Nokia Corporation

Annual Report 2024
Remuneration

Remuneration

This section sets out our remuneration governance, policies and how they have been implemented within Nokia. It includes our Remuneration Report where we disclose the remuneration of our Board members and the President and CEO for 2024, which will be presented to the Annual General Meeting (AGM) 2025 for an advisory vote.

Following 2024 shareholder vote on our Remuneration Policy, where we received high level of support, we are proposing some further amendments to the Policy, which will be presented to the AGM 2025 for an advisory vote. A summary of the updated Remuneration Policy is set out in this section and the updated Policy in its entirety is available on our website.

Other remuneration-related information provided alongside the Remuneration Report and the Remuneration Policy is not subject to a vote at the AGM 2025 but provides added information on the remuneration policies applied within Nokia as well as on the remuneration of the Group Leadership Team members.

We report information applicable to executive remuneration in accordance with Finnish regulatory requirements and with requirements set by the US Securities and Exchange Commission that are applicable to us.

Highlights

- 2024 continued to be a challenging year with ongoing market volatility, but delivered solid achievements and good operational performance, as we renew our business and reposition for future growth opportunities.
- As reported last year, at the beginning of 2024, the President and CEO, Pekka Lundmark, received a base salary increase of 8.5% in recognition of his performance and to bring his base salary close to market level.
- Pekka Lundmark's 2024 short-term incentive (STI) was subject to a scorecard of Nokia operating profit, cash release, health & safety and diversity objectives. Following the year end, performance was assessed against the predetermined targets (adjusted for M&A activities) and resulted in an overall STI payout of 104% of target opportunity for Pekka Lundmark. Further details on the targets and performance assessment and outcomes are provided in our Remuneration Report.
- The long-term incentive (LTI) awards (performance shares) granted to Pekka Lundmark and other GLT members in 2021 vested at 12% of target following the end of the three-year performance period, as a result of the dividend adjusted share price achievement of EUR 3.66. Further details of the target and performance assessment are set out in the Remuneration Report.
- The Personnel Committee carried out another review of our Remuneration Policy (Policy) during 2024 and decided to propose a couple of further amendments to ensure our Policy continues to support our future growth strategy, to further align with market practice, to encourage longer-term decision making for sustainable value creation, and to help with retention. Shareholder feedback was taken into consideration when finalizing the Policy.
- The 2025 STI will continue to be subject to the same performance metrics as used in 2024. However, two new gender diversity metrics will be introduced for 2025 measuring women in leadership and women in workforce, replacing the gender hiring metric used for 2024.
- The 2025 metrics for the LTI (performance shares) for Pekka Lundmark and the rest of the GLT will continue to be subject to a scorecard of 50% relative TSR, 40% cumulative reported Earnings Per Share (EPS) (adjusted for impairments and M&A) and 10% carbon emission reduction (scope 1, 2 and 3).

Remuneration Report 2024

Letter from the Chair of the Personnel Committee of the Board

"Dear Fellow Shareholder,
I am delighted to present our Remuneration Report 2024 as the Chair of the Personnel Committee of the Nokia Board."

Our remuneration philosophy
At the core of Nokia's philosophy lie three principles:

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

Business context
2024 was a year of good strategic execution in a volatile market to achieve our full-year guidance while pursuing growth opportunities in our focus areas of data centers, private wireless and industrial edge, and defense.

Challenging market conditions in the first half of 2024 led to our full-year net sales declining, but we delivered a strong finish to the year with improving net sales and excellent profitability to achieve a full-year comparable operating profit[1] of EUR 2.6 billion, at the mid-point of our guidance of EUR 2.3 to 2.9 billion.

We delivered a strong cash performance throughout 2024, ending with full-year free cash flow[1] of EUR 2.0 billion. This means we have a strong balance sheet supporting our business with net cash and interest-bearing financial investments[1] of EUR 4.9 billion at the end of the year, even after returning EUR 1.4 billion to shareholders through dividends and share buybacks. As a result, the Board proposed an increase in the dividend authorization proposal to EUR 0.14 per share in respect of the financial year 2024.

Shareholder support and the updated Remuneration Policy
Our second Remuneration Policy ("Policy") was approved by shareholders at the 2024 AGM with over 90% votes in favor.

During 2024, we continued to monitor developments in shareholder and voting agency guidance on remuneration as well as overall market development. Following which, the Personnel Committee of the Board ("Committee") decided to propose a couple of changes to the Policy to ensure our Policy continues to support our future growth strategy, to further align our arrangements with best practice and to incentivize longer-term decision making for sustainable shareholder value creation and to help with retention.

We consulted with our largest shareholders and several other key stakeholders on some proposed amendments to the Policy. The shareholders we engaged with were generally supportive of the proposed amendments and made a few helpful and constructive suggestions for the Committee to consider. The feedback was taken into account as the proposed Policy was finalized.

Remuneration of the President and CEO – base salary and incentive opportunities
As reported last year, the President and CEO Pekka Lundmark received a salary increase of 8.5% in January 2024. There was no increase to Pekka Lundmark's short-term incentive (STI) and long-term incentive (LTI) opportunities during 2024.

For 2025, Pekka Lundmark's base salary and STI opportunity will remain unchanged. As announced on 10 February 2025, Pekka Lundmark is stepping down as the President and CEO effective 31 March 2025 but will work as an advisor to the new CEO until the end of the year. As a result, he will not receive LTI grant in 2025.

(1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.

STI performance outcome and payout for 2024

Pekka Lundmark's 2024 STI was subject to a scorecard of 60% Nokia operating profit, 20% cash release, 10% gender diversity and 10% health & safety (lost time injury frequency rate).

The 2024 comparable operating profit[(1)] outcome of EUR 2 619 million against the target of EUR 2 782 million resulted in a payout of 83% of target for this element. The cash release outcome of EUR 1 149 million against the target of EUR -1 115 million resulted in a payout of 225% of target for this element.

The gender diversity metric (female percentage in external hiring) achieved 28% for the full year, against the target of 29%, which resulted in a payout of 25% of target for this element.

The health & safety metric of lost time injury frequency rate measures how often lost time injuries occur that directly impacts Nokia employees during the year. This metric achieved an outcome of 0.085 against the target of 0.089, which resulted in a payout of 123% of target for this element. However, taking account of the eight fatalities within Nokia's control during the year, the Personnel Committee decided to exercise downward discretion to reduce the payout by 50% for this element, which resulted in a payout of 62% of target.

As a result, a total of 104% of target STI was payable to Pekka Lundmark for the financial year 2024.

LTI performance and outcomes for 2021–2024

The 2021 LTI (performance shares) was subject to the predetermined dividend adjusted share price targets and a three-year performance period which ended in January 2024. Based on the dividend adjusted share price outcome of EUR 3.66, the award vested at 12% of target for Pekka Lundmark and other GLT members who received the grant in 2021.

STI and LTI performance conditions for 2025

During 2024, the Personnel Committee also undertook a review of the performance metrics used for our LTI and STI and decided to propose some changes for 2025 to ensure our incentive plans continue to support the business strategy and growth over the next three years. Our 2025 incentive plans for the President and CEO and the rest of the GLT will follow the structure set out below.

Delivering the next year's step in the strategic plan – STI	
Comparable Operating Profit 60%[(1)]	Cash Release 20%
Continued focus on profitability	Achieve a strong cash position
Health & Safety 10% – Lost Time Injury Frequency Rate (with a fatality modifier)	Women in leadership 5% Women in workforce 5%
Deliver on our focus on the continued health and safety of our employees	Deliver on our commitment to become a more diverse employer

Delivering sustainable value – LTI
50% relative TSR, 40% cumulative reported EPS (adjusted for impairments and M&A), 10% carbon emission reduction (scope 1, 2 and 3)
A more rounded and balanced approach reflecting performance over the long term in growing the business and in delivering shareholder value whilst working towards our 2030 goal of 50% carbon emission reduction

The gender diversity metric for 2025 STI will be changed from female percentage in external hiring to two equally weighted metrics of women in leadership and women in workforce, as we prioritize female development in leadership and throughout the employee experience to drive diversity of decision making which will lead to stronger company performance.

Our other ESG-related focus and commitment is reflected in the continued use of the health & safety metric with a fatality modifier and the carbon emission reduction scope 1, 2 and 3 targets.

Share ownership requirement

Our President and CEO is required to hold Nokia shares equivalent to three times his annual base salary. Pekka Lundmark currently maintains a total shareholding which significantly exceeds the requirement. This demonstrates his commitment to and alignment with Nokia's long-term success and our shareholder interests.

Conclusions

Remuneration outcomes for 2024 reflect our resilient performance despite the challenges during the year and demonstrate our remuneration philosophy of pay for performance. The proposed Remuneration Policy amendments build on what has proved to be a successful remuneration strategy over the years with amendments to support our future growth strategy. I thank shareholders who assisted the Committee in the consultation process, and very much welcome their constructive feedback and support for the proposals. I look forward to your continued support at our 2025 Annual General Meeting.

THOMAS DANNENFELDT,
CHAIR OF THE PERSONNEL COMMITTEE

(1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.

Introduction

This Remuneration Report of Nokia Corporation (the Report) has been approved by the Company's Board of Directors (the Board) to be presented to the Annual General Meeting 2025. The resolution of the Annual General Meeting on the Report is advisory. The Report presents the remuneration of the Board members and the President and CEO for the financial year 2024 in accordance with the Decree of the Finnish Ministry of Finance 608/2019 and the Finnish Corporate Governance Code 2025, as well as other applicable Finnish laws and regulations. The members of the Board and the President and CEO have been remunerated in accordance with our approved Remuneration Policy during the financial year 2024. No temporary or other deviations from the Policy have been made and no clawback provisions have been exercised during the financial year 2024.

In 2024, our remuneration structure promoted the Company's long-term financial success by setting the performance criteria for short- and long-term incentives to support the Company's short- and long-term goals, as well as through shareholding requirements set for the President and CEO, the GLT and the Board members. Aligned with Nokia's pay-for-performance remuneration principle, performance-based remuneration was emphasized over fixed base salary. The setting and application of the performance criteria for incentive programs executed the philosophy of pay-for-performance and supported the delivery of the corporate strategy as well as the creation of long-term sustainable shareholder value.

The table on the right compares the development of the remuneration of our Board of Directors, President and CEO, average employee pay and Company performance over a five-year period.

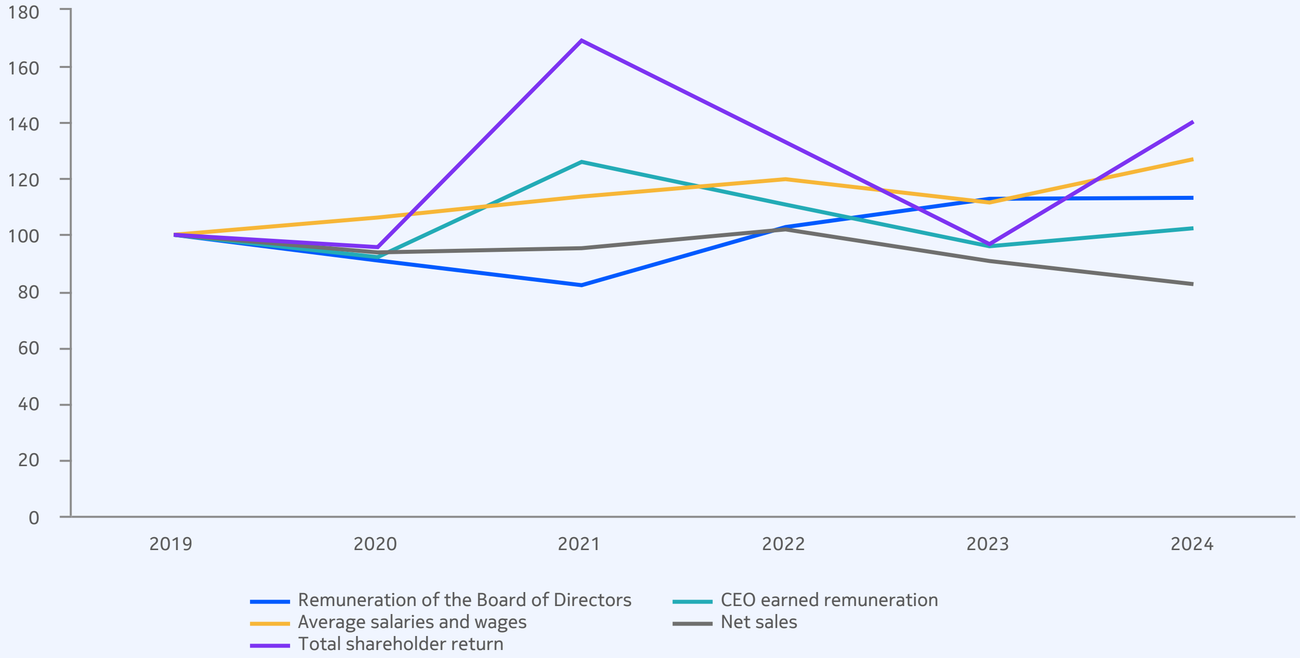
The pay-for-performance remuneration principle applied to the President and CEO, as well as the shareholding requirement of the President and CEO and the Board members, as applicable, contribute to an alignment of interests with shareholders, while also promoting and incentivizing decisions that are in the long-term interest of the Company.

Year	Aggregate remuneration of the Board of Directors (EUR)[1]	President and CEO actual remuneration (EUR)[2]	Average salaries and wages (EUR)[3][5]	Net sales (EURm)[5]	Total shareholder return (rebased to 100 at 31 Dec 2019)[4]
2020	2 016 000	3 587 781	65 787	21 852	95.60%
2021	1 821 000	4 908 244	70 411	22 202	169.11%
2022	2 280 000	4 316 606	74 241	23 761	132.96%
2023	2 503 000	3 738 560	69 096	21 138	96.68%
2024	2 511 000	3 988 250	78 576	19 220	140.28%

(1) Aggregate total remuneration paid to the members of the Board during the financial year as annual fee and meeting fee, as applicable, and as approved by general meetings of shareholders. The value depends on the number of members elected to the Board for each term as well as on the composition of the Board committees and travel required. During the term that began from the Annual General Meeting 2021, the Board had eight members only, compared to ten members during the following terms.
(2) The President and CEO actual remuneration represents the aggregate total of the two President and CEOs in 2020.
(3) Average salaries and wages are based on average employee numbers and their total salaries and wages as reported in the Company's financial statements.
(4) Total shareholder return on last trading day of the previous year.
(5) In June 2024, Nokia classified its Submarine Networks business as a discontinued operation. The comparative amounts for 2023 and 2022 have been recast accordingly.

We also present this data graphically:

Comparative data (rebased year-end 2019 = 100)



Pay for performance

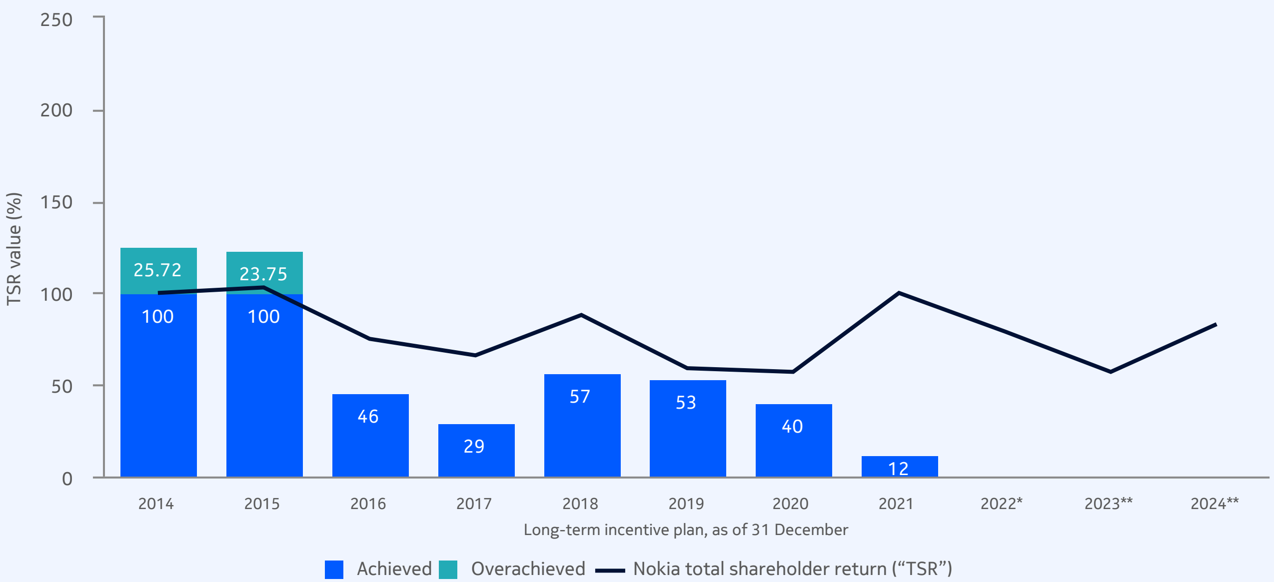
Core to our remuneration philosophy is a desire to pay for performance.

Each year we review overall total shareholder return compared with LTI vesting, mapping the performance of the plans against the total shareholder return curve.

Looking at the performance of our long-term incentive plans against total shareholder return, there is a reasonable alignment with the performance of the plans declining as total shareholder return declines.

The Board continues to actively monitor the performance of our long-term incentive plans to ensure that they deliver value for shareholders.

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



* 2022 LTI's performance period ended in January 2025. The vesting outcome of this award will be reported in the 2025 Remuneration Report.
** 2023 and 2024 LTIs' performance periods are not yet completed.

Global peer group

For 2024, the global peer group used in our remuneration benchmarking and relative TSR performance assessment consists of 27 companies.

ABB	IBM
Adobe	Infineon Technologies
Airbus	Juniper Networks
ASML	Kone
Atos	Motorola Solutions
BAE Systems	NXP Semiconductors
Capgemini	Oracle
Ciena	Philips
Cisco Systems	SAP
Corning	Siemens Healthineers
Dell Technologies	VMware
Ericsson	Vodafone Group
Hewlett Packard Enterprise	Wärtsilä
HP	

Remuneration of the Board of Directors

The shareholders resolve annually on director remuneration based on a proposal made by the Board of Directors on the recommendation of the Board's Corporate Governance and Nomination Committee.

The aggregate amount of remuneration paid to the Board members in 2024 equaled EUR 2 511 000 of which EUR 2 390 000 consisted of annual fees and the rest of meeting fees. In accordance with the resolution by the Annual General Meeting 2024, approximately 40% of the annual fee from Board and Board Committee work was paid in Nokia shares purchased from the market on behalf of the Board members following the Annual General Meeting.

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 rest of the annual fee was paid in cash, most of which was used to cover taxes arising from the remuneration. All meeting fees were paid in cash.

It is the Company's policy that the non-executive members of the Board do not participate in any of Nokia's equity programs and do not receive performance shares, restricted shares, or any other variable remuneration for their duties as Board members. No such variable remuneration was paid since all persons acting as Board members during the financial year 2024 were non-executive.

Board remuneration for the term that began at the Annual General Meeting held on 3 April 2024 and ends at the close of the Annual General Meeting in 2025 consisted of the following fees.

Annual fee	EUR
Chair	440 000
Vice Chair	210 000
Member	185 000
Chair of Audit Committee	30 000
Member of Audit Committee	15 000
Chair of Personnel Committee	30 000
Member of Personnel Committee	15 000
Chair of Strategy Committee	20 000
Member of Strategy Committee	10 000
Chair of Technology Committee	20 000
Member of Technology Committee	10 000
Meeting fee(1)	**EUR**
Meeting requiring intercontinental travel	5 000
Meeting requiring continental travel	2 000

(1) Paid for a maximum of seven meetings per term.

The following table outlines the total annual remuneration paid in 2024 to the members of the Board for their services, as resolved by the shareholders at the Annual General Meeting.

	Annual fees (EUR)	Meeting fees (EUR)(1)	Total remuneration paid (EUR)	60% of annual fees and all meeting fees paid in cash (EUR)	40% of annual fees paid in shares (EUR)	Number of shares (approximately 40% of the annual fee)
Sari Baldauf (Chair)	465 000	10 000	475 000	289 000	186 000	52 993
Søren Skou (Vice Chair)	220 000	14 000	234 000	146 000	88 000	25 072
Timo Ahopelto	210 000	10 000	220 000	136 000	84 000	23 932
Elizabeth Crain	220 000	12 000	232 000	144 000	88 000	25 072
Thomas Dannenfeldt	240 000	14 000	254 000	158 000	96 000	27 351
Lisa Hook	210 000	14 000	224 000	140 000	84 000	23 932
Jeanette Horan (until 3 April 2024)(2)	—	—	—	—	—	—
Mike McNamara (as of 3 April 2024)	210 000	14 000	224 000	140 000	84 000	23 932
Thomas Saueressig	195 000	14 000	209 000	131 000	78 000	22 223
Carla Smits-Nusteling	215 000	9 000	224 000	138 000	86 000	24 502
Kai Öistämö	205 000	10 000	215 000	133 000	82 000	23 362
Total	**2 390 000**	**121 000**	**2 511 000**	**1 555 000**	**956 000**	**272 371**

(1) Meeting fees include all meeting fees paid for the term that ended at the Annual General Meeting held on 3 April 2024 and meeting fees accrued and paid in 2025 for the term that began at the same meeting.
(2) Stepped down at the Annual General Meeting on 3 April 2024 and received no annual or meeting fees in 2024.

Remuneration of the President and CEO

The following table shows the actual remuneration received by Pekka Lundmark in 2024 and 2023. The 2023 LTI figure relates to the vesting of the final tranche of the restricted share award granted to him on joining Nokia in respect of forfeited shares from his previous employer and the vesting of the 2020 LTI performance shares. The 2024 LTI figure relates to the vesting of the 2021 LTI performance shares and the 2021 eLTI matching performance shares.

EUR	2024	Pay mix[1]	2023	Pay mix[1]
Salary	1 410 500	36%	1 322 750	36%
Short-term incentive[2]	1 824 834	46%	1 079 695	30%
Long-term incentive	697 872	18%	1 240 359	34%
Other remuneration[3]	55 044		95 756	
Total	**3 988 250**		**3 738 560**	

(1) Pay mix reflects the proportions of base salary, STI and LTI of total remuneration, excluding other remuneration.
(2) STI represents the amounts earned in respect of financial year 2024, but that are paid in April 2025.
(3) Other remuneration includes benefits such as telephone, car, driver, tax compliance support and medical insurance.

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 2024, payments to the Finnish state pension system equaled EUR 310 937 for Pekka Lundmark in respect of his service as President and CEO (EUR 422 274 for Pekka Lundmark in 2023). No supplementary pension arrangements were offered.

2024 Short-term Incentive of the President and CEO

Targets for the STI are set annually at or before the start of the year (adjusted for M&A activities), balancing the need to deliver value with the need to motivate and drive the performance of the Executive Team. Targets are determined for a set of strategic metrics that align with driving sustainable value for shareholders and are set in the context of market expectations and analyst consensus forecasts. For 2024, Pekka Lundmark had a target STI opportunity of 125% of annual base salary. His 2024 STI framework was based on a scorecard of financial and ESG objectives. Achievements against the 2024 targets are set out in the table below. The outcomes for the financial metrics and the gender diversity metric were calculated based on the formulaic approach. The health & safety metric, lost time injury frequency rate, achieved an outcome of 123% of target. However, as a result of eight fatalities within Nokia's control during the year, the Board exercised downward discretion to apply the fatality modifier to reduce the payout under this element by 50%, which resulted in the final outcome of 62% for this metric.

Metric	Weight	Target	2024 performance outcome	2024 STI outcome (% of target)
Comparable operating profit[1]	60%	EUR 2 782 million	EUR 2 619m	83%
Cash release	20%	EUR -1 115 million	EUR 1 149m	225%
Diversity	10%	Female percentage of global external hires of 29%	28%	25%
Health & safety	10%	■ Employee lost time injury frequency rate (LTIFR) of 0.089 ■ Fatality modifier (downward discretion in the event of fatalities)	LTIFR of 0.085 with 8 fatalities	62%
Total STI outcome	**100%**			**104%**

(1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.

Accordingly, the total 2024 STI payout for Pekka Lundmark as the President and CEO was EUR 1 824 834.

Long-term Incentive awards granted to the President and CEO during 2024

In 2024, Pekka Lundmark was granted the following LTI (performance share) awards.

Targets for our LTI performance shares are set in a similar context to the STI. The performance shares targets are set at the start of the performance period and locked in for the life of the plan. The performance conditions for the 2024 performance shares are based on 50% relative TSR against our global peer group[1], 40% cumulative earnings per share (EPS) and 10% carbon emission reduction targets over the three-year performance period from 2024 to 2027. The targets for all metrics and the performance and vesting outcomes will be disclosed in the 2027 Remuneration Report.

Performance share awards[1] [2]	Units awarded	Grant date face value[3] (EUR)	Grant date	Vesting
2024 LTI performance shares	834 600	3 012 906	5 July 2024	Q3 2027

(1) Global peer group consisted of 27 companies (see details under the "Global peer group" section).
(2) The maximum vesting is 200% if stretch performance targets are met.
(3) Grant date face value was calculated using the closing price of EUR 3.61 on the date of grant.

During 2024, Pekka Lundmark was also invited to participate in the co-investment eLTI, under which he invested EUR 2.8 million in Nokia shares and received two-for-one matching performance shares in return. 50% of the matching performance shares were subject to the same performance conditions as set out above and the remaining 50% were subject to the delivery of a strategic project for Nokia in the next few years. The eLTI matching performance shares also have a three-year performance and vesting period. The targets for all metrics and the performance and vesting outcomes will be disclosed in the 2027 Remuneration Report.

Performance share awards	Units awarded	Grant date face value[1] (EUR)	Grant date	Vesting
2024 eLTI matching performance shares	1 704 530	6 289 716	16 August 2024	Q3 2027

(1) Grant date face value was calculated using the closing price of EUR 3.69 on the date of grant.

Long-term Incentive awards and other equity awards vested for the President and CEO during 2024

Pekka Lundmark was granted LTI performance share award in March 2021 and eLTI matching performance shares in July 2021. Both awards had a three-year performance period and were subject to dividend adjusted share price targets over the performance period. These awards vested during 2024 as set out in the tables below.

Share awards vesting during the year	Units awarded	Target share price (EUR)	Share price achievement (EUR)	Vesting outcome (% of target)	Units vested	Value of vested award[1] (EUR)
2021 LTI performance shares	769 200	4.47	3.66	12.0%	92 304	297 219

Share awards vesting during the year	Units awarded	Target share price (EUR)	Share price achievement (EUR)	Vesting outcome (% of target)	Units vested	Value of vested award[2] (EUR)
2021 eLTI matching performance shares	962 180	4.47	3.66	12.0%	115 462	400 653

(1) The vesting value of the 2021 LTI performance shares was calculated using the average share price of EUR 3.22 on 10 April 2024, the day before the share delivery date.
(2) The vesting value of the 2021 eLTI matching performance shares was calculated using the average share price of EUR 3.47 on 26 June 2024, the day before the share delivery date.

The President and CEO's share ownership and unvested share awards

Our share ownership policy requires that the President and CEO holds a minimum of three times his or her annual base salary in Nokia shares in order to ensure alignment with shareholder interests over the long term. Pekka Lundmark significantly exceeds this requirement with a holding of 394%[3] well within the five-year allotted period.

Pekka Lundmark	Units	Value[1] (EUR)
Beneficially owned shares at 31 December 2024	1 573 826	6 720 237
Unvested shares under outstanding Nokia equity plans[2]	3 718 730	15 878 977
Total	**5 292 556**	**22 599 214**

(1) The values are based on the closing price of a Nokia share of EUR 4.27 on Nasdaq Helsinki on 30 December 2024.
(2) The number of units represents the number of unvested awards as of 31 December 2024.
(3) Shareholding of 394% of annual base salary as of 15 November 2024, using 12-month average share price.

The President and CEO's termination provisions 2024

Termination by	Reason	Notice	Compensation
Nokia	Cause	None	The President and CEO is entitled to no additional remuneration and all unvested equity awards would be forfeited after termination.
Nokia	Reasons other than cause	Up to 12 months	The President and CEO is entitled to a severance payment equaling up to 12 months' remuneration (including annual base salary, benefits, and target short-term incentive) and unvested equity awards would be forfeited after termination, unless the Board determines otherwise.
President and CEO	Any reason	12 months	The President and CEO may terminate his service agreement at any time with 12 months' notice. The President and CEO would either continue to receive 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 after termination, except in the event of death, permanent disability and retirement, and unless the Board determines otherwise.
President and CEO	Nokia's material breach of the service agreement	Up to 12 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 up to 12 months' remuneration (including annual base salary, benefits and target incentive). Any unvested equity awards would be forfeited after termination.

The President and CEO is subject to a 12-month non-competition and non-solicit 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.

Remuneration Policy

Nokia Corporation's Remuneration Policy, which applies to the governing bodies of the Company, i.e. the Board of Directors and the President and CEO, was approved by shareholders at the Annual General Meeting 2024, receiving 90.55% of votes in favor. During 2024, the Board's Personnel Committee 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.

This section sets out the updated Policy, which will be submitted to the Annual General Meeting 2025 to be adopted through an advisory vote.

The updated Policy would apply to remuneration in respect of the four-year period from 2025 to 2029, unless presented to the General Meeting at an earlier date with proposed changes.

The updated Remuneration Policy for the Board of Directors

In accordance with the Remuneration Policy, the Board's Corporate Governance and Nomination Committee periodically reviews the remuneration for the Chair and members of the Board against companies of similar size and complexity. The objective of the Corporate Governance and Nomination Committee is to enable Nokia to compete for top-of-class Board competence to maximize value creation for its shareholders. The Committee's aim is that the Company has an efficient Board composed of international professionals representing a diverse and relevant mix of skills, experience, background and other personal qualities. Competitive Board remuneration contributes to the achievement of this target.

The main structure of the Board remuneration as outlined in the Remuneration Policy is set out in the table below.

Fees	Fees consist of annual fees and meeting fees. Approximately 40% of the annual fee is paid in Nokia shares purchased from the market on behalf of the Board members or alternatively delivered as treasury shares held by the Company. The balance is paid in cash, most of which is typically used to cover taxes arising from the paid remuneration. Meeting fees are paid in cash.
Incentives	Non-executive directors are not eligible to participate in any Nokia incentive plans 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.
Pension	Non-executive directors do not participate in any Nokia pension plans.
Share ownership requirement	Members of the Board shall normally 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).
Other	Directors are compensated for travel and accommodation expenses as well as other costs directly related to Board and Committee work. These are paid in cash.

Proposals of the Board of Directors to the Annual General Meeting 2025 were published on 30 January 2025. The Corporate Governance and Nomination Committee has resolved to recommend to the Board that the annual fees of Board members would remain at an unchanged level. Consequently, the Board proposes to the Annual General Meeting 2025 that the annual fees payable for a term ending at the close of the next Annual General Meeting be as follows:

- EUR 440 000 for the Chair of the Board;
- EUR 210 000 for the Vice Chair of the Board;
- EUR 185 000 for each member of the Board;
- EUR 30 000 each for the Chairs of the Audit Committee and the Personnel Committee and EUR 20 000 for the Chairs of the Technology Committee and the Strategy Committee as an additional annual fee; and
- EUR 15 000 for each member of the Audit Committee and the Personnel Committee and EUR 10 000 for each member of the Technology Committee and the Strategy Committee as an additional annual fee.

In addition, the Board of Directors proposes that the meeting fees for Board and Committee meetings remain at the current level. The meeting fees are based on potential travel required between the Board member's home location and the location of a meeting and are paid for a maximum of seven meetings per term as follows:

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

Only one meeting fee is paid if the travel covered by the fee includes several meetings of the Board and its Committees. The Board also proposes that 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 updated Remuneration Policy for the President and CEO

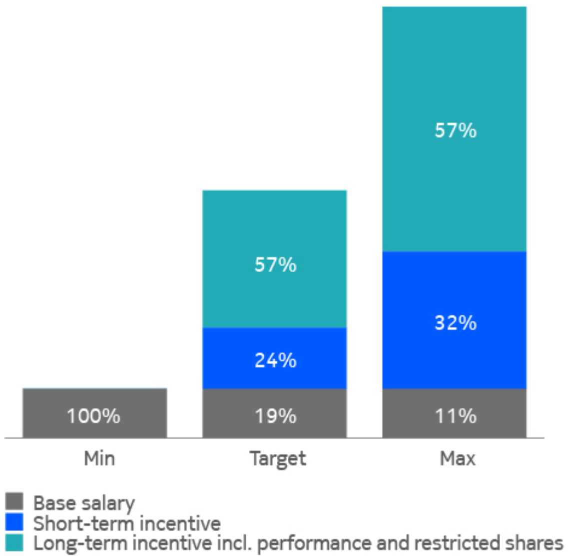
Remuneration elements	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Base salary	To attract and retain individuals with the requisite level of knowledge, skills and experience to lead our businesses	Base salary is normally reviewed annually taking into consideration a variety of factors, including, for example, performance of the Company and the individual, remuneration of our global peer group, changes in individual responsibilities and 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, and 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 (STI)	To incentivize and reward performance against delivery of the annual business plan	STI is 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 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.

Remuneration elements	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
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.
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 for the President and CEO
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 maximum performance levels. Actual pay mix is influenced by the extent to which the performance targets set for the STI and LTI are achieved and may vary from the scenarios below.

The long-term incentive vesting outcomes in the chart below ignore 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 levels for the matching performance shares are provided in the above summary table of the remuneration elements.

President and CEO pay mix scenarios



Share ownership requirement
Nokia believes that it is desirable for its executives to own shares in Nokia 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 is required to own three times his or her annual base salary in Nokia shares and is given a period of five years from appointment to achieve the required level of share ownership.

Malus and clawback
The malus and clawback conditions apply in accordance with Company's 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.

Remuneration on recruitment
Our policy on recruitment is to offer a remuneration package that is sufficient to attract, retain and motivate the individual with the right skills for the required role.

On occasion, we may offer buy-out awards to compensate for a candidate's forfeited awards on leaving a previous employer. Such buy-out awards would, where possible, reflect the nature of the forfeited awards in terms of delivery mechanism, time horizons, attributed expected value and performance conditions.

Termination provisions
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, STI and pension contribution, if applicable). The treatment of equity incentive awards may depend on the circumstances of the departure. In the event of death, permanent disability or 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 of Directors determines otherwise. Current termination provisions of the President and CEO's service agreement are described in the Remuneration Report.

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.

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 related to their own remuneration, and that there is appropriate oversight of any remuneration decision. Remuneration of the Board is annually presented to shareholders for approval at the Annual General Meeting.

The Board submits its proposal to the Annual General Meeting on the recommendation of the Board's Corporate Governance and Nomination Committee, which actively considers and evaluates the appropriate level and structure of directors' remuneration. Shareholders also authorize the Board to resolve to issue shares, for example to settle Nokia'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 remuneration of the President and CEO, upon recommendation of the Personnel Committee.

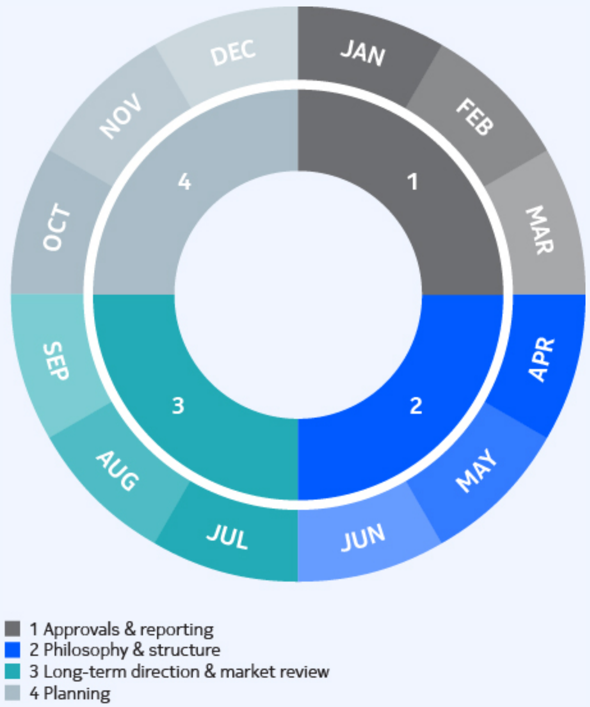
The Personnel Committee consults regularly with the President and CEO and the Chief People Officer. The President and CEO has an active role in the remuneration governance and performance management processes for the GLT and the wider employee population at Nokia. However, the President and CEO or the Chief Personnel Officer are not present when their own remuneration is reviewed or discussed. This enables the Personnel Committee to be mindful of employee pay and conditions across the broader employee population.

The Committee has the power, in its sole discretion, to retain remuneration advisers to assist the Personnel Committee in evaluating executive remuneration. During 2024, the Personnel Committee engaged Willis Towers Watson, an independent external adviser, to assist in the review and determination of executive remuneration and program design, as well as to provide insight into market trends and regulatory developments.

The Personnel Committee Chair regularly engages with shareholders to discuss their views on our remuneration policies, programs and associated disclosures and reflects on their feedback. These insights are taken account of in the Committee's and Board's decision-making process for executive remuneration.

Work of the Personnel Committee

The Personnel Committee convened five times during 2024 with a general theme for each meeting.



January

- 2023 STI performance outcome
- 2024 STI and LTI metrics and target setting
- President and CEO remuneration review
- Equity plan vesting and granting during 2024
- Remuneration Report for 2023

May

- 2024 Annual General Meeting season review
- GLT remuneration review
- Culture update
- GLT succession planning

July

- Remuneration Policy review
- GLT succession planning
- Inflight LTI awards performance update
- Market practice update
- People risks including physical safety review

September

- Nokia Incentive Compensation Clawback Policy review
- Remuneration Policy review
- Workforce demographics
- Personnel Committee adviser selection review

December

- Performance update of 2024 STI and LTI
- Preliminary review of metrics and targets for 2025 STI and LTI
- 2025 equity plan budget and allocation
- Proxy agency and shareholder consultation feedback
- Planning of Remuneration Report for 2024
- GLT Succession planning
- Executive shareholding assessment
- Personnel Committee charter review

Remuneration of the Nokia Group Leadership Team in 2024

The remuneration of the members of the GLT (excluding the President and CEO) consists of base salary, other benefits, and short- and long-term incentives. Short-term incentive plans are based on rewarding the delivery of business performance utilizing certain, or all, of the following metrics as appropriate to the member's role: comparable operating profit[1], cash release and ESG-related measures such as health & safety.

Executives in the GLT are subject to the same remuneration policy framework as the President and CEO. This includes being subject to the malus and clawback conditions and shareholding requirements. The shareholding requirement for members of the GLT is two times their annual base salary, built within a period of five years of their appointment.

(1) Non-IFRS measure. For the definition and reconciliation of non-IFRS measures to the most directly comparable IFRS measure, refer to the "Alternative performance measures" section.

At the end of 2024, the Group Leadership Team consisted of 11 persons split between Finland, other European countries and the United States. For information regarding the current Group Leadership Team composition, refer to the Corporate Governance Statement.

Name	Position in 2024	Appointment date
Pekka Lundmark	President and CEO	1 August 2020
Nishant Batra	Chief Strategy and Technology Officer	18 January 2021
Louise Fisk	Chief Communications Officer	18 October 2024
Lorna Gibb	Chief People Officer	13 June 2024
Federico Guillén	President of Network Infrastructure	8 January 2016
Patrik Hammarén	Acting President of Nokia Technologies	18 October 2024
Mikko Hautala	Chief Geopolitical and Government Relations Officer	1 November 2024
Esa Niinimäki	Chief Legal Officer	25 January 2023
Raghav Sahgal	President of Cloud and Network Services	1 June 2020
Tommi Uitto	President of Mobile Networks	31 January 2019
Marco Wirén	Chief Financial Officer	1 September 2020

Remuneration of the Group Leadership Team members in 2024

Remuneration of the Group Leadership Team (excluding the President and CEO) in 2023 and 2024, in the aggregate, was as follows:

EURm[1]	2024	2023
Salary, short-term incentives and other compensation[2]	11.3	10.8
Long-term incentives[3]	3.9	2.5
Total	**15.2**	**13.3**

(1) The values represent each member's time on the Group Leadership Team.
(2) Short-term incentives represent amounts earned in respect of 2024 performance. Other compensation includes mobility-related payments, local benefits and pension costs.
(3) The amounts represent the equity awards that vested in 2024 and 2023.

The members of the Group Leadership Team (excluding the President and CEO) were awarded the following equity awards under the Nokia equity program in 2024:

Award	Units awarded[1]	Grant date fair value (EUR)	Grant date	Vesting
Performance share award[2]	7 445 257	27 462 512	5 July 2024, 16 August 2024, 16 December 2024	Q3 & Q4 2027
Restricted share award[3]	151 467	626 551	5 July 2024, 11 October 2024, 16 December 2024	Q4 2025, Q4 2026, Q3 2027

(1) Includes units awarded to persons who were Group Leadership Team members during 2024.
(2) The 2024 performance shares have a three-year performance period based on 50% relative total shareholder return, 40% three-year cumulative EPS and 10% carbon emission reduction scope 1, 2 and 3 targets. The maximum payout is 200% subject to maximum performance against the performance criteria. Vesting is subject to continued employment.
(3) Vesting of each tranche of the restricted share awards is conditional on continued employment.

Unvested equity awards held by the Group Leadership Team, including the President and CEO

The following table sets forth the potential aggregate ownership interest through the holding of equity-based long-term incentives of the Group Leadership Team in office, including the President and CEO, at 31 December 2024:

	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]	10 292 949	20 567 565	753 517
% of the outstanding shares[2]	0.19%	0.38%	0.01%
% of the total outstanding equity incentives (per instrument)[3]	24.59%	25.70%	0.65%

(1) Includes the 11 members of the Group Leadership Team in office at 31 December 2024.
(2) The percentages are calculated in relation to the outstanding number of shares and total voting rights of Nokia at 31 December 2024, excluding shares held by the Nokia Group. No member of the Group Leadership Team owned more than 1% of the outstanding Nokia shares.
(3) The percentages are calculated in relation to the total outstanding equity incentives per instrument.
(4) At maximum performance, under the performance share plans outstanding at 31 December 2024, the payout would be 200% and the table reflects this potential maximum payout.

Employee Share Purchase Plan

All eligible Nokia employees, including the President and CEO and our GLT members, can participate in the Employee Share Purchase Plan, by making contributions from their monthly net salaries (up to a cap) to purchase Nokia shares at market value. Participants will receive one matching share for every two purchased shares they still hold at the end of the applicable annual plan cycle. Until the matching shares are delivered, the participants have no shareholder rights, such as voting or dividend rights associated with the matching shares.