

Questions and Answers on the Annual General Meeting 2016 and its Agenda

How much is the Board proposing to be paid as dividend?

The Board proposes to the Annual General Meeting that from the retained earnings an ordinary dividend of EUR 0.16 per share be paid out on the shares of the Company. The proposed ordinary dividend is in line with the Company's distribution policy and the capital structure optimization program published on October 29, 2015.

In line with the capital structure optimization program the Board further proposes to the Annual General Meeting that from the retained earnings a special dividend of EUR 0.10 per share be paid out on the shares of the Company.

The Board proposes that the aggregate dividend be paid on or about July 5, 2016 (for ADR holders July 12, 2016).

What does discharging of the Chair, the members of the Board of Directors and the President and CEO from liability mean?

This is one of the standard matters voted on at Nokia's shareholders' meetings, which according to mandatory provisions of Finnish law must be discussed and resolved at each Annual General Meeting for the preceding fiscal year. In principle, the resolution provides a release from liability towards the Company for the Chair and the members of the Board and the President for matters occurred during the fiscal year 2015. This release from liability will only cover matters that are within the knowledge of Nokia and the shareholders when the resolution is adopted.

How does the proposal on the remuneration to the members of the Board of Directors compare to the remuneration paid in previous years?

The Board's Corporate Governance and Nomination Committee proposes to the Annual General Meeting that the annual fee payable to the Board members elected at the same meeting for a term until the close of the Annual General Meeting in 2017 be increased. The Committee further proposes to the Annual General Meeting that the annual fee payable to the Chair of the Board of Directors will not be increased and will remain at current level.

In addition, the Committee proposes that a meeting fee for Board and Committee meetings be paid to all the other Board members except the Chair of the Board based on travel required between the Board member's home location and the location of a meeting. The meeting fee would be paid for a maximum of seven meetings per term.

In determining the proposed Board remuneration, the objective of the Board's Corporate Governance and Nomination Committee is for Nokia to be able to compete for the top-of-the-class Board competence in order to maximize the value creation for the shareholders. Therefore, it is the practice of the Board's 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. Following the completion of the combination with Alcatel Lucent, Nokia's presence in North America has increased significantly, which emphasizes the need to ensure that the Company can recruit best-in-class directors from the region. Based on director compensation statistics, Nokia's current Board remuneration is not competitive against the levels paid by companies based in North America. The proposed remuneration increase is not meant to raise the Board remuneration to North American levels, but rather, it is meant to partially bridge the gap between the current remuneration level and the North American level. Combined, the annual fee and the meeting fee would partially bridge the competitive gap between Nokia's Board remuneration and comparable North American remuneration levels.

Also, in determining the proposed remuneration, the Committee also considered, among other things, the fact that the remuneration to the members of the Board of Directors has remained unchanged since 2007 and to the Chair since 2008. Further, the Committee considered the significant transformation Nokia is undergoing as a consequence of the combination with Alcatel Lucent, and the workload and commitment required from the Board as a result of such transformation. The Committee

asked for an independent expert's benchmarking and view to ensure that the proposed remuneration levels are competitive, fair and aligned with the shareholders' interests. The independent opinion on director compensation levels will be available on the Nokia's website.

The Corporate Governance and Nomination Committee proposes that in line with the Company's Corporate Governance Guidelines, approximately 40 per cent of the annual fee be paid in Nokia shares either purchased from the market or alternatively by using treasury shares held by the Company. The directors shall retain until the end of their directorship such number of shares that corresponds to the number of shares they have received as Board remuneration during their first three years of service in the Board (the net amount received after deducting those shares needed to offset any costs relating to the acquisition of the shares, including taxes). The meeting fee would be paid in cash.

Does the Corporate Governance and Nomination Committee propose a change in the Board composition?

The Board's Corporate Governance and Nomination Committee proposes to the Annual General Meeting that the number of Board members be nine (9) and that the following current Nokia Board members be re-elected as members of the Nokia Board of Directors for a term ending at the Annual General Meeting in 2017: Vivek Badrinath, Bruce Brown, Louis Hughes, Jean Monty, Elizabeth Nelson, Olivier Piou, Risto Siilasmaa and Kari Stadigh.

In addition, the Committee proposes that Carla Smits-Nusteling, who is former Chief Financial Officer of KPN and a non-executive director and investor, be elected as a new member of the Board of Directors for the same term.

In the assembly meeting of the new Board of Directors after the Annual General Meeting on June 16, 2016, the Corporate Governance and Nomination Committee will propose that Risto Siilasmaa be elected as Chair of the Board and Olivier Piou as Vice Chair of the Board, subject to their election to the Board of Directors.

More information on all the candidates is available in the Committee's proposal on Nokia's website. Learn more about [the Proposal by the Corporate Governance and Nomination Committee for Composition of the Board of Directors](#).

What does the proposal regarding auditor remuneration mean?

According to Nokia's Articles of Association, the Annual General Meeting shall resolve on the remuneration to be paid to the Company's auditor. The Board's Audit Committee proposes that the auditor, to be elected by the Annual General Meeting, be reimbursed based on the auditor's invoice to the Company, and in accordance with the purchase policy approved by the Audit Committee. The Committee oversees the qualifications and independence of the Company's auditor. This includes, for instance, the adoption of the pre-approval policy for the purchase of audit and non-audit services from the auditor and overseeing compliance with such policy.

Information on the fees paid to the auditor in 2015 broken down by audit and non-audit fees are available in the Nokia in 2015 and Nokia Form 20-F.

What does the proposal of the Audit Committee mean in respect of the election of the Auditor?

According to Nokia's Articles of Association, shareholders of the Company elect the auditor at the Annual General Meeting for one fiscal year at a time. The Board's Audit Committee proposes to the shareholders the re-election of the Company's current auditor PricewaterhouseCoopers Oy for the fiscal year 2016 based on its evaluation of the auditor's performance and independence during fiscal year 2015. If PricewaterhouseCoopers Oy is re-elected, it has informed the Audit Committee that the Auditor-in-charge will be Heikki Lassila.

Why does the Board propose an authorization to repurchase own shares?

The Nokia Board proposes a share repurchase authorization as part of the capital structure optimization program announced on October 29, 2015. As a Finnish company Nokia may not, pursuant to mandatory provisions of Finnish law, repurchase Nokia shares without the shareholders' approval, or the shareholders' authorization to the Board for these actions.

The Nokia Board proposes that the Annual General Meeting 2016 authorizes the Board to resolve to repurchase a maximum of 575 million Nokia shares, which corresponds to less than 10 per cent of Nokia shares outstanding. The shares may be repurchased under the proposed authorization in order to optimize the capital structure of the Company and are expected to be cancelled. In addition, shares may be repurchased in order to finance or carry out acquisitions or other arrangements, to settle the Company's equity-based incentive plans, or to be transferred for other purposes.

The shares may be repurchased in deviation of the shareholders' pre-emptive rights in the open market, in privately negotiated transactions, through the use of derivative instruments, or alternatively, through a tender offer made to all shareholders on equal terms.

It is proposed that the authorization be effective until December 16, 2017 and terminate the authorization for repurchasing the Company's shares granted by the Annual General Meeting on May 5, 2015.

More information on repurchase of own shares is available on [Share Repurchase FAQ for investors](#) on Nokia's website.

What does the proposed authorization to issue shares and special rights entitling to shares mean?

Based on the authorization, the Board could issue shares through issuance of shares or special rights entitling to shares. Shares and special rights could be issued by deviating from the shareholders' pre-emptive right. The authorization could be used to develop the Company's capital structure, diversify the Company's shareholder base, finance or carry out acquisitions or other arrangements, settle the Company's equity-based incentive plans, or for other purposes resolved by the Board. In total, the Board could issue a maximum of 1 150 million shares under this authorization.

It is proposed that the authorization be effective until December 16, 2017 and terminate the authorization for issuance of shares and special rights entitling to shares resolved at the Annual General Meeting on May 5, 2015. The authorization does not terminate the authorization by the Extraordinary General Meeting held on December 2, 2015 granted to the Board for issuance of shares in order to implement the combination of Nokia and Alcatel Lucent.

How do I vote in advance?

Shareholders may attend the Annual General Meeting also by voting in advance in the following manner:

A shareholder whose shares are registered on his/her Finnish book entry account may attend the Annual General Meeting also by voting in advance on certain items on the agenda through the Company's website from April 21, 2016 to June 9, 2016 at 4.00 p.m. (Finnish time). The personal Finnish book-entry account number of the shareholder is needed for identification when voting in advance. For the purpose of identification also another account of the shareholder than the one in which the shareholder's Nokia shares are, may be used. The conditions and other instructions relating to the electronic advance voting may be found on the Company's website.

Nominee registered shareholders i.e., shareholders who are holding their shares under the name of a broker, custodian bank or other nominee ("Custodian"), need to follow the instructions provided by their Custodian. Please contact your Custodian for further instructions.

Citibank, N.A. ("Citibank"), as the Depositary Bank of Nokia, sends the proxy material on the week beginning April 25, 2016 to the registered ADR holders. Those ADR holders, who hold their ADRs through a bank, broker or custodian, will receive the proxy material through their own bank, broker or custodian. ADR holders are required to have provided instructions to Citibank by May 31, 2016 at 5:00 pm (New York time) in order to vote with their ADRs.

If you are a registered ADR holder and have not received the proxy material, you should contact Citibank at 1-877-NOKIA-ADR (+1 877 665 4223). If your ADRs are held through a bank, broker or custodian, please contact your bank, broker or custodian directly

How does voting in advance affect shareholder's rights in the Annual General Meeting?

A shareholder voting in advance may not use his/her right under the Finnish Limited Liability Companies Act to request information

or a vote at the Annual General Meeting and if the proposal has changed after the beginning of the advance voting period, such shareholder's ability to vote on the proposals may be restricted, unless the shareholder will be present in person or by proxy at the Annual General Meeting.

Is it possible to make changes to votes cast in advance?

A shareholder whose shares are registered on his/her Finnish book entry account may change the votes cast in advance through the Company's website until June 9, 2016 at 4:00 p.m. (Finnish time). A shareholder may also make changes to his/her votes at the meeting venue by contacting the information desk. Such changes are advised to be made before the beginning of the Meeting.

Nominee registered shareholders and holders of ADRs should follow the instructions provide by their broker, custodian bank or other nominee. Registered ADR holders should follow the instructions provided by Citibank, N.A., the Depository Bank of Nokia.

Who has the right to participate in the Annual General meeting 2016 and what is the last day to buy shares if I want the right to attend and vote in the Meeting?

Each shareholder, who is registered on June 6, 2016 in the Register of Shareholders of the Company, has the right to participate in the Annual General Meeting. A shareholder, whose shares are registered on his/her Finnish book-entry account, is automatically registered in the Register of Shareholders of the Company. A shareholder, who wishes to participate in the Annual General Meeting, is also required to register for the Meeting by giving prior notice of attendance no later than on June 9, 2016 at 4:00 p.m. (Finnish time) by which time the registration needs to be received by the Company. If a shareholder wishes to attend and vote in the Annual General Meeting 2016, in practice he/she must purchase the company's shares two banking days before the record date in order to have the shares registered in the Register of the Shareholders of the Company on the record date. This year the record date is June 6, 2015 and accordingly the last day to purchase the shares is June 2, 2015.

How can I obtain the proposals regarding the AGM agenda and resolutions to be made?

The proposals by the Board of Directors and its Committees are available in their entirety on this Annual General Meeting website under [Proposals to the Annual General Meeting](#) and they are described in the [Notice of the Annual General Meeting](#). The proposals by the Board are also available at the Annual General Meeting.

The Company will issue a release on the resolutions of the Annual General Meeting and disclose the resolutions on its website. The minutes of the meeting will be available for shareholders on the company's website as from June 30, 2016 at the latest. Copies of the minutes will be sent to shareholders upon request.