Nokia Corporation

Remuneration Policy

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Remuneration Policy

Introduction

This Remuneration Policy (the "Policy") outlines Nokia's general principles and framework of remuneration of the Board of Directors (the "Board") and the President and CEO. The Policy has been prepared in accordance with the Finnish Limited Liability Companies Act, Securities Markets Act and the Finnish Corporate Governance Code 2025.

The Policy is submitted to the 2025 Annual General Meeting to be adopted through an advisory vote. The Policy shall be effective for the four-year period from 2025 to 2029, unless earlier presented to the General Meeting for an advisory vote due to proposed changes.

Our previous Remuneration Policy was adopted by shareholders at the 2024 Annual General Meeting. During 2024, the Personnel Committee (the "Committee") of the Nokia Board continued to monitor the developments in shareholder expectations and market conditions. Following which, on the recommendation of the Personnel Committee, the Board decided to propose further amendments to the Policy to ensure it supports Nokia's future growth strategy, to further align with best global market practices, to incentivize longer-term decision making for sustainable shareholder value creation and to help with retention.

The key changes to the Policy are as follows:

- Clarification that malus provisions shall apply to all the President and CEO's incentive plans with the same trigger events as for clawback provisions; and
- Introduction of the possibility to grant restricted share awards to the President and CEO of up to 100% of annual base salary, vesting after a minimum of three years, subject to financial underpins and continued service.

Our remuneration philosophy

We compete in a global market for talent in the technology sector. In forming the Policy, the Personnel Committee has taken into account the views of shareholders and the needs of the Company to attract, retain and motivate individuals of suitable caliber and experience to lead Nokia.

The Board and the Personnel Committee regularly monitor the effectiveness of the measures used in our incentive plans to ensure that they align with and drive the strategy of the Company. At the core of Nokia's remuneration philosophy lie three principles:

- Pay for performance and aligning the interests of employees and shareholders;
- Ensuring that remuneration programs and policies support the delivery of the corporate strategy and create long-term sustainable shareholder value; and
- Ensuring that executive remuneration reflects the contribution to achieving our ESG targets which support the long-term shareholder value creation.

The incentive structure and performance metrics are determined with these principles in mind.

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Considerations when setting the Policy

In preparing the Policy, the Committee takes into consideration a number of factors:

- The Committee applies the principles set out in the Finnish Corporate Governance Code and also takes into account best practice guidance issued by the large investors, the proxy advisors and other relevant organizations;
- The President and CEO's remuneration is structured and operated under a framework similar to other employees, but the quantum differs due to responsibilities attached to the role. The Personnel Committee has overall responsibility for the remuneration policies and structures for employees of Nokia as a whole. When the Committee reviews and the Board determines the Policy for the President and CEO, they consider and compare it against the pay, policies and employment conditions of the Nokia employees to ensure that there is appropriate alignment between the two; and
- The Committee also considers the external market in which Nokia operates and from time to time takes into account the remuneration data of the global peer group companies, similar in their size and field of business, to inform its decisions. However, the Committee recognizes that such data should be used as a guide only and that there is often a need to phase in changes over a period of time. Any changes proposed for the President and CEO reflect not only performance in role but also relevant competence and skills as would be applied to other Nokia employees.

Engagement with shareholders

The Personnel Committee is committed to an ongoing dialogue with shareholders and seeks their views when any major changes are being made to the Policy. The Company's shareholders are encouraged to attend the General Meeting where the Policy is presented.

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Remuneration governance and decision-making

Remuneration is managed through well-defined processes, with clear governance principles outlined below. In order to avoid any conflicts of interest, the Board's Personnel Committee shall consist of independent Board members only.

Remuneration of the President and CEO, deputy CEO (if any), and the Board of Directors shall be in line with the Remuneration Policy in force and last presented to shareholders.

External advisors may be used to assist in the review and determination of Board and President and CEO remuneration as well as in incentive plan design and in providing insight into market trends and regulatory developments.

The General Meeting of Shareholders

- Adopts the Policy at least once every four years and whenever substantial changes are proposed.
- Adopts the Remuneration Report annually.
- Determines the Director remuneration annually.
- Authorizes the Board to resolve to issue shares to settle the Company's equity-based incentive plans, grant options or special rights entitling to shares.

The Board of Directors

- Submits remuneration-related proposals to the General Meeting on the recommendation of the relevant Board Committees, where applicable.
- Approves the remuneration of the President and CEO on the recommendation of the Personnel Committee and in accordance with the Remuneration Policy.
- Approves incentive programs or similar arrangements that the Company establishes for the President and CEO on the recommendation of the Personnel Committee.
- Decides on the issuance of shares (under authorization by the General Meeting) to fulfill the Company's obligations under equity plans in respect of awards to be settled.

The Personnel Committee

- Assists the Board in discharging its responsibilities relating to the remuneration of the President and CEO, including but not limited to:
  - preparing the Remuneration Policy;
  - reviewing and recommending to the Board the goals and objectives for short- and long-term incentive plans;
  - evaluating and presenting to the Board the assessment of performance in light of those goals and objectives; and
  - proposing to the Board the total remuneration outcome based on this evaluation.

The Corporate Governance and Nomination Committee

- Assists the Board in discharging its responsibilities on proposals relating to Director remuneration.

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Remuneration of the Board of Directors

Under regulations applicable to Nokia, the shareholders resolve annually on Director remuneration based on a proposal made by the Board of Directors on the recommendation of the Corporate Governance and Nomination Committee. The Remuneration Policy shall not restrict the shareholders' ability to resolve on Director remuneration.

For its recommendation on Director remuneration, the Corporate Governance and Nomination Committee considers the Company's Corporate Governance Guidelines in force at the time of the proposal. The Committee also reviews the remuneration for the Chair and members of the Board against international companies of similar size and complexity in order to ensure that Nokia is able to attract and retain Board members from diverse backgrounds with relevant skills and international experience to oversee the Company strategy with emphasis on long-term value creation.

The Directors on the Board receive an annual fee for fulfilling their Board roles as well as additional meeting fees. The annual fees may be paid in cash or Nokia shares purchased from the market on behalf of the Directors or alternatively delivered as treasury shares held by the Company. The meeting fees are normally paid in cash. Moreover, the members of the Board shall be compensated for travel and accommodation expenses as well as other costs directly related to Board and Board Committee work.

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 non-executive Directors do not participate in any of Nokia's equity plans and do not receive any equity-plan-based or other variable remuneration for their duties as Board members.

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Remuneration of the President and CEO

The following table summarizes the remuneration elements for the President and CEO, explaining how each element operates and links to the corporate strategy.

Remuneration elements	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Base salary	To attract and retain individuals with the requisite level of knowledge, skills and experience to lead our businesses	Base salary is normally reviewed annually taking into consideration a variety of factors, including, for example: • performance of the Company and the individual • remuneration of our global peer group • changes in individual responsibilities • employee salary increases.	Whilst there are no performance targets attached to the payment of base salary, performance is considered as context in the annual salary review.
Pension	To provide retirement benefit aligned with local country practice	Pension arrangements reflect the relevant market practice and may evolve year on year. The President and CEO may participate in the applicable pension programs available to other executives in the country of employment. Details of the actual pension arrangement will be shown in the annual Remuneration Report. In Finland, the President and CEO participates in the Finnish statutory Employee's Pension Act (TyEL), and there is no supplementary pension plan.	N/A
Other benefits	To provide a competitive level of benefits and to support recruitment and retention	Benefits will be provided in line with local market practice in the country of employment and may evolve year on year. Benefits may include, for example, a company car (or cash equivalent), risk benefits (for example life and disability insurance) and employer contributions to insurance plans (for example medical insurance). Additional benefits and allowances may be offered in certain circumstances such as relocation support, expatriate allowances, temporary living and transportation expenses aligned with Nokia's mobility policy. The President and CEO is also eligible to participate in similar programs which may be offered to Nokia's other employees such as the voluntary all-employee share purchase plan.	N/A
Short-term incentive	To incentivize and reward performance against delivery of the annual business plan	Short-term incentives are based on performance against one-year financial and non-financial targets and normally paid in cash. Minimum payout is 0% of base salary. Target opportunity is 125% of base salary. Maximum opportunity is 281.25% of base salary. The malus and clawback conditions apply in accordance with Company clawback policies.	Performance measures, weightings and targets for the selected measures are set annually by the Board to ensure they continue to support Nokia's short-term business strategy. These measures can vary from year to year to reflect business priorities and may include a balance of financial, key operational and non-financial measures (including but not limited to strategic, customer satisfaction, employee engagement, environmental, social, governance or other sustainability related measures). Although the performance

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			measures and weighting may differ year to year reflecting the business priorities, in any given year, a minimum of 60% of measures will be based on financial criteria. Targets for the short-term incentives are set at the start of the year, in the context of analyst expectations and the annual plan, selecting measures that align to the delivery of Nokia's strategy. The performance metrics and weightings are disclosed retrospectively in the annual Remuneration Report.
Long-term incentive (LTI) – Performance share award	To reward for delivery of sustainable long-term performance, align the President and CEO's interests with those of shareholders, and aid retention	Long-term incentive awards may be made annually in performance shares, vesting normally after three years dependent on the achievement of performance conditions measured over a three-year period. Target award level is 200% of base salary at the date of grant, with maximum vesting of 400% of base salary. The malus and clawback conditions apply in accordance with Company clawback policies.	Performance measures, weightings and target metrics for the selected measures are set by the Board to ensure they continue to support Nokia's long-term business strategy and financial success. Targets are set in the context of Nokia's long-term plans and analyst forecasts, ensuring that they are considered both achievable and sufficiently stretching. The Board may choose different measures and weightings each year based on the business plan. The measures consist of at least 60% financial and/or share price related measures. The performance metrics and weightings are disclosed retrospectively in the annual Remuneration Report.
Long-term incentive (LTI) – Restricted share award	To incentivize longer-term decision making for sustainable shareholder value creation and to aid retention	Restricted share awards of up to 100% of base salary may be granted, vesting after at least three years, subject to financial underpins and continued service. The malus and clawback conditions apply in accordance with Company clawback policies.	Financial underpins are determined by the Board to ensure alignment with underlying company performance and shareholder experience. The Board may choose different financial underpins for each grant based on the business plan and strategic priority.
Enhanced LTI (eLTI) – Co-investment arrangement	To further align the President and CEO's interests with Nokia's long-term success and shareholder interests	Unlike the LTI performance share award, this is not an annual award and is only granted in exceptional circumstances. The President and CEO may be invited, at the discretion of the Board, to purchase investment shares of up to 200% of base salary, and in return, receive two matching shares for every one investment share purchased. The matching shares are delivered in the form of performance shares, typically subject to the same performance conditions as for the LTI performance share award, with a three-year performance and vesting period. The minimum vesting of the matching shares is 0% of base salary and maximum vesting is two times grant level. The malus and clawback conditions apply in accordance with Company clawback policies.	The performance metrics, targets and weightings for the matching shares are typically the same as those for LTI performance shares granted in the same year.

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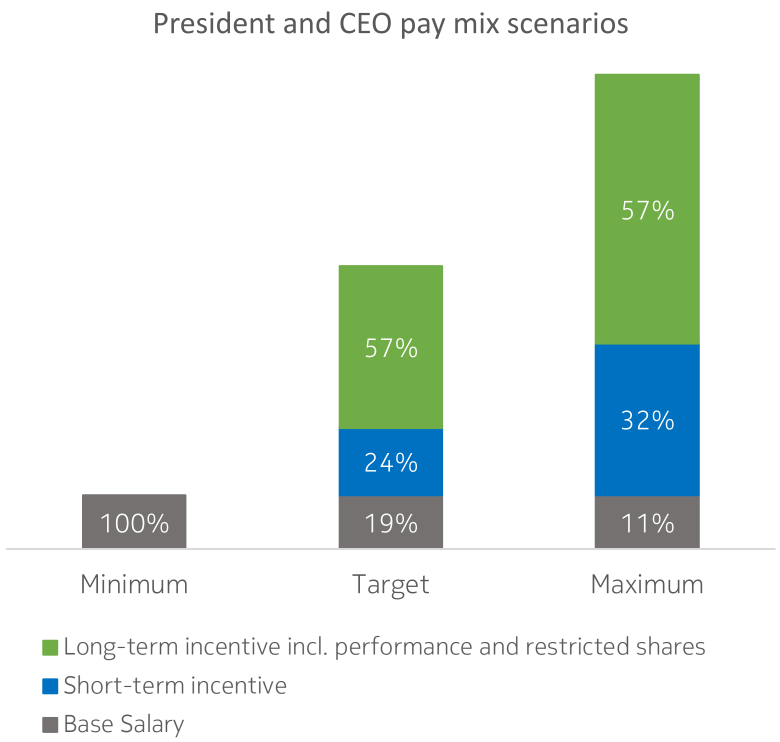
Shareholding requirement	Align the President and CEO's interests with those of shareholders and ensure any decisions made are in the long-term interest of the Company	The President and CEO is required to build and maintain a shareholding equivalent to 300% of base salary, to be achieved normally within five years of appointment.	N/A

Pay mix and remuneration scenarios

Aligned with Nokia's pay-for-performance remuneration principle, performance-based remuneration is emphasized over base salary. The chart below illustrates how the proportion of the President and CEO's remuneration package varies at the minimum, target and maximum levels of performance. A significant proportion of remuneration is linked to performance, especially at stretch performance levels. Actual pay mix would depend on the extent to which the performance targets set for short-term incentive and long-term incentive plans are achieved and may vary from the scenarios below.

The long-term incentive vesting outcomes in the chart below ignores share price movement from grant to vest. The eLTI is not included in this analysis as it is not an annual award and is only granted in exceptional circumstances. The vesting outcome of the matching performance shares under the eLTI would be dependent, besides the performance, on the value of the investment, which could range from 0% to 200% of base salary for the President and CEO. The minimum and maximum vesting level for the matching performance shares are provided in the above summary table of the remuneration elements.



* Ignoring share price movement and excluding any benefits.

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Malus and clawback

The malus and clawback conditions apply in accordance with Company clawback policies to the short- and long-term incentives for all participants, including the President and CEO.

Nokia's Executive Officer Clawback Policy is applied in the case of any erroneously awarded compensation due to restatement in the Company's Financial Statements with a three-year lookback period, resulting in the reclaiming of amounts then-outstanding or previously paid.

Additionally, under the Nokia Incentive Compensation Clawback Policy, unless the Personnel Committee otherwise decides, the recoupment of previously awarded, paid or received compensation is triggered in situations of reputational damage, willful breach of internal control procedures, gross misconduct and restatement of financial statement (clawback triggers) with a recoupment period not exceeding three years in total.

Service agreement and termination provisions

The terms of the service agreement of the President and CEO shall be specified in writing and approved by the Board of Directors. The terms specify the remuneration elements as well as the payments upon termination of employment. The service agreement of the President and CEO is typically in force for an indefinite period, but it may be in force for a certain fixed period as well.

New hires with an indefinite contract will be appointed under a service agreement that has a notice period of no more than 12 months for both the Company and the individual. In the event of a termination of employment, any payable remuneration is determined in line with legal advice regarding local legislation, country policies, contractual obligations and the rules of the applicable incentive and benefit plans. Payment in lieu of notice will not typically exceed the value of 12 months' remuneration (including base salary, benefits, short-term incentive and pension contributions, if applicable). The treatment of equity incentive awards may depend on the circumstances of departure. In the event of death, permanent disability and retirement, unvested awards are normally allowed to be retained. These awards will vest either on departure or at normal vesting date, subject to performance (if applicable) and time proration, unless the Board determines otherwise. In all other events, unvested awards normally lapse in full on departure, unless the Board determines otherwise.

Change of control arrangements, if any, 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.

Approach to remuneration for recruitment and promotions

Company policy on recruitment is to offer a remuneration package which is sufficient to attract, retain and motivate the individual with the right skills for the required role. When determining remuneration for a new President and CEO or Deputy CEO, the Board of Directors upon recommendation of the Personnel Committee will consider the requirements of the role, the needs of the business, the relevant skills and experience of the individual and the relevant external market for talent.

Where an individual is recruited externally for the role of President and CEO or Deputy CEO, the remuneration package of that individual in their prior role is taken into account. Generally, the Board will seek to set the new President and CEO's or Deputy CEO's remuneration package in line with the Policy in place at the time of appointment.

The Company may make additional cash and/or share-based awards as it deems appropriate and, if the circumstances so demand, to take account of foregone remuneration by a candidate on leaving a previous employer. Awards would, where possible, reflect the nature of awards forfeited in terms of delivery mechanism (cash or shares), time horizons, attributed expected value and performance conditions. The rationale and details of any such award will be disclosed in the Remuneration Report for the relevant year.

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In the case of an internal appointment for the President and CEO or Deputy CEO, the Board retains the ability to honor any legally binding legacy arrangements agreed prior to the individual's appointment.

Where necessary, additional benefits may also be provided such as, but not limited to, relocation support, expatriate allowances and any other benefits which reflect local market practice and relevant legislation.

Deviations from the Remuneration Policy

In accordance with the Finnish Corporate Governance Code, the Board of Directors may upon recommendation of the Personnel Committee, temporarily deviate from any sections of this Policy, at its sole discretion, in the circumstances described below:

- Upon change of the President and CEO or the Deputy CEO (if applicable) in accordance with the recruitment policy;
- Upon material changes in Company structure, organization, ownership and business (for example merger, takeover, demerger, acquisition, etc.), which may require adjustments to STI and LTI plans or other remuneration elements to ensure continuity of management;
- Upon material changes in or amendments to the relevant laws, rules or regulations;
- Governmental or administrative orders (including tax authorities' guidelines); or
- In any other circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

Any temporary deviation from the Policy will be reported in the Remuneration Report for the relevant year. If a deviation decision has been taken, and the deviation is not considered temporary, the Board will present the next Annual General Meeting with a revised Remuneration Policy.

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It should be noted that Nokia and its business are exposed to various risks and uncertainties and certain statements herein that are not historical facts are forward-looking statements. These forward-looking statements reflect Nokia's current expectations and views of future developments and include statements preceded by or including "believe", "expect", "expectations", "consistent", "deliver", "maintain", "strengthen", "target", "estimate", "plan", "intend", "assumption", "focus", "continue", "should", "will" or similar expressions. These statements are based on management's best assumptions and beliefs in light of the information currently available to it. Because they involve risks and uncertainties, actual results may differ materially from the results that we currently expect. Factors, including risks and uncertainties that could cause such differences can be both external, such as general economic and industry conditions, as well as internal operating factors. Other unknown or unpredictable factors or underlying assumptions subsequently proven to be incorrect could cause actual results to differ materially from those in the forward-looking statements. We do not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.