

# Nokia Board of Directors convenes Annual General Meeting 2015, dividend of EUR 0.14 per share proposed for 2014

Nokia Corporation

Stock Exchange Release

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Espoo, Finland - Nokia announced today that its Board of Directors (the "Board") has resolved to convene the Annual General Meeting on May 5, 2015 and that the Board and its Committees submit the following proposals to the Annual General Meeting:

- Proposal to pay a dividend of EUR 0.14 per share;
- Proposals on the Board composition and remuneration;
- Proposal to authorize the Board to repurchase shares;
- Proposal to authorize the Board to issue shares;
- Proposals on the re-election of the external auditor and the auditor's remuneration.

## **Proposal on the payment of dividend**

The Board proposes to the Annual General Meeting that a dividend of EUR 0.14 per share be paid for the fiscal year 2014. The ex-dividend date would be May 6, 2015, the record date May 7, 2015 and the dividend payment date on or about May 21, 2015.

## **Proposals on the Board composition and remuneration**

Mårten Mickos and Dennis Strigl have informed that they will no longer be available for re-election to the Nokia Board of Directors after the Annual General Meeting.

The Board's Corporate Governance and Nomination Committee proposes to the Annual General Meeting that the number of Board members be eight (8) 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 2016: Vivek Badrinath, Bruce Brown, Elizabeth Doherty, Jouko Karvinen, Elizabeth Nelson, Risto Siilasmaa and Kari Stadigh.

In addition, the Committee proposes that Dr. Simon Jiang, who is the founder and Chairman of CyberCity International Limited (CCI) and some CCI subsidiaries, and currently an independent director in certain other companies, be elected as a member of the Nokia Board of Directors for the same term.

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

In the assembly meeting of the new Board of Directors taking place after the Annual General Meeting on May 5, 2015, the Corporate Governance and Nomination Committee will propose that Risto Siilasmaa be elected Chairman of the Board and Jouko Karvinen Vice Chairman of the Board, subject to their election to the Board of Directors.

With regard 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 5, 2015 for a term ending at the Annual General Meeting in 2016, remains at the same level as during the past seven years: EUR 440 000 for the Chairman of the Board, EUR 150 000 for the Vice Chairman of the Board, and EUR 130 000 for each Board member; EUR 25 000 for the Chairman of the Audit Committee as well as the Chairman of the Personnel Committee as an additional annual fee; and EUR 10 000 for each member of the Audit Committee as an additional annual fee. Further, the Corporate Governance and Nomination Committee proposes that, in line with Nokia's Corporate Governance Guidelines, approximately 40 per cent of the remuneration be paid in Nokia shares purchased from the market, or alternatively by using treasury shares held by the company. The shares shall be retained until the end of the Board membership in line with current Nokia policy (excluding 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 365 million Nokia shares. The proposed amount represents less than 10 per cent of the total number of Nokia shares, also after the cancellation of 66 903 682 treasury shares held by the company, as announced today. The shares may be repurchased under the proposed authorization in order to optimize the capital structure of the company and are expected to be cancelled. In addition, shares may be repurchased in order to finance or carry out acquisitions or other arrangements, to settle the company's equity-based incentive plans, or to be transferred for other purposes. The shares may be repurchased in deviation of the shareholders' pre-emptive rights in the open market, in privately negotiated transactions, through the use of derivative instruments, or alternatively, through a tender offer made to all shareholders on equal terms.

The authorization would be effective until November 5, 2016 and terminate the current authorization granted by the Annual General Meeting on June 17, 2014.

In line with the capital structure optimization program announced in 2014, the Board of Directors plans to repurchase Nokia shares under a share repurchase program, using up to EUR 800 million by the end of the second quarter 2016, subject to being granted authorization from the Annual General Meeting, and to commence repurchases based on the proposed authorization as soon as possible after the Annual General Meeting.

### **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 730 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 treasury 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 shareholders' pre-emptive rights.

The authorization would be effective until November 5, 2016 and terminate the current authorization granted by the Annual General Meeting on June 17, 2014.

### **Proposals on re-election of the external auditor and the auditor's 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 [company.nokia.com/agm](http://company.nokia.com/agm) on or about February 3, 2015.

### **FORWARD-LOOKING STATEMENTS**

*It should be noted that Nokia and its businesses are 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) expectations, plans or benefits related to Nokia's strategies; B) expectations, plans or benefits related to future performance of Nokia's businesses Nokia Networks, HERE and Nokia Technologies; C) expectations, plans or benefits related to changes in our management and other leadership, operational structure and operating model; D) expectations regarding market developments, general economic conditions and structural changes; E) expectations and targets regarding performance, including those related to market share, prices, net sales and margins; F) timing of the deliveries of our products and services; G) expectations and targets regarding our financial performance, operating expenses, taxes, cost savings and competitiveness, as well as results of operations; H) expectations and targets regarding collaboration and partnering arrangements; I) outcome of pending and threatened litigation, arbitration, disputes, regulatory proceedings or investigations by authorities; J) expectations regarding restructurings, investments, uses of proceeds from transactions, acquisitions and divestments and our ability to achieve the financial and operational targets set in connection with any such restructurings, investments, divestments and acquisitions, including any expectations, plans or benefits related to or caused by the transaction where Nokia sold substantially all of its Devices & Services business to Microsoft on April 25, 2014; K) statements preceded by or including "believe", "expect", "anticipate", "foresee", "sees", "target", "estimate", "designed", "aim", "plans", "intends", "focus", "continue", "project", "should", "will" or similar expressions. These statements are based on the 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 include, but are not limited to: 1) our ability to*

execute our strategies successfully and in a timely manner, and our ability to successfully adjust our operations and operating models; 2) our ability to sustain or improve the operational and financial performance of our businesses and correctly identify business opportunities or successfully pursue new business opportunities; 3) our ability to execute Nokia Networks' strategy and effectively, profitably and timely adapt its business and operations to the increasingly diverse needs of its customers and technological developments; 4) our ability within our Nokia Networks business to effectively and profitably invest in and timely introduce new competitive high-quality products, services, upgrades and technologies; 5) our ability to invent new relevant technologies, products and services, to develop and maintain our intellectual property portfolio and to maintain the existing sources of intellectual property related revenue and establish new such sources; 6) our ability to protect numerous patented standardized or proprietary technologies from third-party infringement or actions to invalidate the intellectual property rights (IPR) of these technologies; 7) our ability within our HERE business to maintain current sources of revenue, historically derived mainly from the automotive industry, create new sources of revenue, for instance in the enterprise business, successfully recognize and pursue growth opportunities and extend the reach of our location services; 8) our dependence on the development of the mobile and communications industry in numerous diverse markets, as well as on general economic conditions globally and regionally; 9) Nokia Networks' dependence on a limited number of customers and large, multi-year contracts; 10) our ability to retain, motivate, develop and recruit appropriately skilled employees; 11) the potential complex tax issues and obligations we may face, including the obligation to pay additional taxes in various jurisdictions and our actual or anticipated performance, among other factors, which could result in allowances related to deferred tax assets; 12) our ability to manage our manufacturing, service creation and delivery, and logistics efficiently and without interruption, especially if the limited number of suppliers we depend on fail to deliver sufficient quantities of fully functional products and components or deliver timely services; 13) any inefficiency, malfunction or disruption of a system or network that our operations rely on or any impact of a possible cybersecurity breach; 14) our ability to reach targeted results or improvements by managing and improving our financial performance, cost savings and competitiveness; 15) management of Nokia Networks' customer financing exposure; 16) the performance of the parties we partner and collaborate with, as well as financial counterparties, and our ability to achieve successful collaboration or partnering arrangements; 17) our ability to protect the technologies, which we develop, license, use or intend to use, from claims that we have infringed third parties' IPR, as well as impact of possible licensing costs, restriction on our usage of certain technologies, and litigation related to IPR; 18) the impact of regulatory, political or other developments, including those caused by the impact of trade sanctions, natural disasters or disease outbreaks on our operations and sales in those various countries or regions where we conduct business; 19) exchange rate fluctuations, particularly 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; 20) effects of impairments or charges to carrying values of assets, including goodwill, or liabilities; 21) our ability to successfully implement planned transactions, such as acquisitions, divestments, mergers or joint ventures, manage unexpected liabilities related thereto and achieve the targeted benefits; 22) the impact of unfavorable outcome of litigation, arbitration, contract related disputes or allegations of health hazards associated with our business; 23) potential exposure to contingent liabilities due to the sale of substantially all of our Devices & Services business to Microsoft and possibility that the agreements we have entered into with Microsoft may have terms that prove to be unfavorable for us, as well as the risk factors specified on pages 12-35 of Nokia's annual report on Form 20-F for the year ended December 31, 2013 under Item 3D. "Risk 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. 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.

## About Nokia

Nokia invests in technologies important in a world where billions of devices are connected. We are focused on three businesses: network infrastructure software, hardware and services, which we offer through Nokia Networks; location intelligence, which we provide through HERE; and advanced technology development and licensing, which we pursue through Nokia Technologies. Each of these businesses is a leader in its respective field. <http://company.nokia.com>

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