appointed the Chief Customer Operations Officer and member of the Group Leadership Team as of January 8, 2016;
- Barry French was appointed the Chief Marketing Officer and member of the Group Leadership Team as of January 8, 2016;
- Marc Rouanne was appointed the Chief Innovation & Operating Officer and member of the Group Leadership Team as of January 8, 2016; and
- Maria Varsellona was appointed the Chief Legal Officer and member of the Group Leadership Team as of January 8, 2016.

Further, during 2015 the following Group Leadership Team member resigned:

- Sean Fernback, formerly President, HERE stepped down from the Group Leadership Team as of December 5, 2015.

Rajeev Suri

Basil Alwan

Hans-Jürgen Bill

Kathrin Buvac

Ashish Chowdhary

Rajeev Suri
b. 1967

President and Chief Executive Officer of Nokia Corporation. Chair and member of the Nokia Group Leadership Team since 2014. Joined Nokia 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 Alcatel Lucent SA.

Basil Alwan
b. 1962

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

Hans-Jürgen Bill
b. 1960

Chief Human Resources Officer. Group Leadership Team member since 2016. Joined Nokia Siemens Networks 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. Group Leadership Team member since 2016. Joined Nokia Siemens Networks 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, 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.

Ashish Chowdhary
b. 1965

Chief Customer Operations Officer. Group Leadership Team member since 2016. Joined Nokia 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, Nokia Siemens Networks 2009–2010. Head of Managed Services, Nokia Siemens Networks 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.

Samih Elhage
b. 1961
President of Mobile Networks. Group Leadership Team member since 2014. Joined Nokia Siemens Networks in 2012.

Bachelor of Electrical Engineering (telecommunications), University of Ottawa, Canada. Bachelor of Economics, University of Ottawa, Canada. Master of Electrical Engineering (telecommunications), École Polytechnique de Montréal, Canada.

Chief Financial and Operating Officer, Nokia Networks 2013–2016. Chief Operating Officer, NSN 2012–2013. Senior Advisor, leading private equity and global management consulting firms 2011–2012. President, Carrier Voice over IP and Applications Solutions (CVAS) division, Nortel 2008–2010. Leadership positions in Operations, Business Transformation, Broadband Networks, Optical Networks, and Core Data Networks, Nortel 1998–2008. Multiple leadership and management roles related to network development at Bell Canada 1990–1998.

Member of the Board of Directors of Alcatel Lucent SA. Vice Chairman of the Board of Directors of Alcatel Lucent Shanghai Bell. Member of the Board of Directors of Quickplay Media Inc.

Barry French
b. 1963
Chief Marketing Officer. Group Leadership Team member since 2016. Joined Nokia 2006.

Master's Degree in International Affairs from Columbia University's School of International and Public Affairs, New York, 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.

Bhaskar Gorti
b. 1966
President of Applications & Analytics. Group Leadership Team member since 2016. Joined Nokia 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.

Federico Guillén
b. 1963
President of Fixed Networks. Group Leadership Team member since 2016. Joined Nokia 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 U.S. 1989–2003.

Ramzi Haidamus
b. 1964
President of Nokia Technologies. Group Leadership Team member since 2014. Joined Nokia in 2014.

Master of Science (electrical engineering), University of the Pacific, California, the United States.

Executive Vice President, Marketing and Business Development, Dolby Laboratories, Inc. 2012–2014. Executive Vice President, Sales and Marketing, Dolby Laboratories, Inc. 2007–2012. Senior Vice President and General Manager, Dolby Labs Licensing Corporation, 2006–2007. Director, Business Development, Dolby Laboratories, Inc. 2002–2006. Technology Business Strategist, Dolby Laboratories, Inc. 2000. Manager, Digital Technologies Licensing, Dolby Laboratories, Inc. 1997. Senior Licensing Engineer, Digital Technologies, Dolby Laboratories, Inc. 1996. Design Engineer, Stanford Research Systems, 1989.

Samih Elhage

Barry French

Bhaskar Gorti

Federico Guillén

Ramzi Haidamus

Timo Ihamuotila

Marc Rouanne

Maria Varsellona

Timo Ihamuotila

b. 1966

Chief Financial Officer. Group Leadership Team member since 2007. With Nokia 1993–1996, re-joined in 1999.

Master of Science (Economics), Helsinki School of Economics, Finland. Licentiate of Science (Finance), Helsinki School of Economics, Finland.

Executive Vice President, Sales, Markets, Nokia 2008–2009. Executive Vice President, Sales and Portfolio Management, Mobile Phones, Nokia 2007. Senior Vice President, CDMA Business Unit, Mobile Phones, Nokia 2004–2007. Vice President, Finance, Corporate Treasurer, Nokia 2000–2004. Director, Corporate Finance, Nokia 1999–2000. Vice President of Nordic Derivatives Sales, Citibank plc. 1996–1999. Manager, Dealing & Risk Management, Nokia 1993–1996. Analyst, Assets and Liability Management, Kansallis Bank 1990–1993.

Member of Board of Directors and chairman of the Audit Committee of Uponor Corporation. Member of the Board of Directors of Alcatel Lucent SA.

Marc Rouanne

b. 1963

Chief Innovation & Operating Officer. Group Leadership Team member since 2016. Joined Nokia Siemens Networks 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 2011–2016. Head of Network Systems, Nokia Siemens Networks 2010–2011. Head of Radio Access, Nokia Siemens Networks 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.

Maria Varsellona

b. 1970

Chief Legal Officer. Group Leadership Team member since 2016. Joined Nokia Siemens Networks (NSN) 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 Alcatel Lucent SA.

Further information

The Corporate Governance Guidelines concerning the directors' responsibilities, the composition and election of the members of the Board, its committees and certain other matters relating to corporate governance are available on our website at company.nokia.com/en/about-us/corporate-governance. Furthermore, we have a Code of Conduct which is equally applicable to all our employees, directors and management and, in addition, we have a Code of Ethics applicable to the President and CEO, Chief Financial Officer and Corporate Controller. These documents and the charters of the Audit Committee, the Corporate Governance and Nomination Committee and the Personnel Committee are available on our website at company.nokia.com/en/about-us/corporate-governance.

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 across business operations and processes. Key risks and opportunities are primarily identified against business targets either in business operations or as an integral part of long- and short-term planning. Key risks and opportunities are analyzed, managed, monitored and identified as part of business performance management with the support of risk management personnel. 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. The principles documented in the Nokia 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 main 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. Risk management covers strategic, operational, financial and hazard risks. 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. In addition to the principles defined in the Nokia Risk Management Policy, specific risk management implementation is reflected in other key policies.

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. Overseeing risk is an integral part of Board deliberations. 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. Additionally, certain significant risks are selected as priority risks that are monitored by the Board regularly. We have an Enterprise Risk Management ("ERM") function within the CFO organization. ERM regularly reviews risk evaluations with the internal controls function, and the internal controls function utilized the ERM analysis in planning its priority areas.

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 of internal controls. In 2015, the assessment was 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.

As part of its assessment the management documented:

- the corporate-level controls, which create the "tone from the top" containing the Nokia values and Code of Conduct and 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, including eight financial cycles and underlying IT cycle, identified by us to address control activities implementing the top down risk based approach. These cycles include revenue cycle, inventory cycle, purchase cycle, treasury cycle, human resources cycle, accounting and reporting cycle, tax cycle and IT cycle. Financial cycles have been designed to: (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 also:

- assessed the design of the controls in place aimed at mitigating the financial reporting risks;
- tested operating effectiveness of all key controls;
- evaluated all noted deficiencies in internal controls over financial reporting in the interim and as of year-end; and
- performed a quality review on assessment documentation and provided feedback for improvement.

In conclusion, the management has assessed the effectiveness of our internal control over financial reporting, at December 31, 2015, and concluded that such internal control over financial reporting is effective.

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 resides within the Chief Financial Officer's organization and 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. All authority of the internal audit function is derived from the Board of Directors. Internal audit aligns to the business regionally and by business and function.

Annually, an internal audit plan is developed with input from the management, key business risks, and external factors. This plan is approved by the Audit Committee of the Board. Audits are completed across the business focused on country level, customer level, IT system implementation, 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, internal audit communicated the progress of the internal audit plan completion including the results of the closed audits.

Internal audit also works closely with our Ethics and Compliance office to review any financial concerns brought to light from various channels.

In 2015, the internal audit plan was completed and all results of these reviews were reported to the management and to the Audit Committee of the Board.

Main procedures relating to insider administration

Our insider administration is organized according to the applicable European Union and Finnish laws and regulations as well as the Nokia Insider Policy which sets out Group-wide rules and practices. The policy is applicable to all Nokia insiders as well as to all Nokia Group employees.

Our insider administration's responsibilities include internal communications related to insider matters and arrangement of related trainings; organizing and maintaining our insider registers; and overseeing the compliance with the insider rules.

Auditor fees and services

PricewaterhouseCoopers Oy has served as Nokia's auditor for each of the fiscal years in the three-year period ended December 31, 2015. The auditor is elected annually by Nokia shareholders at the Annual General Meeting for the fiscal 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 for the years ended December 31:

EURm	2015	2014
Audit fees(1)	13.5	14.8
Audit-related fees(2)	3.1	0.6
Tax fees(3)	1.2	0.8
All other fees(4)	0.6	2.9
Total	**18.4**	**19.1**

(1) Audit fees consist of fees billed 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 on tax accounting matters; advice and assistance in connection with local statutory accounting requirements; due diligence related to acquisitions or divestitures; financial due diligence in connection with provision of funding to customers, reports in relation to covenants in loan agreements; employee benefit plan audits and reviews; and audit procedures in connection with investigations and compliance programs. They also include fees billed for other audit services, which are those services that only the independent auditor reasonably can 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) corporate and indirect 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; (ii) transfer pricing advice and assistance with tax clearances; (iii) customs duties reviews and advice; (iv) consultations and tax audits (assistance with technical tax queries and tax audits and appeals and advice on mergers, acquisitions and restructurings); (v) personal compliance (preparation of individual tax returns and registrations for employees (non-executives), assistance with applying visa, residency, work permits and tax status for expatriates); and (vi) 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 establishment, forensic accounting, data security, investigations and reviews of licensing arrangements with customers, other consulting services and occasional training or reference materials and services.

Audit Committee pre-approval policies and procedures

The Audit Committee of the Board is responsible, among other matters, for the oversight of the external auditor subject to the requirements of Finnish law. The Audit Committee has adopted a policy regarding pre-approval of audit services performed by the external auditors of Nokia Group (including the principal auditor as well as any other auditor of a Nokia Group Company) 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 appendices to the Pre-approval Policy ("general pre-approval"); or (ii) require the specific pre-approval of the Audit Committee ("specific pre-approval"). The Audit Committee may delegate either type of pre-approval authority to one or more of its members. The appendices to the Pre-approval Policy set 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 M&A projects), tax and other services are subject to a specific pre-approval from the Audit Committee. All service requests concerning generally pre-approved services will be submitted to the Corporate Controller, who will determine whether the services are within the services generally pre-approved. The Pre-approval Policy and its appendices are subject to annual review by the Audit Committee.

The Audit Committee establishes budgeted fee levels annually for each of the four categories of audit and non-audit services that are pre-approved under the Pre-approval Policy, namely, audit, audit-related, tax and other services. Requests or applications to provide services that require specific approval by the Audit Committee are submitted to the Audit Committee by both the external auditor and the Corporate Controller. 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 status and cost of those services.