

Proposals of Nokia Board of Directors to the Annual General Meeting 1999

- Conversion of the share capital into euros
- Two for one share split, conversion of the nominal value into euros and a bonus issue
- Consolidation of the classes of shares
- New stock option plan to key personnel
- Authorization of the Board to issue new shares
- Other proposals

The Board of Directors of Nokia will propose to the Annual General Meeting on March 17, 1999 some amendments to the Articles of Association. The amendments concern a conversion of the share capital of the company into euros, a two for one share split, a bonus issue and a conversion of the nominal value of the shares into euros. Moreover, the Board will propose consolidation of the classes of shares.

The Board will further propose that as part of Nokia's incentive program, a new stock option plan be issued to key personnel. It will also be proposed that the Board be authorized to decide on an issue of new shares. The other proposals relate to the nomination committee of the Board, amendments to the terms and conditions of the existing stock option plans and an increase of the share capital of the Nokia Foundation.

Proposals concerning Nokia shares and share capital

The Board of Directors will propose that the share capital and the nominal value of the shares in the Articles of Association be converted into euros in compliance with the use of euro as the accounting currency of Nokia since January 1, 1999. In the same connection, it will be proposed that the nominal value of the shares be split into two, as a result of which the number of shares will be doubled. The Board regards a nominal value of 24 cents as appropriate and, consequently, will propose a transfer of EUR 36,051,274.79 (FIM 214,351,146.06) from the share premium fund to the share capital as a bonus issue.

Consolidation of the classes of shares

The Board will propose consolidation of the classes of shares so that all the shares entitle to one vote and an equal dividend. The possibility to convert K shares into A shares, introduced in 1994, has been widely used and therefore the number of K shares has considerably decreased. K shares have been clearly less liquid than A shares and no premium has been paid on the market for the voting rights related thereto. Both classes of shares have always been distributed an equal dividend. Along with the consolidation, the number of votes related to K shares will be reduced from ten to one, while the liquidity will become equal to that of A shares.

Proposal concerning a new stock option plan

The Board will propose that a total of 36,000,000 stock options be issued to Nokia's key personnel. The intention is to extend the stock option plans to cover approximately 3,500 key persons of the company worldwide. The new stock options will provide an important addition to Nokia's already extensive stock option plans, which form an essential part of the company's global incentive program. Nokia will also continue the Nokia Connecting People Bonus Plan, which was introduced in 1997 to cover other employees than those participating the stock options plans. The stock options will be divided into three groups of 12,000,000 pieces each (A, B and C). Each stock option will entitle to a subscription for one share with a nominal value of 24 cents as of April 1, 2001 (group A) or as of April 1, 2002 (group B) or as of April 1, 2003 (group C). The share subscription price is determined separately for each group of stock options on the basis of the market price of Nokia A share during 1999-2001, as provided in the proposal in more detail. The share capital would be increased due to the share subscriptions by 36,000,000 shares and EUR 8,640,000 at the maximum.

Proposal to authorize the Board to decide on the increase of the share capital

The Board of Directors will propose that the Annual General Meeting authorize the Board to decide on an increase of the share capital by the maximum of EUR 28,800,000 , that is 120,000,000 new shares, within a year as of the decision taken by the Meeting. The shares to be issued will be used to finance possible business acquisitions or corresponding arrangements.

Other proposals of the Board of Directors

The Board will propose that a nomination committee taking the preparatory measures relating to the nomination of Board members be governed by the Articles of Association. The capital of Nokia Corporation Foundation is proposed to be increased by EUR 2,000,000 from the present approximately EUR 5,000,000.

Furthermore, the Board will propose amendments to the terms and conditions of the stock option plans of 1994, 1995 and 1997, resulting from the above proposed conversion of the nominal value into euros, the share split and the bonus issue.

Enclosures:

1. Board's proposal for amendments into the Articles of Association together with the proposal by the Board of Directors to amend the Articles of Association (9 pages)
2. Board's proposal to increase the share capital through a bonus issue as a result of the change in nominal value (1 page)
3. Board's proposal concerning the issue of stock options to key personnel of the Nokia Group together with the terms and conditions of the stock options and the respective auditors' statement (6 pages)
4. Board's proposal to authorize the Board to decide on an increase of the share capital and the respective auditors' statement (2 pages)
5. Board's proposal to amend the terms and conditions of the bonds with warrants issued in 1994, 1995 and 1997 (1 page)
6. Board's proposal to increase the capital of Nokia Corporation Foundation (1 page)

Nokia is the world's leading mobile phone supplier and a leading supplier of mobile and fixed telecom networks including related customer services. Nokia also supplies solutions and products for fixed and wireless datacom, as well as multimedia terminals and computer monitors. In 1998, net sales totaled FIM 79.2 billion (USD 15.7 billion, EUR 13.3 billion). Headquartered in Finland, Nokia is listed on five European Stock Exchanges and on the New York Stock Exchange (NOK.A), has sales in over 130 countries and employs more than 44,000 people worldwide.

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