# Nokia Board of Directors convenes Annual General Meeting 2013

**No dividend proposed for 2012**

Nokia Corporation

Stock Exchange Release

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Espoo, Finland - Nokia announced today that its Board of Directors has resolved to convene the Annual General Meeting on May 7, 2013 and that the Board and its Committees submit the below proposals to the Annual General Meeting.

- Proposal not to pay dividend
- Proposals on the Board composition and remuneration
- Proposals to authorize the Board to repurchase and issue shares
- Proposals on the re-election of the external auditor and remuneration

**Proposal on the payment of dividend**

The Board proposes to the Annual General Meeting that no dividend be paid for the fiscal year 2012.

Nokia Group 2012 reported net profit was negative EUR 3.1 billion and Nokia Group net cash position decreased from EUR 5.6 billion at the end of 2011 to EUR 4.4 billion at the end of 2012. In addition, Nokia Corporation's results for fiscal year 2012 were negative.

To ensure strategic flexibility, the Board proposes that no dividend payment will be made for 2012. Nokia's fourth quarter 2012 financial performance combined with this dividend proposal further solidifies the company's strong liquidity position.

**Proposals on Board composition and remuneration**

Dame Marjorie Scardino and Ms Isabel Marey-Semper have informed that they will no longer be available for re-election to the Nokia Board of Directors after the Annual General Meeting. Dame Marjorie Scardino has been a Nokia Board member since 2001 and Ms Isabel Marey-Semper since 2009.

The Board's Corporate Governance and Nomination Committee proposes to the Annual General Meeting that the number of Board members be ten (10) 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 2014: Bruce Brown, Stephen Elop, Henning Kagermann, Jouko Karvinen, Helge Lund, Mårten Mickos, Elizabeth Nelson, Risto Siilasmaa and Kari Stadigh.

In addition, the Committee proposes that Ms Elizabeth Doherty, currently Chief Financial Officer of Reckitt Benckiser Group plc, be elected as a member of the Nokia Board of Directors for the same term.

Additional information about the Board member candidates will be available in the Committee proposal which will be published simultaneously with the notice to the Annual General Meeting.

The Corporate Governance and Nomination Committee will propose in the assembly meeting of the new Board of Directors after the Annual General Meeting on May 7, 2013 that Risto Siilasmaa be elected as Chairman of the Board and Jouko Karvinen as Vice Chairman of the Board, subject to their election to the Board of Directors.

As to the Board remuneration, the Corporate Governance and Nomination Committee proposes that the annual fee payable to the Board members elected at the Annual General Meeting on May 7, 2013 for a term ending at the Annual General Meeting in 2014, remains at the same level as during the past five years as follows: EUR 440 000 for the Chairman, EUR 150 000 for the Vice Chairman, and EUR 130 000 for each member, excluding the President and CEO of Nokia if re-elected to the Nokia Board; for the Chairman of the Audit Committee and the Chairman of the Personnel Committee an additional annual fee of EUR 25 000; and for each member of the Audit Committee an additional annual fee of

EUR 10 000. Further, the Corporate Governance and Nomination Committee proposes that, as in the past, approximately 40% of the remuneration be paid in Nokia Corporation shares purchased from the market, which shares shall be retained until the end of the Board membership in line with the Nokia policy (except for those shares needed to offset any costs relating to the acquisition of the shares, including taxes).

### Proposal to authorize the Board to repurchase shares

The Board proposes that the Annual General Meeting authorize the Board to resolve to repurchase a maximum of 370 million Nokia shares. The proposed amount of shares represents less than 10% of all the shares of the Company. The shares may be repurchased in order to develop the capital structure of the Company, finance or carry out acquisitions or other arrangements, settle the Company's equity-based incentive plans, be transferred for other purposes, or be cancelled. The shares may be repurchased either through a tender offer made to all shareholders on equal terms, or in marketplaces by repurchasing the shares in another proportion than that of the current shareholders. The authorization would be effective until June 30, 2014 and terminate the current authorization granted by the Annual General Meeting on May 3, 2012.

The repurchase authorization is proposed in order to maintain flexibility, but the Board has no current plans for repurchases during 2013.

### Proposal to authorize the Board to issue shares

The Board also proposes that the Annual General Meeting authorize the Board to resolve to issue a maximum of 740 million shares through issuance of shares or special rights entitling to shares in one or more issues. The Board proposes that it may issue either new shares or shares held by the Company. The Board proposes that the authorization may be used to develop the Company's capital structure, diversify the 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. The proposed authorization includes the right for the Board to resolve on all the terms and conditions of the issuance of shares and special rights entitling to shares, including issuance in deviation from the shareholders' pre-emptive rights. The authorization would be effective until June 30, 2016 and terminate the current authorization granted by the Annual General Meeting on May 6, 2010.

### Proposals on election of external auditor and remuneration

In addition, the Board's Audit Committee proposes to the Annual General Meeting that PricewaterhouseCoopers Oy be re-elected as the Company's auditor, and that the auditor be reimbursed based on the invoice and in compliance with the purchase policy approved by the Audit Committee.

The notice to the Annual General Meeting and the complete proposals by the Board and its Committees to the Annual General Meeting are scheduled to be published on Nokia's website at www.nokia.com/agm on or about January 30, 2013.

### *FORWARD-LOOKING STATEMENTS*

*It should be noted that Nokia and its business is exposed to various risks and uncertainties and certain statements herein that are not historical facts are forward-looking statements, including, without limitation, those regarding: A) the expected plans and benefits of our partnership with Microsoft to bring together complementary assets and expertise to form a global mobile ecosystem for smartphones; B) the timing and expected benefits of our strategies, including expected operational and financial benefits and targets as well as changes in leadership and operational structure; C) the timing of the deliveries of our products and services; D) our ability to innovate, develop, execute and commercialize new technologies, products and services; E) expectations regarding market developments and structural changes; F) expectations and targets regarding our industry volumes, market share, prices, net sales and margins of our products and services; G) expectations and targets regarding our operational priorities and results of operations; H) expectations and targets regarding collaboration and partnering arrangements; I) the outcome of pending and threatened litigation and regulatory proceedings; J) expectations regarding the successful completion of restructurings, investments, acquisitions and divestments on a timely basis and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, acquisitions and divestments; and K) statements preceded by "believe," "expect," "anticipate," "foresee," "target," "estimate," "designed," "aim", "plans," "intends," "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 these differences include, but are not limited to: 1) our success in the smartphone market, including our ability to introduce and bring to market quantities of attractive, competitively priced Nokia products that operate on the Windows Phone operating system that are positively differentiated from our competitors' products, both outside and within the Windows Phone ecosystem; 2) our ability to make Nokia products that operate on the*

*Windows Phone operating system a competitive choice for consumers, and together with Microsoft, our success in encouraging and supporting a competitive and profitable global ecosystem for Windows Phone products that achieves sufficient scale, value and attractiveness to all market participants; 3) reduced demand for, and net sales of, Nokia Lumia products that operate on the Windows Phone 7 operating system as a result of increasing availability of Nokia Lumia products with the new Windows Phone 8 operating system; 4) the expected continuing decline of sales of Symbian devices and the significantly diminishing viability of the Symbian smartphone platform; 5) our ability to produce attractive and competitive devices in our Mobile Phones business unit including feature phones and devices with more smartphone-like features such as full touch devices, in a timely and cost efficient manner with differentiated hardware, software, localized services and applications; 6) our ability to effectively and timely implement planned changes to our operational structure, including the planned restructuring measures, and to successfully complete the planned investments, acquisitions and divestments in order to improve our operating model and achieve targeted efficiencies and reductions in operating expenses as well as our ability to accurately estimate the related restructuring charges and restructuring related cash outflows; 7) our future sales performance, among other factors, may require us to recognize allowances related to excess component inventory, future purchase commitments and inventory write-offs in our Devices & Services business; 8) our ability to realize a return on our investment in next generation devices, platforms and user experiences; 9) the intensity of competition in the various markets where we do business and our ability to maintain or improve our market position or respond successfully to changes in the competitive environment; 10) our ability to retain, motivate, develop and recruit appropriately skilled employees; 11) the success of our Location & Commerce strategy, including our ability to establish a successful location-based platform, extend our location-based services across devices and operating systems, provide support for our Devices & Services business and create new sources of revenue from our location-based services and commerce assets; 12) our actual performance in the short-term and long-term could be materially different from our forecasts, which could impact future estimates of recoverable value of our reporting units and may result in impairment charges; 13) our success in collaboration and partnering arrangements with third parties, including Microsoft; 14) our ability to increase our speed of innovation, product development and execution to bring new innovative and competitive mobile products and location-based or other services to the market in a timely manner; 15) our dependence on the development of the mobile and communications industry, including location-based and other services industries, in numerous diverse markets, as well as on general economic conditions globally and regionally; 16) our ability to protect numerous patented standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights of these technologies and our ability to maintain the existing sources of intellectual property related income or establish new such sources; 17) our ability to maintain and leverage our traditional strengths in the mobile product market if we are unable to retain the loyalty of our mobile operator and distributor customers and consumers as a result of the implementation of our strategies or other factors; 18) the success, financial condition and performance of our suppliers, collaboration partners and customers; 19) our ability to manage efficiently our manufacturing and logistics, as well as to ensure the quality, safety, security and timely delivery of our products and services; 20) our ability to source sufficient amounts of fully functional quality components, sub-assemblies, software and services on a timely basis without interruption and on favorable terms, particularly as we ramp our new Lumia smartphone devices; 21) our ability to manage our inventory and timely adapt our supply to meet changing demands for our products, particularly as we ramp our new Lumia smartphone devices; 22) any actual or even alleged defects or other quality, safety and security issues in our products; 23) the impact of a cybersecurity breach or other factors leading to any actual or alleged loss, improper disclosure or leakage of any personal or consumer data collected by us or our partners or subcontractors, made available to us or stored in or through our products; 24) our ability to successfully manage the pricing of our products and costs related to our products and operations; 25) exchange rate fluctuations, including, in particular, fluctuations between the euro, which is our reporting currency, and the US dollar, the Japanese yen and the Chinese yuan, as well as certain other currencies; 26) our ability to protect the technologies, which we or others develop or that we license, from claims that we have infringed third parties' intellectual property rights, as well as our unrestricted use on commercially acceptable terms of certain technologies in our products and services; 27) the impact of economic, political, regulatory or other developments on our sales, manufacturing facilities and assets located in emerging market countries; 28) the impact of changes in government policies, trade policies, laws or regulations where our assets are located and where we do business; 29) the potential complex tax issues and obligations we may incur to pay additional taxes in the various jurisdictions in which we do business and our actual or anticipated performance, among other factors, could result in allowances related to deferred tax assets, 30) any disruption to information technology systems and networks that our operations rely on, which may be for instance caused by our inability to successfully and smoothly implement our plans to streamline our IT organization including the transfer of some activities and employees to strategic partners; 31) unfavorable outcome of litigations and regulatory proceedings; 32) allegations of possible health risks from electromagnetic fields generated by base stations and mobile products and lawsuits related to them, regardless of merit; 33) Nokia Siemens Networks ability to implement its new strategy and restructuring plan effectively and in a timely manner to improve its overall competitiveness and profitability; 34) Nokia Siemens Networks' success in the mobile broadband and services market and Nokia Siemens Networks' ability to effectively and profitably adapt its business and operations in a timely manner to the increasingly diverse* *service needs of its customers; 35) Nokia Siemens Networks' ability to maintain or improve its market position or respond successfully to changes in the competitive environment; 36) Nokia Siemens Networks' liquidity and its ability to meet its working capital requirements; 37) Nokia Siemens Networks' ability to timely introduce new competitive products, services, upgrades and technologies; 38) Nokia Siemens Networks' ability to execute successfully its strategy for the acquired Motorola Solutions wireless network infrastructure assets; 39) developments under large, multi-year contracts or in relation to major customers in the networks infrastructure and related services business; 40) the management of our customer financing exposure, particularly in the networks infrastructure and related services business; 41) whether ongoing or any additional governmental investigations into alleged violations of law by some former employees of Siemens may involve and affect the carrier-related assets and employees transferred by Siemens to Nokia Siemens Networks; and 42) any impairment of Nokia Siemens Networks customer relationships resulting from ongoing or any additional governmental investigations involving the Siemens carrier-related operations transferred to Nokia Siemens Networks, as well as the risk factors specified on pages 13-47 of Nokia's annual report on Form 20-F for the year ended December 31, 2011 under Item 3D. "Risk Factors." Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Nokia does 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.*

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