Compensation

This section sets out our remuneration policies, how they have been implemented within Nokia, and includes our Remuneration Report where we provide disclosure of the compensation of our Board, the President and CEO and aggregated compensation information for the Group Leadership Team. We report information related to executive compensation in accordance with Finnish regulatory requirements and with requirements set forth by the U.S. Securities and Exchange Commission.

Following the Acquisition of Alcatel Lucent, we focused on the following management and personnel-related objectives:

- creation of the new Group Leadership Team;
- alignment of compensation practices and legacy arrangements with Nokia's needs;
- business continuity during integration; and
- culture integration as we combined the two companies, aiming to keep the "best of both" companies.

Separately, we took the opportunity to further enhance our compensation disclosures with the intention of simplifying and further increasing transparency. To achieve this and to make the information more useful for our stakeholders, we separated our report into three sections:

(1) remuneration governance;

(2) remuneration policies; and

(3) Remuneration Report.

In 2016, our Group Leadership Team grew larger following the Acquisition of Alcatel Lucent and we witnessed the impact of our remuneration policies aligning with the performance of the company:

- annual bonuses were down at 40% compared to 2015, reflecting tough market conditions; and
- the Chair of the Board of Directors and the President and CEO reinforced their commitment to Nokia and the share ownership policy by investing directly in Nokia shares.

In 2016, the President and CEO received EUR 7.5 million, which was triggered by the vesting of the remaining 2012 Nokia Networks equity incentive plan awards, representing reward for the transformation of the former Nokia Siemens Networks to what today forms the foundation of our business.

Remuneration governance

We manage our remuneration through clearly defined processes, with well-defined governance principles, ensuring that no individual is involved in the decision-making process related to their own remuneration and that there is appropriate oversight of any compensation decision. Remuneration of the Board is annually presented to shareholders for approval at the Annual General Meeting and the remuneration of the President and CEO is approved by the Board.

The General Meeting of shareholders

- Shareholders approve the composition of the Board and the director remuneration based on proposals of the Board's Corporate Governance and Nomination Committee, which actively considers and evaluates the appropriate level and structure of director remuneration. The composition of the Board and director remuneration are resolved by a majority vote of the shareholders represented at the General Meeting and determined as of the date of the General Meeting, until the close of the next Annual General Meeting.
- Shareholders authorize the Board to resolve to issue shares, for example, to settle the company's equity-based incentive plans based on the proposal of the Board.

The Board of Directors

- Approves, and the independent members of the Board confirm, the compensation of the President and CEO, upon recommendation of the Personnel Committee;
- Approves, upon recommendation of the Personnel Committee, any long-term incentive compensation and all equity plans, programs or similar arrangements of significance that the company establishes for its employees; and
- Decides on the issuance of shares (under authorization by shareholders) to fulfill the company's obligations under equity plans in respect of vested awards to be settled.

The Personnel Committee
The Personnel Committee assists the Board in discharging its responsibilities relating to all compensation, including equity compensation, of the company's executives and the terms of employment of the executives.

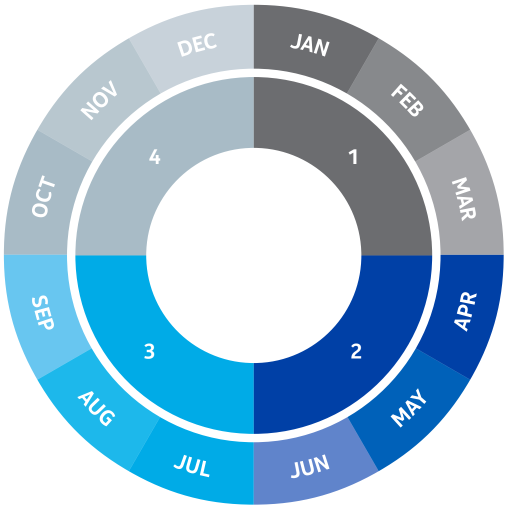
- In respect of the President and CEO, the Committee is accountable to the Board for:
  - reviewing and recommending to the Board the goals and objectives relevant to compensation;
  - evaluating and presenting to the Board the assessment of performance in light of those goals and objectives; and
  - proposing to the Board the total compensation based on this evaluation.

- In respect of the other members of the Group Leadership Team (other than the President and CEO) and the direct reports to the President and CEO in Vice President-level positions and above, the Committee:
  - reviews and approves the goals and objectives relevant to the compensation, upon recommendation of the President and CEO;
  - reviews the results of the evaluation of the performance in relation to the approved goals and objectives. The Committee approves the incentive compensation based on such evaluation;
  - approves and oversees the total compensation recommendations made by the President and CEO; and
  - reviews and approves compensation proposals made by the President and CEO in the event of termination of employment of a member of the Group Leadership Team.
- The Committee reviews periodically and makes recommendations to the Board regarding any equity programs, plans and other long-term incentive compensation arrangements, or similar arrangements of significance that the company establishes for, or makes available to, its employees, the appropriateness of the allocation of benefits under the plans and the extent to which the plans are meeting their intended objectives.
- The Committee reviews and resolves, at their discretion, any other significant compensation arrangements applicable to the wider executive population in the Nokia Group.
- The Committee will report to the Board at least annually on its views as to whether the President and CEO is providing the necessary leadership for the company in the long and short term.
- The Committee reviews and discusses with management on compensation philosophy, strategy, principles, and management compensation to be included in our Remuneration Report.
- The Committee reviews annually the company's share ownership policy to determine the appropriateness of the policy against its stated objectives.
- The Committee has the power, in its sole discretion, to retain compensation consultants having special competence to assist the Personnel Committee in evaluating director and executive compensation.
- The Committee reviews and approves changes to the company's peer group for the assessment of the competitiveness of our compensation from time to time.

The committee consults regularly with the President and CEO and the Chief Human Resources Officer though they are not present when their own compensation is reviewed or discussed.

Work of the Personnel Committee

The Personnel Committee convened five (5) times during 2016 with a general theme for each meeting. The discussion and timing of certain remuneration-related elements was unique in 2016, given the specific needs following the Acquisition of Alcatel Lucent and any associated integration-related matters, as required:



1 Approvals & reporting
2 Philosophy & structure
3 Long-term direction & market review
4 Planning

January:
- Achievement review
- Budget approval for 2016 Nokia equity program and performance review for 2014 performance share plan
- Employee engagement and organizational health review

March:
- Review of 2015 short-term incentive program achievement and performance
- Target setting for 2016 short-term incentive program
- Review of 2015 annual report

May:
Setting the long-term incentive target

Review of:
- succession;
- diversity;
- policy; and
- annual compensation.

September:
Compensation strategy and philosophy review

Update on:
- market and legal environment; and
- adviser market practices.

Talent summit outcomes

November:
Review of:
- framework for short-term incentive program for 2017;
- framework for long-term incentive program for 2017;
- risks;
- annual report for 2016; and
- peer group for 2017.

The President and CEO

The President and CEO has an active role in the compensation governance and performance management processes for the Group Leadership Team and the wider employee population at Nokia.

The President and CEO is not a member of the Personnel Committee and does not vote at Personnel Committee meetings, nor does he participate in any conversations regarding his own compensation.

Advisers

The Personnel Committee retains the use of Aon, an independent external consultant appointed in 2015, to assist in the review and determination of executive compensation and program design and provide insight into market trends and regulatory developments. The Personnel Committee has reviewed and established that Aon is independent of Nokia and does not have any other business relationships with Nokia.

Authorizations and resolutions of the Board concerning remuneration

Valid authorizations

The Annual General Meeting held on June 16, 2016 resolved to authorize the Board to resolve to issue a maximum of 1 150 million shares through one or more issuances of shares or special rights entitling to shares. The authorization may be used to develop the company's capital structure, diversify the shareholder base, finance or carry out acquisitions or other arrangements, to settle the company's equity-based incentive plans or for other purposes resolved by the Board.

The authorization is effective until December 16, 2017 and the authorization terminated the earlier shareholder authorization for the Board to issue shares and special rights entitling to shares resolved at the Annual General Meeting on May 5, 2015. The authorization did not terminate the authorization granted by the Extraordinary General Meeting held on December 2, 2015 to the Board for issuance of shares in order to implement the Acquisition of Alcatel Lucent.

Board resolutions

On February 1, 2017, the Board approved the Nokia equity program for 2017 and the issuance, without consideration, of a maximum of 9.75 million Nokia shares held by the company in 2017 to settle its commitments to Nokia's equity plan participants. The Nokia equity program for 2017 is explained in more detail below.

Remuneration policy

This section of our statement describes our remuneration policy and the considerations taken into account when setting the policy.

Board of Directors

The objective of the Board's Corporate Governance and Nomination Committee is to ensure that Nokia is able to compete for top-of-class Board competence when determining director remuneration in order to maximize shareholder value. Therefore, it is the practice of the Corporate Governance and Nomination Committee to review and compare the total remuneration levels and their criteria paid in other global companies with net sales, geographical coverage and complexity of business comparable to that of Nokia's. The Corporate Governance and Nomination Committee's aim is to ensure that the company has an efficient Board consisting of international professionals representing a diverse and relevant mix of skills and experience. Nokia believes that a competitive Board remuneration contributes to the achievement of this target.

Director remuneration at Nokia consists of an annual fee and a meeting fee. Director remuneration for the term that began at the Annual General Meeting held on June 16, 2016 and ends at the close of the Annual General Meeting in 2017 consists of the following fees:

Annual fee	EUR
Chair	440 000
Vice Chair	185 000
Member	160 000
Chair of Audit Committee	30 000
Member of Audit Committee	15 000
Chair of Personnel Committee	30 000
Meeting fee/meeting[1]	**EUR**
Meeting requiring intercontinental travel	5 000
Meeting requiring continental travel	2 000

(1) Paid for a maximum of seven meetings per term. Not paid to the Chair of the Board.

Approximately 40% of the annual fee is paid in Nokia shares purchased from the market or by using treasury shares. According to the company's policy, 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 on the Board (the net amount received after deducting those shares needed to offset any costs relating to the acquisition of the shares, including taxes). The shares shall be purchased from the market on behalf of the directors, or, if treasury shares are used, transferred to the directors, as soon as practicable after the Annual General Meeting. The remainder of the annual fee is payable in cash, most of which is typically used to cover taxes arising from the paid remuneration.

A meeting fee for Board and Committee meetings is paid to all other members of the Board except the Chair of the Board based on travel required between the home location of the member of the Board and the location of a meeting. Only one meeting fee is payable for multiple Board and Committee meetings per eligible travel. The meeting fee is paid for a maximum of seven meetings per term. The meeting fee is paid in cash.

According to the company's policy, non-executive directors do not participate in any of Nokia's equity programs and do not receive performance shares, restricted shares or any other equity-based or other form of variable compensation for their duties as members of the Board.

Group Leadership Team

Our focus when considering policies related to remuneration of the Group Leadership Team and other senior executives is to:

- attract, retain and motivate the right people to lead Nokia;
- drive performance and appropriate behaviors; and
- align the interests of the executives and results of our compensation programs with the interests and returns of our shareholders.

Compensation philosophy, design and strategy
Our compensation programs are designed to attract, incentivize and retain the talent necessary to deliver strong financial results to the ultimate benefit of our shareholders. Rewards are tied to the execution of our strategy by adopting an appropriate mix of fixed and variable compensation to engage and motivate employees in the performance of the business and ensure alignment with shareholder interests.

A single compensation framework is used across the Nokia Group with a varying mix of fixed and variable compensation for each level of responsibility. Higher levels of performance-based compensation and equity compensation are used to reward executives for delivering long-term sustainable growth and creating value for our shareholders.

We aim to provide a globally competitive compensation offering, which is comparable to that of our peer group companies, taking into account industry, geography, size and complexity. The peer group is reviewed annually and external advice is sought to confirm the appropriateness of the peer group and also the quantum and the relative mix of compensation packages. The peer group for 2016 is presented in the "—Remuneration Report" below.

In designing our variable compensation programs key consideration is given to:

- incorporating specific performance measures that align directly with the execution of our strategy and driving long-term sustainable success;
- delivering an appropriate amount of performance-related variable compensation for the achievement of strategic goals and financial targets in both the short and long term;
- appropriately balancing rewards between company and individual performance; and
- fostering an ownership culture that promotes sustainability and long-term value creation that aligns the interests of participants with those of our shareholders.

Compensation structure and target setting
In line with our overall compensation philosophy, our executives are rewarded using a mix of fixed and variable pay.

Targets for the short- and long-term incentive plans are set by the Board. The Board reviews business plans, external analysts' expectations, previous year's performance and the overall macro-economic environment to arrive at suitable targets for the plans. The goal of target-setting is equally to set achievable targets while also ensuring those targets are sufficiently demanding to create shareholder value.

The elements of the compensation structure for the President and CEO and the Group Leadership Team are further detailed below:

Element	Purpose	Philosophy	Operation
Base salary	To attract and retain the best executives with the requisite level of knowledge, skills and experience to lead our businesses and provide a degree of financial certainty and stability to executives.	Fixed cash component targeted at our peer group median. Base salary can vary from the market average due to individual performance, experience, time in position and internal comparison. Base salaries are reviewed annually taking into account market conditions, our financial condition and individual performance.	Changes in base pay are determined based on consideration of a variety of factors, including, for example, the following: ▪ performance by the member of the Group Leadership Team; ▪ changes in the market; ▪ market positioning; ▪ changes in individual responsibilities; and ▪ average employee salary increases across Nokia and in the local market.
Short-term incentives	To incentivize and reward performance against delivery of the annual business plan.	All members of the Group Leadership Team are eligible to receive a short-term incentive, based on a set of pre-determined targets linked to key metrics that drive sustainable business performance and are designed to reward a mix of corporate, business group and individual performance goals.	Achievement is assessed at the end of the year to determine payout. Target short-term incentive awards, when taken together with base salary, are designed to provide a target annual cash compensation comparable to that provided by our peer group.

Element	Purpose	Philosophy	Operation
Long-term incentives	To reward for delivery of sustainable long-term performance, align the executives' interests with those of shareholders and aid retention.	Long-term incentive awards are intended to provide competitive incentive compensation compared to our peer group when combined with base salary and target short-term incentive. Performance share awards are made annually. They have a two-year performance period and a one-year restriction period. The ultimate value of an award depends on our share price and business performance against predetermined performance criteria. Restricted shares are also used for exceptional purposes related to retention and recruitment. The number of shares vesting is predetermined but the ultimate value will rise or fall in line with movements in our share price. There are also certain legacy equity compensation programs in force as described in "—Legacy equity compensation programs" below.	The value of performance share awards is determined by performance against preset strategic targets of ■ net sales; and ■ earnings per share. Targets are set in the context of the Nokia long-term plans which are validated against analyst forecasts ensuring that they are considered both demanding of recipients and motivational to them. The target value of a long-term incentive award depends on the recipient's role in the company and is set in the context of award levels for comparable roles in the wider market.
Benefits & perquisites	To attract, retain and protect executives.	Members of the Group Leadership Team are provided with the same benefits as are made available to employees more broadly in the relevant country, with additional security provisions, as appropriate. Members of the Group Leadership Team may also be provided with certain other benefits from time to time, which are not material in value. Benefits are provided with the intention of maintaining the health and wellness of our executives.	Benefits are determined by country of employment and align with local practices and regulatory requirements.
Relocation & mobility	To support the international mobility of executives and ensure the right people are in the right location to meet business needs.	Members of the Group Leadership Team may be offered support to cover additional costs related to relocation. Mobility policies support the relocation of an executive and their dependents or the reasonable costs of commuting. Benefits are market-specific and are not compensation for performing the role but provided to defray costs or additional burdens of a relocation or residence outside the home country.	
Retirement plans	To allow executives to provide for their retirement with a level of certainty.	Taking into account our global executive population, we provide retirement funding in line with local market and regulatory requirements, typically through defined contribution or locally mandated pension plans. No supplemental pension arrangements are provided in Finland.	
Change of control arrangements	To ensure the continuity of management in connection with a possible change of control event.	Change of control arrangements are offered on a very limited basis only and are based on a double trigger structure, which means that both a specified change of control event and termination of the individual's employment must take place for any change of control-based severance payment to materialize. Refer to "—Termination provisions of the President and CEO" and "—Termination provisions of the Group Leadership Team".	

Payments to departing executives
In the event of a termination of employment, any payable compensation is determined in line with legal advice regarding local legislation, country policies, contractual obligations and the rules of the applicable incentive and benefit plans. Refer to "—Termination provisions of the President and CEO" and "—Termination provisions of the Group Leadership Team".

Recruitment
Our policy on recruitment is to offer a compensation package which is sufficient to attract, retain and motivate individuals with the right skills for the required role. On occasion, we may offer compensation to buy out awards which the candidate held prior to joining Nokia, but which lapsed upon the candidate leaving their previous employer. Due consideration is given to the potential value and timing of such awards, taking into account any conditions attached to the awards and the likely performance against such conditions.

Clawback
Our executives are subject to a clawback policy where any restatement of financial results may result in the reclaiming of amounts previously paid which had been based on numbers which have since been materially restated. Any such reclaimed amount, and the period over which payments can be reclaimed, will take into account the circumstances and duration of any misstatement.

Share ownership requirement
Nokia believes that it is desirable for its executives to own shares in the company to align their interests with those of shareholders and to ensure that their decisions are in the long-term interest of the company. The President and CEO and members of the Group Leadership Team are given a period of five years from their appointment in a designated role to achieve the required level of share ownership as follows:

Role	Share ownership requirement
President and CEO	3 x base salary
Member of the Group Leadership Team	2 x base salary

President and CEO

Compensation mix
To align the interests of the President and CEO with those of the company's shareholders, the compensation mix for the President and CEO is heavily geared toward performance-based pay with only 16.5% of core target compensation in 2016 consisting of fixed pay. Additionally, the President and CEO receives incidental benefits and mobility support and pension contributions are made in line with his participation in the statutory Finnish pension system, as regulated by the Finnish Employees' Pension Act (395/2006, as amended) (the "Finnish TyEL").

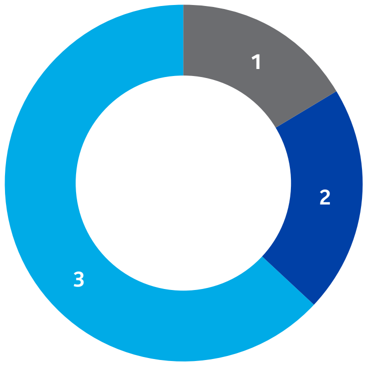
The total remuneration of the President and CEO is thus dependent on performance, as detailed opposite:

Variable pay of the President and CEO
The variable pay of the President and CEO is determined based on performance against a mix of targets, either short- or long-term in nature, depending on the strategic impact for the business.

Based on the Board's assessment, the most appropriate metrics for driving sustainable business performance at Nokia are:

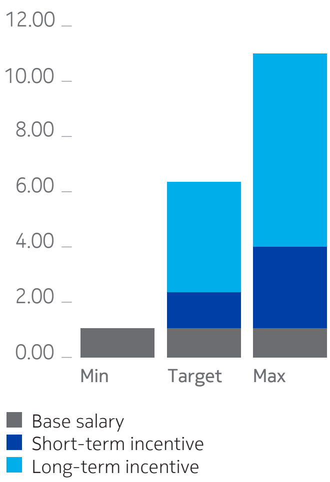
- non-IFRS revenue;
- non-IFRS operating profit;
- non-IFRS earnings per share; and
- operating cash flow.

2016 Pay mix

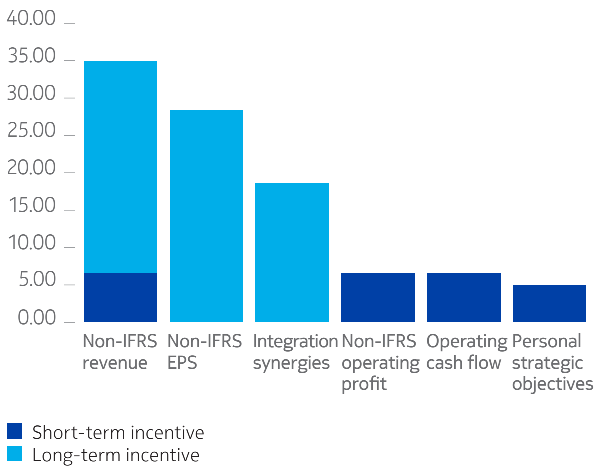


1 Base salary	16.51%
2 Short-term incentive	20.64%
3 Long-term incentive	62.85%

2016 Pay opportunity (EURm)



Incentive opportunity by metric (% of total variable pay)



Non-IFRS measures exclude costs related to the Acquisition of Alcatel Lucent and related integration, goodwill impairment charges, intangible asset amortization and other purchase price fair value adjustments, restructuring and associated charges and certain other items.

The variable compensation focuses on these measures as well as personal strategic objectives to support the strategic development of Nokia, which is not necessarily measurable or easily measured in purely financial terms.

Short-term incentives of the President and CEO

The short-term incentives for the President and CEO are based on the achievement of key financial targets and other strategic objectives, as defined below. Performance against these defined targets is then multiplied by a business results multiplier, which acts as a funding factor for the incentive plan for most employees, to determine the final payment.

% of base salary			
Minimum performance	Target performance	Maximum performance	Measurement criteria
0%	125%	281.25%	80% of the incentive is based on performance against the Nokia scorecard: ■ non-IFRS revenue (⅓); ■ non-IFRS operating profit (⅓); and ■ operating cash flow (⅓). The final 20% of the incentive is determined based on the achievement of personal strategic objectives set for President and CEO by the Board.

Long-term incentives of the President and CEO

Long-term incentive awards are determined by reference to the market and as a percentage of salary. The President and CEO participates in the same long-term incentive arrangements as other Nokia executives and senior executives. Long-term incentive programs are described under "—Nokia Equity Program".

Pension arrangements of the President and CEO

The President and CEO participates in the statutory Finnish pension system, the Finnish TyEL, which provides for a retirement benefit based on years of service and earnings according to prescribed rules and regulations. No supplemental pension arrangements are provided. Under the Finnish TyEL pension system, base pay, incentives and other taxable fringe benefits are included in the definition of earnings, while gains realized from equity are not. The retirement age for the President and CEO is 65.

Termination provisions of the President and CEO

Termination provisions for the President and CEO's service agreement specify alternatives for termination and associated compensation in accordance with the following table:

Termination by	Reason	Notice	Compensation
Nokia	Cause	None	The President and CEO is entitled to no additional compensation and all unvested equity awards would be forfeited.
Nokia	Reasons other than cause	Up to 18 months	The President and CEO is entitled to a severance payment equaling up to 18 months of compensation (including annual base salary, benefits, and target incentive) and unvested equity awards would be forfeited.
President and CEO	Any reason	Six (6) months	The President and CEO may terminate his service agreement at any time with six months' prior notice. The President and CEO would continue to receive either salary and benefits during the notice period or, at Nokia's discretion, a lump sum of equivalent value. Additionally, the President and CEO would be entitled to any short- or long-term incentives that would normally vest during the notice period. Any unvested equity awards would be forfeited.
President and CEO	Nokia's material breach of the service agreement	Up to 18 months	In the event that the President and CEO terminates his service agreement based on a final arbitration award demonstrating Nokia's material breach of the service agreement, he is entitled to a severance payment equaling to up to 18 months of compensation (including annual base salary, benefits and target incentive). Any unvested equity awards would be forfeited.

The President and CEO's service agreement includes special severance provisions in the event of a termination of employment following a change of control event. Such change of control provisions are based on a double trigger structure, which means that both a change of control event and the termination of the President and CEO's employment within a defined period of time must take place in order for any change of control-based severance payment to become payable. More specifically, if a change of control event has occurred, as defined in the service agreement, and the President and CEO's service with Nokia is terminated either by Nokia or its successor without cause, or by the President and CEO for "good reason", in either case within 18 months from such change of control event, the President and CEO would be entitled to a severance payment equaling up to 18 months of compensation (including annual base salary, benefits, and target incentive) and cash payment (or payments) for the pro-rated value of his outstanding unvested equity awards, restricted shares, performance shares and stock options (if any), payable pursuant to the terms of the service agreement. "Good reason" referred to above includes a material reduction of the President and CEO's compensation and a material reduction of his duties and responsibilities, as defined in the service agreement and as determined by the Board.

The President and CEO is subject to a 12-month non-competition obligation that applies after the termination of the service agreement or the date when he is released from his obligations and responsibilities, whichever occurs earlier.

The Group Leadership Team

Remuneration of the Group Leadership Team
The remuneration of the members of the Group Leadership Team (excluding the President and CEO) consists of base salary, fringe benefits and short- and long-term incentives. The members of the Group Leadership Team participate in the same reward programs, including short- and long-term incentive programs and under the same terms and conditions, as other eligible employees, although the quantum and mix of their compensation vary by role and individual. Short-term incentive plans are based on rewarding the delivery of business performance and certain or all of the following metrics as appropriate in light of the member's role: non-IFRS revenue, non-IFRS operating profit, operating cash flow and defined strategic objectives. Long-term incentive programs are described under "—Nokia Equity Program".

Each member of the Group Leadership Team will have a mix of Nokia level and business group targets based on a mix of revenue, operating profit and operating cash flow depending on their role. Personal strategic objectives of the members of the Group Leadership Team account for up to 20% of their short-term incentive awards.

Pension arrangements of the Group Leadership Team
The members of the Group Leadership Team participate in the local retirement plans applicable to employees in the country of residence. Executives based in Finland participate in the statutory Finnish pension system, as regulated by the Finnish TyEL. Refer to "—Pension arrangements of the President and CEO" above.

Executives based outside Finland participate in arrangements relevant to their location. Retirement plans vary by country and include defined benefit, defined contribution and cash balance plans. The retirement age for the members of Group Leadership Team varies between 60 and 65.

Termination provisions of the Group Leadership Team
In all cases, if an executive is dismissed for cause, no compensation will be payable and no outstanding equity will vest.

In the event of termination by the company for any other reason than cause, where the company pays compensation in lieu of notice period salary, the benefits and target short-term incentive amounts are taken into account.

Additionally, the Board believes that maintaining a stable and effective leadership team is essential for protecting and enhancing the best interests of Nokia and its shareholders. In order to encourage the continued focus, dedication and continuity of the members of the Group Leadership Team to their assigned duties without the distraction that may arise from the possibility of termination of employment as a result of a specified change of control event in Nokia, certain provisions have been made available to them as appropriate when certain change of control events occur.

Certain members of the Group Leadership Team received change of control agreements related to the Acquisition of Alcatel Lucent that expired on January 8, 2017, one year after the transaction completion. These change of control agreements have not been renewed.

Certain members of the Group Leadership Team received change of control agreements at the time of the integration of Nokia and Nokia Siemens Networks which serve as an addendum to their executive agreements and provide for the pro-rata settlement of outstanding equity awards as follows. The change of control agreements are based on a double trigger structure, which means that both a change of control event and the termination of the Group Leadership Team member's employment must take place for any change of control-based severance payment to materialize. More specifically, if a change of control event, as defined in the agreement, has occurred in the company, and the individual's employment with the company is terminated either by Nokia or its successor without cause, or by the individual for "good reason" (e.g., material reduction of duties and responsibilities), in either case within 18 months from such change of control event, the individual will be entitled to his or her notice period compensation (including base salary, benefits and target incentive) and cash payment (or payments) for the pro-rated value of the individual's outstanding unvested equity, including restricted shares and performance shares, payable pursuant to the terms of the agreement. The Board has full discretion to terminate or amend the change of control agreements at any time.

No new change of control clauses have been included in the service agreements of executives who joined the Group Leadership Team since January 1, 2016.

Compensation continued

Nokia Equity Program

A key component of Group Leadership Team members' and other executives' compensation is equity-based long-term incentives with the purpose of aligning the participants' interests with those of shareholders. The amount of equity as a percentage of the compensation package increases with the seniority of the role. As in previous years, the Nokia equity program 2017 includes the following equity instruments:

	Performance shares	Restricted shares	Employee share purchase plan
Eligible employees	Grade based eligibility	Grade-based eligibility	Employees in participating countries
Purpose	Annual long-term incentive awards, to reward delivery of sustainable long-term performance, align with the interests of shareholders and aid retention of key employees	Exceptional recruitment and retention	Encourage share ownership within the Nokia employee population, increasing engagement and sense of ownership in the company
Vesting schedule	Two-year performance period based on financial targets and one-year restriction period	Vest equally in three tranches on the 1st, 2nd and 3rd anniversary of grant	Matching shares vest at the end of the 12-month savings period

Performance Shares

In accordance with the previous years' practice, the primary equity instruments granted to executive employees and other eligible employees are performance shares. The performance shares represent a commitment by Nokia to deliver Nokia shares to employees at a future point in time, subject to our fulfillment of pre-defined performance criteria. Performance shares vest to participants after three years following a two-year performance period based on financial targets and a subsequent one-year restriction period.

The Board has continued with the practice of the two-year performance period which gives greater predictability in a fast changing environment and supports greater alignment of underlying achievement with payments. Targets are set in the context of the Board's view of the future business plans for Nokia, investor expectations and analyst forecasts and the Board will continue to review the suitability of the two-year performance period for future years. The table below illustrates the performance criteria of the performance share plans for 2014 through to 2017.

Performance criteria (non-IFRS)(1)	2017	2016	2015	2014
Annual net sales Nokia Group(2)	Yes	Yes	Yes	Yes
Average annual earnings per share, Nokia Group (diluted)	Yes	Yes	Yes	Yes
Minimum settlement at below threshold performance(3)	–	25%	25%	25%

(1) Non-IFRS measures exclude costs related to the Acquisition of Alcatel Lucent and related integration, goodwill impairment charges, intangible asset amortization and other purchase price fair value adjustments, restructuring and associated charges and certain other items.
(2) The performance criteria of the performance share plan 2015 were restated in May 2016 to reflect the new organizational structure and scope of the Nokia Group. The restatement adjusts the net sales and earnings per share performance targets to remove the impact related to the Sale of the HERE Business for the fourth quarter of 2015 following the sale of HERE in 2015 and restates the 2016 targets based on the combined Group following the Acquisition of Alcatel Lucent in January 2016. Net sales metric is weighted equally each year, instead of calculating average over the two-year performance period due to significant difference between the metrics for Nokia in 2015 and the combined Group in 2016. For other years' performance share plans, the criterion has been average annual net sales for Nokia Group during the performance period.
(3) In 2014, a minimum payout level was introduced to reinforce the retentive impact of the plan by giving some certainty to remaining employees during the transformation of Nokia following the Sale of the D&S Business and integration of the Nokia Networks business. The 2017 plan removes the minimum payout of 25% of the grant amount for executive employees. Employees who are not executives at the time the awards are granted to them will continue to benefit from a minimum payout of 25% with the intention of this continuing to provide a retention effect.

The 2017 performance share plan has a two-year performance period (2017-2018) and a subsequent one-year restriction period. The shares will vest on January 1, 2020. The performance criteria for the 2017 performance share plan are:

Performance criteria (non-IFRS)(1)	Weighting	Threshold performance (EUR)	Maximum performance (EUR)	Potential range of settlement(2)
Nokia average annual net sales January 1, 2017—December 31, 2018	50%	22 842 million	26 280 million	Threshold number up to maximum level (4 x Threshold number)
Nokia average annual earnings per share (diluted) January 1, 2017—December 31, 2018	50%	0.26	0.38	Threshold number up to maximum level (4 x Threshold number)

(1) Non-IFRS measures exclude costs related to the Acquisition of Alcatel Lucent and related integration, goodwill impairment charges, intangible asset amortization and other purchase price fair value adjustments, restructuring and associated charges and certain other items.
(2) The minimum payout of 25% of the grant amount will be payable to all participants except executives only in the event that the calculated payout (based on Nokia's performance against the performance criteria) is beneath 25% achievement against the performance criteria.

Based on a resolution by the Board, the maximum number of performance shares that can be granted under the performance share plan for 2017 is 37 million. The maximum payout can be 200%. Accordingly, achievement of the maximum performance against all the performance criteria would result in the vesting and an aggregate maximum payout of 74 million Nokia shares. Achievements beyond the maximum performance level will not cause any further shares to vest. For employees who are not executives at the time the awards are granted to them, 25% of the performance shares granted in 2017 will settle after the restriction period, regardless of the satisfaction of the applicable performance criteria. In case the applicable performance criteria are not satisfied, employees who are executives on the grant date for their 2017 performance shares will not receive any settlement.

Until the Nokia shares are delivered, the participants will not have any shareholder rights, such as voting or dividend rights associated with these performance shares.

Restricted Share Plan
Restricted shares are used on a selective basis to ensure retention and recruitment of individuals deemed critical to our future success. 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.

In 2017, restricted shares will be granted on a limited basis for exceptional purposes related to retention and recruitment, primarily in the United States, to ensure we are able to retain and recruit vital talent for the future success of Nokia.

Until the Nokia shares are delivered, the participants will not have any shareholder rights, such as voting or dividend rights, associated with the restricted shares.

Share in Success
Under our employee share purchase plan "Share in Success", eligible employees can elect to make monthly contributions from their salary to purchase Nokia shares. The contribution per employee cannot exceed EUR 1 800 per year. The share purchases are made at market value on predetermined dates on a monthly basis during a 12-month savings period. Nokia intends to deliver one matching share for every two purchased shares the employee still holds at the end of the Plan cycle. Participation in the plan is voluntary for all employees in countries where the plan is offered.

Monitoring the performance of our equity plans

Each year Nokia monitors the performance of its equity plans against the targets for the plan, total shareholder return and the impact that the plans have on total compensation compared to market peers. For further discussion on the performance of the plans refer to "—Remuneration Report" below.

Legacy equity programs

Stock Options
The granting of stock options ceased at the end of 2013; however, awards granted under the 2011 stock option plan remain in force. Under the plan, each stock option entitles the holder to subscribe for one new Nokia share. The stock options are non-transferable and may be exercised for shares only. The vesting schedule of the 2011 stock option plan is as follows:

Plan	Vesting schedule
2011 stock option plan	50% on third anniversary of grant
	50% on fourth anniversary of grant
	Term is approximately six years
	The final subscription periods end on December 27, 2019

Shares will be eligible for dividends in respect of the financial year in which the share subscription takes place. Other shareholder rights will commence on the date on which the subscribed shares are entered in the trade register. The stock option grants are generally forfeited if the employment relationship is terminated with Nokia.

2012 Nokia Networks Equity Incentive Plan
The 2012 Nokia Networks equity incentive plan was established by the board of Nokia Siemens Networks prior to Nokia's acquisition of full ownership of the Nokia Networks business. Under this plan options over Nokia Solutions and Networks B.V. shares were granted to Mr. Suri and approximately 65 other Nokia Networks employees.

At that time, both Nokia and Siemens were considering a potential exit from Nokia Siemens Networks. The plan had two objectives:

(1) to increase the value of Nokia Networks; and

(2) to create an exit option for its parent companies.

With the significantly improved performance of Nokia Networks, the first objective has been met. The second objective has not occurred and, given the change in our strategy, the likelihood of a sale or an initial public offering ("IPO") has diminished.

The exercise price of the options is based on a Nokia Networks share value on grant, as determined for the purposes of the 2012 Nokia Networks equity incentive plan. The options will be cash-settled at exercise, unless an IPO has taken place, at which point they would be converted into equity-settled options.

The targets of the plan were set at a demanding level and payments from the plan represent the outstanding achievement of the Networks team. The actual payments under the 2012 Nokia Networks equity incentive plan were determined based on the value of the Nokia Networks business. In 2015, 30% of the options became exercisable and the remaining 70% became exercisable in 2016.

Alcatel Lucent liquidity agreements
In 2016, Nokia and Alcatel Lucent entered into liquidity agreements with beneficiaries of the 2015 Alcatel Lucent performance share plan. Pursuant to the agreements, the 2015 Alcatel Lucent performance shares (as well as other unvested performance share plans, where the employee elected to enter into a liquidity agreement rather than accelerate their equity), would be exchanged for Nokia shares, or for the cash equivalent of the market value of such Nokia shares, shortly after expiration of the vesting period. The exchange ratio would be aligned with the exchange ratio of Nokia's exchange offer for all outstanding Alcatel Lucent securities, subject to certain adjustments in the event of financial transactions by either Nokia or Alcatel Lucent. Accordingly, these agreements apply to any member of the Group Leadership Team who has entered into such liquidity agreement.

Remuneration Report

The Remuneration Report provides information on the remuneration earned between January 1, 2016 and December 31, 2016. We provide disclosure of the compensation of our Board, the President and CEO and aggregated compensation information for the Group Leadership Team.

Board of Directors

In 2016, the aggregate amount of compensation paid to the members of the Board for their services on the Board and its committees equaled EUR 2 050 902.

In accordance with the resolutions passed at the Extraordinary General Meeting on December 2, 2015, and following the successful public exchange offer for all Alcatel Lucent securities, we confirmed the new composition of the Board on January 8, 2016. The newly elected members of the Board were Louis R. Hughes, Jean C. Monty and Olivier Piou. Elizabeth Doherty, who was a member of the Board until the successful closing of the exchange offer for all Alcatel Lucent securities, stepped down from the Board.

Additionally, the Extraordinary General Meeting resolved that the newly elected members of the Board would receive the same annual remuneration as was paid to the members of the Board elected at the Annual General Meeting on May 5, 2015, prorated for the new Board members' time in service from January 8, 2016 until the closing of the Annual General Meeting held on June 16, 2016.

The Annual General Meeting held on June 16, 2016 resolved to elect nine members to the Board. The following members of the Board were re-elected for a term ending at the close of the Annual General Meeting in 2017: Vivek Badrinath, Bruce Brown, Louis R. Hughes, Jean C. Monty, Elizabeth Nelson, Olivier Piou, Risto Siilasmaa and Kari Stadigh. Carla Smits-Nusteling was elected as new member of the Board for the same term. For director remuneration resolved by the Annual General Meeting for the current term refer to "Remuneration Policy—Board of Directors" above.

On July 29, 2016, Nokia announced that Vivek Badrinath had stepped down from the Board.

The following table outlines the total annual compensation paid in 2016 to the members of the Board for their services, as resolved by shareholders at the Extraordinary General Meeting on December 2, 2015 and the Annual General Meeting on June 16, 2016. The table does not include the meeting fees as resolved by the Annual General Meeting in June 2016. The meeting fees for applicable Board and Committee meetings held in 2016 will be paid in 2017. For details of Nokia shares held by the members of the Board, refer to "—Share ownership—Share ownership of the Board of Directors" below.

Compensation paid in 2016(1):

	EUR
Risto Siilasmaa, Chair	440 000
Olivier Piou, Vice Chair(2)	255 082
Vivek Badrinath(3)	175 000
Bruce Brown(4)	190 000
Elizabeth Doherty(5)	–
Louis R. Hughes(6)	240 410
Simon Jiang(7)	–
Jouko Karvinen(8)	–
Jean C. Monty(9)	225 410
Elizabeth Nelson(10)	190 000
Carla Smits-Nusteling(11)	175 000
Kari Stadigh(12)	160 000
Total	**2 050 902**

(1) Approximately 40% of each Board member's annual fee was paid in Nokia shares purchased from the market and the remaining amount of approximately 60% was paid in cash. The meeting fees as resolved by the Annual General Meeting in 2016 will be paid in cash in 2017 and are not included in the table.
(2) Consists of EUR 70 082 for services as the Vice Chair of the Board from January 8, 2016 until the Annual General Meeting in 2016 and EUR 185 000 for services as the Vice Chair of the Board from the Annual General Meeting in 2016.
(3) Consists of EUR 160 000 for services as a member of the Board and EUR 15 000 for services as a member of the Audit Committee. However, Mr. Badrinath stepped down from the Board on July 29, 2016 and has returned to the company the compensation paid to him.
(4) Consists of EUR 160 000 for services as a member of the Board and EUR 30 000 for services as the Chair of the Personnel Committee.
(5) Served as a member of the Audit Committee and a member of the Board until January 8, 2016. She was not paid any compensation during fiscal year 2016, but received compensation for the term until the close of the Annual General Meeting in June 2016 in the fiscal year 2015.
(6) Consists of EUR 60 738 for services as a member of the Board and EUR 4 672 for services as a member of the Audit Committee from January 8, 2016 until the Annual General Meeting in 2016 and of EUR 160 000 for services as a member of the Board and EUR 15 000 for services as a member of the Audit Committee from the Annual General Meeting in 2016.
(7) Served as a member of the Board until the Annual General Meeting in 2016. He was not paid any compensation during fiscal year 2016, but received compensation for the term until the close of the Annual General Meeting in 2016 in the fiscal year 2015.
(8) Served as the Vice Chair of the Board until January 8, 2016, the Chair of the Audit Committee until April 1, 2016 and as a member of the Board until the Annual General Meeting in 2016. He was not paid any compensation during fiscal year 2016, but received compensation for the term until the close of the Annual General Meeting in 2016 in the fiscal year 2015.
(9) Consists of EUR 60 738 for services as a member of the Board and EUR 4 672 for services as a member of the Audit Committee from January 8, 2016 until the Annual General Meeting in June 2016 and of EUR 160 000 for services as a member of the Board from the Annual General Meeting in 2016.
(10) Consists of EUR 160 000 for services as a member of the Board and EUR 30 000 for services as the Chair of the Audit Committee.
(11) Consists of EUR 160 000 for services as a member of the Board and EUR 15 000 for services as a member of the Audit Committee.
(12) Consists of EUR 160 000 for services as a member of the Board.

The President and CEO

The following table shows the remuneration received by the President and CEO in 2016 and 2015. The long-term incentive payments reflect actual payments in the respective years attributable to the vesting of the 2012 Nokia Networks equity incentive plan.

EUR	2016	2015
Salary	1 049 044	1 000 000
Short-term incentive(1)	780 357	1 922 125
Equity-based incentive(2)		
From role as Nokia President and CEO	–	–
From role as NSN CEO	7 556 598	3 238 542
Other compensation(3)	122 157	145 658
Total	**9 508 156**	**6 306 325**

(1) Short-term incentives represent amounts earned in respect of the financial year, but that are paid in April of the following year.
(2) Amounts represent the value of the 2012 Nokia Networks equity incentive plan. Refer to "—2012 Nokia Networks Equity Incentive Plan" above.
(3) Other compensation includes compensation for housing equaling EUR 41 312 (2015: EUR 47 950); travel assistance equaling EUR 33 482 (2015: EUR 48 510); Tax services equaling EUR 19 260 (2015: EUR 17 834) and other benefits including mobile phone, driver and supplemental medical and disability insurance equaling EUR 28 103 (2015: EUR 31 363).

Pursuant to Finnish legislation, Nokia is required to make contributions to the Finnish TyEL pension arrangements in respect of the President and CEO. Such payments can be characterized as defined contribution payments. In 2016, payments to the Finnish state pension system equaled EUR 469 737 (EUR 491 641 in 2015).

Short-term incentive
In line with Nokia's performance in 2016, the short-term incentive of the President and CEO equaled EUR 780 357, or 63.5%, of the target award, reflecting the challenging market environment.

Long-term incentive
In 2016, the President and CEO was eligible to exercise the final options under the 2012 Nokia Networks equity incentive plan. The plan was established in 2012 to incentivize the turnaround of the former Nokia Siemens Networks business. The value of the options to the President and CEO reflects the dramatic success of the turnaround plan and is borne out by the fact that, today, the core of Nokia's business is networks-related.

In 2016, the President and CEO was awarded the following equity awards under the Nokia equity program:

Award	Units awarded	Grant date fair value (EUR)	Grant date	Vesting date
Performance shares(1)	642 114	3 005 736	July 1, 2016	January 1, 2019
Restricted shares (with individual integration-related performance conditions)(2)	208 700	986 942	August 16, 2016	October 1, 2017, 2018 and 2019

(1) The 2016 performance share plan has a two-year performance period based on financial targets and a one-year restriction period. Minimum payout under the plan, even if threshold performance is not achieved, is 25% of the awarded amount. The maximum payout would be 200% subject to maximum performance against all the performance criteria. Vesting is subject to continued employment.
(2) In 2016, Nokia and certain senior executives of the company entered into agreements based on which the vesting of restricted shares granted to them is subject to fulfillment of predetermined performance conditions related to the successful integration of Nokia and Alcatel Lucent. Performance is currently estimated at 100% payout and the restricted shares are expected to vest in three equal tranches on October 1, 2017, 2018 and 2019. Vesting is subject to continued employment.

The award of restricted shares represents a special long-term incentive to ensure that the President and CEO (and other senior executives) is motivated to deliver the synergies of the Acquisition of Alcatel Lucent and share alongside shareholders in the benefits that they are expected to deliver.

Share ownership
Our share ownership policy requires that the President and CEO holds a minimum of three times his base salary in Nokia shares in order to ensure alignment with shareholder interests over the long term. This requirement has been met. In 2016, the President and CEO acquired 519 757 Nokia shares. In addition, the 2014 performance share plan vested on January 1, 2017 and consequently 742 297 Nokia shares were delivered to the President and CEO on February 8, 2017.

	Units	Value (EUR)
Beneficially owned shares as of December 31, 2016(1)	549 480	2 522 113
Vested shares under the 2014 performance share plan delivered on February 8, 2017(2)	742 297	3 377 451
Unvested shares under other Nokia equity plans(3)	1 351 961	6 205 500
Total	**2 643 738**	**12 105 064**

(1) The value is based on the closing price of Nokia share of EUR 4.59 on Nasdaq Helsinki on December 30, 2016.
(2) The value and number of units represent fair market value of a Nokia share of EUR 4.55 on Nasdaq Helsinki on February 8, 2017 and the net number of shares delivered after the applicable taxes was withheld from the number of shares that vested to the President and CEO.
(3) The number of units represents the number of unvested awards at December 31, 2016 including the payout factor of the 2015 performance share plan and excluding the 2014 performance share plan that vested on January 1, 2017. The value is based on the closing price of a Nokia share of EUR 4.59 on Nasdaq Helsinki on December 30, 2016. Vesting is subject to continued employment.

Compensation continued

Group Leadership Team

Following the Acquisition of Alcatel Lucent, the Group Leadership Team has consisted of 13 persons split between Finland, other European countries and the United States. The compensation structure for the Group Leadership Team was set in the Nokia framework honoring inherited agreements where appropriate.

Name	Position in 2016	Appointment date
Rajeev Suri	President and CEO	May 1, 2014
Samih Elhage	President of Mobile Networks	May 1, 2014
Federico Guillén	President of Fixed Networks	January 8, 2016
Basil Alwan	President of IP/Optical Networks	January 8, 2016
Bhaskar Gorti	President of Applications & Analytics	January 8, 2016
Ramzi Haidamus[1]	President of Nokia Technologies	September 3, 2014
Timo Ihamuotila[2]	Chief Financial Officer	September 1, 2011
Hans-Jürgen Bill	Chief Human Resources Officer	January 8, 2016
Kathrin Buvac	Chief Strategy Officer	January 8, 2016
Ashish Chowdhary	Chief Customer Operations Officer	January 8, 2016
Barry French	Chief Marketing Officer	January 8, 2016
Marc Rouanne	Chief Innovation & Operating Officer	January 8, 2016
Maria Varsellona	Chief Legal Officer	January 8, 2016

(1) Ramzi Haidamus was a member of the Group Leadership Team until September 30, 2016.
(2) Timo Ihamuotila was a member of the Group Leadership Team until December 31, 2016. Kristian Pullola was appointed as Chief Financial Officer and a member of the Group Leadership Team as of January 1, 2017. The Group Leadership Team currently consists of twelve (12) members, however, as announced on March 17, 2017, the Group Leadership Team will grow to fourteen (14) members from April 1, 2017.

Remuneration of the Group Leadership Team (excluding the President and CEO) in 2015 and 2016, in the aggregate, was as follows:

	2016 EURm[1]	2015 EURm[1]
Salary, short-term incentives and other compensation[2]	22.7	6.3
Equity-based incentives[3]	25.5	3.7
Total	**48.2**	**10.0**

(1) In 2016, the Group Leadership Team consisted of up to twelve members (excluding the President and CEO), whereas in 2015 the Group Leadership Team consisted of up to four members (excluding the President and CEO).
(2) Short-term incentives represent amounts earned in respect of 2016 performance. Other compensation includes mobility related payments, local benefits and certain pension costs.
(3) Amounts represent the value of the 2012 Nokia Networks equity incentive plan or other equity awards vesting or stock options exercised during 2016 and share awards from Alcatel Lucent where appropriate.

In 2016, the Group Leadership Team was awarded the following equity awards under the Nokia equity program:

Award	Units awarded	Grant date fair value (EUR)	Grant date	Vesting date
Performance shares[1]	1 571 478	7 356 200	July 1, and August 16, 2016	January 1, 2019
Restricted shares (with individual integration-related performance conditions)[2]	1 015 100	4 800 408	August 16, 2016	October 1, 2017, 2018 and 2019

(1) The 2016 performance share plan has a two-year performance period based on financial targets and a one-year restriction period. Minimum payout under the plan, even if threshold performance is not achieved, is 25% of the awarded amount. The maximum payout would be 200% subject to maximum performance against all the performance criteria. Vesting is subject to continued employment.
(2) Nokia and certain senior executives of the company entered into agreements based on which the vesting of restricted shares granted to them is subject to fulfillment of predetermined performance conditions related to the successful integration of Nokia and Alcatel Lucent. Performance is currently estimated at 100% payout and the restricted shares are expected to vest in three equal tranches on October 1, 2017, 2018 and 2019. Vesting is subject to continued employment.

Review of our incentive plans

Short-term Incentives

Short-term incentive targets and achievements for the members of the Group Leadership Team (excluding the President and CEO) were based on a mix of revenue, operating profit and cash flow targets. These targets are measured either at a Nokia Group level or, alternatively, a mix of Nokia Group and business group level for business group presidents. Payout levels for 2016 represent the challenging business environment in which Nokia has been operating with median payout at 70% of target.

Long-term incentives

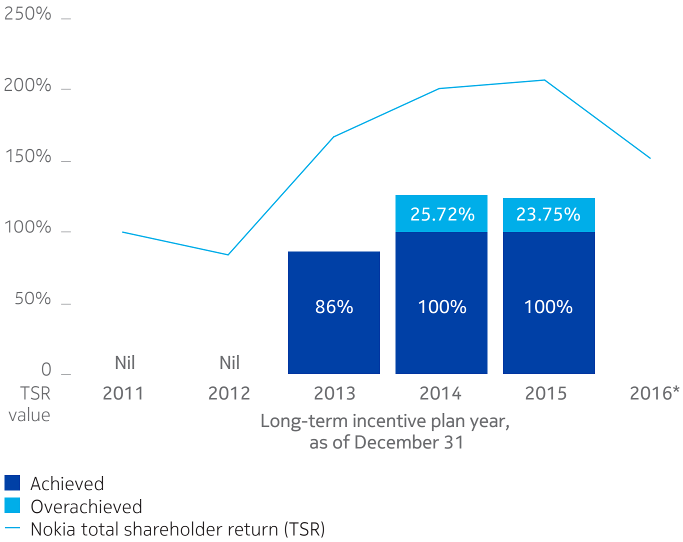
We have actively introduced a rolling review of compensation against key metrics such as total shareholder return and share price to validate the effectiveness of our equity plans.

The 2014 performance share plan vested on January 1, 2017 with 125.72% of the target award vesting based on the achievement against the net sales and earnings per share targets during the performance period.

The 2015 performance share plan will vest on January 1, 2018 with 123.75% of the target award vesting based on the achievement against the net sales and earnings per share targets during the performance period.

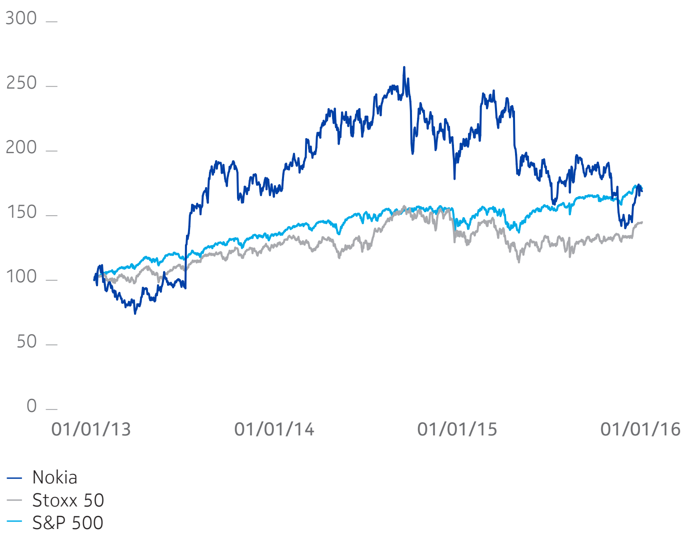
While short-term performance in 2016 was affected by a challenging market and the integration of Alcatel Lucent, the performance under long-term incentive plans represents the significant turnaround of Nokia from 2013 when it acquired the remainder of Nokia Siemens Networks and the continued focus on delivering profit despite challenging market conditions. The performance of the business in 2014, 2015 and 2016 against targets set in the context of analyst forecasts shows fair rewards for a business well positioned for the longer term.

Share price and total shareholder return vs long-term incentive performance



* Performance period not yet completed.

Total shareholder return Nokia vs Stoxx 50 vx S&P 500 (January 1, 2013 to December 31, 2016)



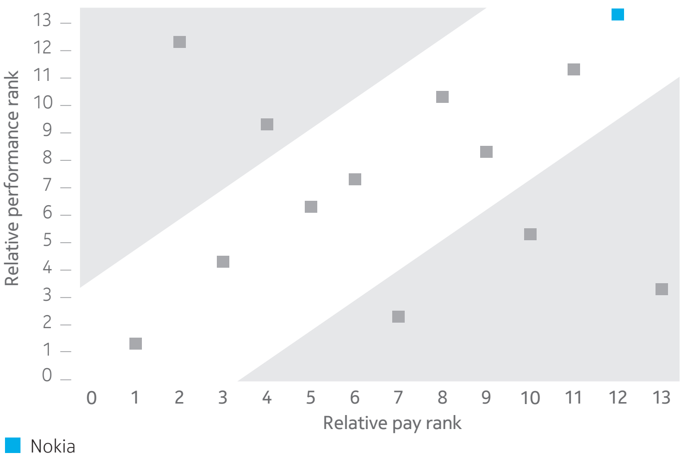
Pay for performance
Core to our compensation philosophy is a desire to pay for performance.

We compare ourselves to a group of peer companies. We rank our performance against the peer group based on total shareholder return and total compensation paid, to ensure that the targets and amounts paid are for superior performance and reflect a balanced view. Data are only publicly available for our peer group for financial years to December 31, 2015. Based on the comparison, the performance of Nokia over the preceding three years, as measured by total shareholder return, was ranked first, whilst the compensation paid out to the President and CEO (as opposed to awarded) was ranked second. This shows a strong pay-for-performance alignment at Nokia, and this is illustrated in the chart opposite.

Our Peers
In looking for suitable comparators, we have considered ourselves a European technology company and looked at businesses of similar size, global scale and complexity, such as:

ABB	Infineon
ASML	Kone
BT	Phillips
Deutsche Telekom	Rolls-Royce
Ericsson	SAP
Hexagon	Vodafone

Relative degree of alignment pay vs total shareholder return ranking



Share ownership

Share ownership of the Board of Directors
As of December 31, 2016, the members of our Board held a total of 4 754 602 shares and ADSs in Nokia, which represented approximately 0.08% of our outstanding shares and total voting rights excluding shares held by Nokia Group.

The following table sets forth the number of shares and ADSs held by the members of the Board at December 31, 2016:

Name[(1)]	Shares[(1)]	ADSs[(1)]
Risto Siilasmaa	1 282 708	–
Olivier Piou	252 760	–
Bruce Brown	–	99 961
Louis R. Hughes	41 827	–
Jean C. Monty	2 767 557	–
Elizabeth Nelson	–	45 868
Carla Smits-Nusteling	13 921	–
Kari Stadigh	250 000	–

(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 Note 35, Related party transactions, of our consolidated financial statements included in this annual report.

Share ownership of the President and CEO and the Nokia Group Leadership Team

The following table sets forth the share ownership of the President and CEO, and the other members of the Group Leadership Team in office as of December 31, 2016. The share ownership of all members of the Group Leadership Team, including the President and CEO, was 1 091 181 Nokia shares, which represented 0.02% of the outstanding shares and total voting rights excluding shares held by Nokia Group at December 31, 2016. The share ownership requirement of the President and CEO as well as the members of the Group Leadership Team is described under "—Share ownership requirement" above.

Name	Position in 2016	Beneficially owned shares number
Rajeev Suri	President and Chief Executive Officer	549 480
Samih Elhage	President of Mobile Networks	–
Federico Guillén	President of Fixed Networks	13 498
Basil Alwan	President of IP/Optical Networks	163 071
Bhaskar Gorti	President of Applications & Analytics	133
Timo Ihamuotila	Chief Financial Officer	353 120
Hans-Jürgen Bill	Chief Human Resources Officer	10 000
Kathrin Buvac	Chief Strategy Officer	–
Ashish Chowdhary	Chief Customer Operations Officer	1 746
Barry French	Chief Marketing Officer	133
Marc Rouanne	Chief Innovation & Operating Officer	–
Maria Varsellona	Chief Legal Officer	–

Unvested equity awards held by the Nokia Group Leadership Team as of December 31, 2016

The following table sets forth the potential ownership interest through the holding of equity-based incentives of the Group Leadership Team, including the President and CEO:

	Shares receivable through stock options	Shares receivable through performance shares at grant	Shares receivable through performance shares at maximum(4)	Shares receivable through restricted shares
Number of equity awards held by the Group Leadership Team(1)	320 000	4 912 265	9 824 530	1 250 480
% of the outstanding shares(2)	0.01%	0.09%	0.17%	0.02%
% of the total outstanding equity incentives (per instrument)(3)	19.99%	11.31%	11.31%	20.95%

(1) Includes the 12 members of the Group Leadership Team in office as of December 31, 2016. The number of units held under awards made before June 30, 2016 was adjusted to reflect the impact of the special dividend paid in 2016.

(2) The percentages are calculated in relation to the outstanding number of shares and total voting rights of Nokia as of December 31, 2016, excluding shares held by Nokia Group. No member of the Group Leadership Team owns more than 1% of the outstanding Nokia shares.

(3) The percentages are calculated in relation to the total outstanding equity incentives per instrument. The number of units outstanding under awards made before June 30, 2016 reflects the impact of the special dividend paid in 2016.

(4) At maximum performance, under the performance share plans outstanding as of December 31, 2016, the payout would be 200% and the table reflects this potential maximum payout. The restriction period for the performance share plan 2014 and the performance period for the performance share plan 2015 ended on December 31, 2016 and Nokia's performance against the performance criteria set out in the plan rules, was above the threshold performance level for both plans. The settlement to the participants under the performance share 2014 plan took place in February 2017 and the settlement for the performance share 2015 plan is expected to take place in the beginning of 2018 after the restriction period ends.