

Annual Funding Notice

Nokia Retirement Plan

Introduction

This notice contains important information about the funded status of your pension plan (the “Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (the “PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funded status. This notice does not mean that the Plan is terminating. It is provided to you for informational purposes. This notice is for the plan year (“Plan Year”) beginning on January 1, 2020 and ending on December 31, 2020.

How Well Funded Is Your Plan?

Generally, a plan’s funded status is determined by comparing the plan’s assets (the assets that have been set aside in trust to pay the plan’s benefits obligations and administrative costs) to its liabilities (the present value of all promised future benefits payments). Funded status is expressed as a percentage determined by dividing assets by liabilities. For example, a plan with \$80 in assets and \$100 in liabilities would be 80% funded ($80 \div 100 = 0.8$). A plan with \$100 in assets and \$80 in liabilities would be 125% funded ($100 \div 80 = 1.25$). The higher the percentage, the better funded the plan.

In accordance with federal law, this Notice reports on how well funded your Plan is by using a measure called the “funding target attainment percentage.” This percentage is obtained by dividing the Plan’s Net Plan Assets by Plan Liabilities on the Valuation Date for the Plan Year. (The terms Net Plan Assets, Plan Liabilities and Valuation Date are defined below following the table.) Your Plan’s Funding Target Attainment Percentage for the 2019 Plan Year, and each of the two preceding Plan Years, is shown in the table below. The table also shows how the Plan’s Funding Target Attainment Percentage was calculated.

NOTE: A plan’s Funding Target Attainment Percentage is measured as of the plan’s “Valuation Date,” which is the first day of the Plan Year at issue. Thus, in the table, the funded status of your Plan is shown as of the beginning of each Plan Year (e.g., as of January 1, 2020, January 1, 2019, etc.).

Funding Target Attainment Percentage

	2020	2019	2018
1. Valuation Date	1/1/2020	1/1/2019	1/1/2018
2. Plan Assets			
a. Total Plan Assets	\$119,211,215	\$160,617,439	\$162,225,713
b. Funding Standard Carryover Balance	\$7,482,503	\$9,059,777	\$9,161,268
c. Prefunding Balance	\$0	\$0	\$0
d. Net Plan Assets: (a) – (b) – (c)	\$111,728,712	\$151,557,662	\$153,064,445
3. Plan Liabilities	\$95,494,800	\$122,972,275	\$123,816,550
4. At-Risk Liabilities	Not Applicable	Not Applicable	Not Applicable
5. Funding Target Attainment Percentage: (2d)/(3)	116.9%	123.2%	123.6%

a) Net Plan Assets

Net Plan Assets (line 2d on the table) are the Plan's Total Plan Assets (line 2a) minus its Funding Standard Carryover Balance (line 2b) and Prefunding Balance (line 2c). Total Plan Assets is the value of the Plan's assets on the Valuation Date. Credit balances are subtracted from Total Plan Assets to determine Net Plan Assets used in the calculation of the Funding Target Attainment Percentage shown in the table (line 5). A plan might have a credit balance, for example, if in a prior year an employer made contributions to the plan above the minimum level required by law. Generally, the excess contributions are counted as "credits" and may be applied in future years toward the minimum level of contributions a plan sponsor is required to make by law. While pension plans are permitted to maintain credit balances for funding purposes, credit balances may not be taken into account when calculating a plan's Funding Target Attainment Percentage.

The asset values shown in the table (lines 2a-d) are actuarial values rather than market values. Because market values can fluctuate daily based on factors in the marketplace (such as in the stock market), pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. For the 2018 and 2019 Plan Years, the Plan's sponsoring employer, Nokia of America Corporation (the "Company"), elected to use a two-year actuarial (smoothed) valuation method. The Company is generally required to use this same method for the 2020 Plan Year.

b) Plan Liabilities

Plan Liabilities shown on line 3 of the table are the liabilities used to determine the Plan's Funding Target Attainment Percentage. This figure is an estimated present value, using certain actuarial and interest-rate assumptions, of all future benefits payments promised under the Plan. One way to think of this figure is as an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the Plan.

The interest rates used to determine Plan Liabilities are based on current corporate bond yields, as published by the US Department of Treasury. Those rates are then adjusted, as necessary, to fall within specified ranges of rates averaged over a 25-year period. The adjustments, part of the Moving Ahead for Progress in the 21st Century Act as amended and extended by the Highway and Transportation Funding Act of 2014 and as further extended by the Bipartisan Budget Act of 2015 (collectively "MAP-21"), had the effect of improving the Plan's Funding Target Attainment Percentage for the 2018 Plan Year by approximately 24.6 percentage points, for the 2019 Plan Year by approximately 20.8 percentage points, and for the 2020 Plan Year by approximately 18.6 percentage points. (Note: The Company has until October 2021 to select definitively the actuarial and interest rate assumptions that it will use for determining liabilities for the 2020 Plan Year.)

c) Valuation Date

A plan's Funding Target Attainment Percentage is measured as of the plan's "Valuation Date," which is the first day of the Plan Year at issue. Thus, in the table, the funded status of your Plan is shown as of the beginning of each Plan Year (e.g., as of January 1, 2020, January 1, 2019, etc.).

Year-End Assets and Liabilities

As noted, the asset and liability values in the table are measured as of the first day of the Plan Year. As of the last day of the Plan Year (December 31, 2020), the fair market value of the Plan's assets was \$69,617,795, and the actuarial (two-year smoothed) value was \$62,656,016. On this same date, the Plan's liabilities (based on PBGC interest rates and not corporate bond yields adjusted under MAP-21) were \$78,844,884.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 1,280. Of this number, 217 were active participants, 778 were retired or separated from service and receiving benefits, and 285 were retired or separated from service and entitled to benefits in the future.

Funding and Investment Policies

Every pension plan must have funding and investment policies to carry out plan objectives.

A plan's funding policy describes how much should be contributed to the plan to pay for promised benefits. The Company's funding policy with respect to the Plan is to contribute no less frequently than annually an amount sufficient to meet the minimum funding requirements of federal law plus such additional amounts as the Company may determine to be appropriate.

Once money is contributed to the Plan, the money is invested by plan officials, called fiduciaries, who make investments in accordance with the Plan's investment policy. Generally, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning how to invest the plan's assets. The investment policy of the Plan is to invest in various asset categories in accordance with asset allocation percentages approved by Nokia's Pension & Benefit Investment Committee.

Under the investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the 2020 Plan Year (the allocations are percentages of total assets and might not add to 100 due to rounding):

<u>Asset category</u>	<u>Percentage</u>
Stocks	9.6
Investment-grade debt instruments	83.2
High-yield debt instruments	3.2
Real estate	3.1
Other	0.9
Total	100.0

Events with Material Effect on Assets or Liabilities

Federal law requires the plan administrator to provide in this notice a written explanation of events, taking effect in the current Plan Year, that are expected to have a material effect on Plan Liabilities or Plan Assets. For the Plan Year beginning on January 1, 2021 and ending on December 31, 2021, the following events might have such an effect:

- Employees (other than Business and Technical Associates) who terminate employment during the year and are eligible for a service or disability pension will have their pensions transferred from the Plan to the Lucent Technologies Inc. Pension Plan. Business & Technical Associates who terminate employment during the year and are eligible for a service or disability pension will have their pensions transferred from the Plan to the Nokia Retirement Income Plan. These transfers will result in a decrease in both Plan Liabilities and Plan Assets, although the extent of such reductions, and whether they are material, cannot be quantified until after the end of the Plan Year.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report, called the Form 5500, that contains financial and other information about the plan. Copies of your Plan's annual report is available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling 1-202-693-8673. For certain plan years, you may obtain an electronic copy of the Plan's annual report in two ways: (a) by going to the U.S. Department of Labor's website maintained for this purpose, www.efast.dol.gov, and using the Form 5500 search function, or (b) by visiting Nokia's benefits-related website, www.benefitanswersplus.com, clicking on the panel that corresponds to your employment status (e.g., Formerly Represented Retirees) and then, under "Legal Documents," clicking on "5500 Forms." You may also obtain a copy of the Plan's annual report by writing to:

Nokia
Benefit Operations
600-700 Mountain Avenue
Room 6C-402A
Murray Hill, NJ 07974

NOTE: A copy of the Plan's 2020 annual report will generally be available after October 15, 2021.

Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the plan administrator identified on page 8 under "Where to Get More Information."

Summary of Rules Governing Termination of Single-Employer Plans

If a plan is terminated, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end the plan in a "standard termination" but only after showing the PBGC that such plan has enough money to pay all benefits owed to participants. Under a standard termination, a plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly, for life or for a set period of time when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advanced notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC's guarantee ends upon the purchase of an annuity or payment of the lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by the state's law.

Second, if the plan is not fully funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that the PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable, in 2021, the maximum guarantee is \$6,034.09 per month, or \$72,409.08 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from the PBGC before age 65, reflecting the fact that younger retirees are expected to receive more monthly pension checks over their lifetimes. Conversely, the maximum guarantee is higher for an individual who starts receiving benefits from PBGC after age 65. The maximum guarantee by age can be found on the PBGC's website, www.pbgc.gov. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which includes:

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.
- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$5,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

Where to Get More Information

For more information about this notice, contact the Nokia Benefits Resource Center toll-free at 1-888-232-4111, Monday through Friday from 9 a.m. to 5 p.m., Eastern Time.

For more information about the PBGC and benefit guarantees, go to the PBGC's website, www.pbtc.gov, or call the PBGC toll-free at 1-800-400-7242. (TTY/TDD users may call the Federal Relay Service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.)

For identification purposes, the official Plan number of the Plan is PN 007, the Plan sponsor's name is Nokia of America Corporation and the Plan sponsor's employer identification number or "EIN" is 22-3408857.

Disclosure Statement and Disclaimer

This notice is intended to comply with the requirements of section 101(f) of the Employee Retirement Income Security Act of 1974, as amended. The disclosures provided in this notice are based on information available and believed to be accurate as of the date this notice is provided. All computations reflected in these disclosures have been performed based on a good faith interpretation of the applicable statutory and regulatory guidance in effect on the date this notice is provided. Such information and computations include, but are not limited to, the measurement of plan liabilities, reported values of plan assets, and allocation of assets. However, actual results for the Plan Year may change and will not be considered final until filed with the Department of Labor as part of the Annual Report (i.e., the Form 5500). Subsequently, such results will change only by amendment of the Annual Report for the Plan Year. See the Right to Request a Copy of the Annual Report section for information about how to obtain a copy of the Annual Report. The plan sponsor does not undertake any obligation to update or publicly release any revisions to this notice, and no such revisions will be issued, to reflect any changes, including but not limited to, changes in the manner in which particular calculations are performed, changes in expectations, the adoption of plan amendments or any other events or circumstances occurring after this notice is provided.