

**nokian[®]
TYRES**

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

APRIL 2, 2020

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BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Payment of dividend

The Board of Directors proposes that dividend be paid for the fiscal year ending on December 31, 2019 as follows:

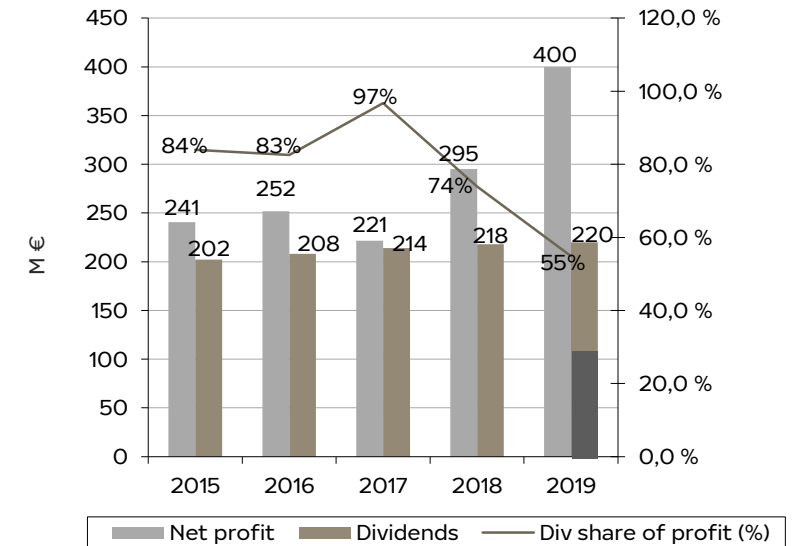
- **A dividend of EUR 0.79 per share to be paid (approx. 110 M€ in total).** The dividend will be paid on April 17, 2020 to shareholders who on the record date on April 6, 2020, are registered in the Company's shareholder register maintained by Euroclear Finland Oy.
- **In addition, the Board to be authorized to decide on dividend payment of a maximum of EUR 0.79 per share (approx. 110 M€ in total) to be distributed in one or several instalments at a later stage.** The possible Board' decision on dividend payment will be published separately and at the same time the pertinent record and payment dates will be confirmed.

Distributable funds in the Parent Company on December 31, 2019 were 774 M€.

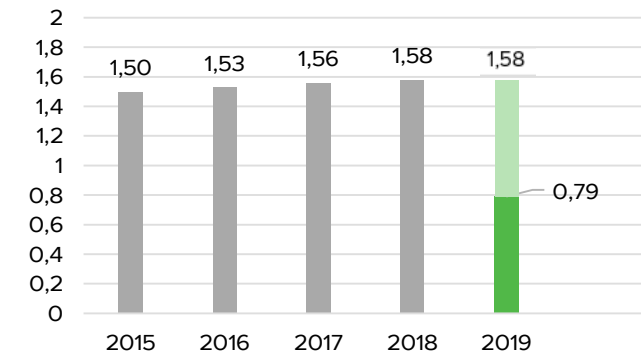
Approx. 554 M€ to be retained in equity if the maximum amount of dividends is paid.

If the Board decides not to use the authorization, the amount to be retained in equity is approx. 664 M€.

NET PROFIT AND DIVIDENDS



DIVIDENDS PER SHARE (EUR)



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Adoption of the Remuneration Policy

The Board of Directors proposes that the General Meeting adopts the Remuneration Policy:

- **The policy is available on the Company's website at** www.nokiantyres.com/annualgeneralmeeting2020

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Board's remuneration

The Personnel and Remuneration Committee's proposal:

Remuneration:

- The monthly fee paid to the Chairman of the Board would be EUR 7,917 or EUR 95,000 per year, the monthly fee paid to the Deputy Chairman of the Board and to the Chairman of the Audit Committee would be EUR 5,833 or EUR 70,000 per year, and the monthly fee paid to Members of the Board would be EUR 3,958 or EUR 47,500 per year.
- 60 per cent of the annual fee be paid in cash and 40 per cent in the Company shares to the effect that in the period from May 6 to June 5, 2020, EUR 38,000 worth of shares in Nokian Tyres plc will be purchased at the stock exchange on behalf of the Chairman of the Board, EUR 28,000 worth of shares in Nokian Tyres plc will be purchased at the stock exchange on behalf of the Deputy Chairman of the Board and Chairman of the Audit committee, and EUR 19,000 worth of shares will be purchased on behalf of each other member of the Board.
- The Company is liable to pay any asset transfer taxes, which may arise from the acquisition of the Company shares.
- Each member of the Board is proposed to receive EUR 600 for meetings held in their home country and EUR 1,200 for meetings held outside their home country. If a member participates in a meeting via telephone or video connection, the remuneration will be EUR 600. Travel expenses are proposed to be compensated in accordance with the Company's travel policy.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Number of members of the Board of Directors

The Personnel and Remuneration Committee's proposal:

- **The Nokian Tyres' Board should consist of eight (8) members**

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Election of members of the Board of Directors

The Personnel and Remuneration Committee's proposal:

The current seven (7) members be re-elected for the one-year term:

- Heikki Allonen,
- Kari Jordan,
- Raimo Lind,
- Veronica Lindholm,
- Inka Mero,
- George Rietbergen,
- Pekka Vauramo, and
- **Jukka Hienonen is proposed to be elected as a new Board member for one-year term.**

The Board members are independent of the company and of any major shareholders of the company.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 1/8

Heikki Allonen, b. 1954

Master of Science

CEO, Hemmings Oy Ab

Member of the Board since 2016

Member of the Audit Committee

Key experience

2016– Hemmings Oy Ab, President and CEO

2008–2016 Patria Oyj, President and CEO

2004–2008 Fiskars Corporation, President and CEO

2001–2004 SRV Group Plc, President and CEO

1992–2001 Wärtsilä Oy, Member of the Board of Management

1991–1992 Metra Oy Ab, VP of Development

1986–1991 Oy Lohja Ab, VP, Corporate Development and Planning

Other simultaneous positions of trust

Vice Chairman of the Board: VR Group Oy

Member of the Board: Detection Technology Plc

Member of the Board: Savox Oy Ab



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 2/8

Kari Jordan, b. 1956

Master of Science (Economics)

Vuorineuvos (Finnish honorary title)

Chairman of the Board, Outokumpu Oyj

Member of the Board since 2018

Independent of the company

Chairman of the Personnel and Remuneration Committee

Key experience

2006–2018 President and CEO, Metsä Group

2004–2017 CEO, Metsäliitto Cooperative

1981–2004 Several management positions in the banking and financial sector at Citibank, OKO bank, KOP bank and Nordea Group

Other simultaneous positions of trust

Chairman of the Board: Outokumpu Oyj

Vice Chairman of Board: Nordea Bank Abp



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 3/8

Raimo Lind, b. 1953

Master of Science (Economics)

Professional Board Member

Member of the Board since 2014

Chairman of the Audit Committee

Key experience

2005–2013 Wärtsilä Corporation, Senior Executive Vice President and deputy to the CEO

1998–2004 Wärtsilä Corporation, CFO

1992–1997 Tamrock Oy; Coal Division President, Service Division President, CFO

1990–1991 Scantrailer Ajoneuvoteollisuus Oy; Managing Director

1976–1989 Service division, Vice President, Wärtsilä Singapore Ltd, MD, Diesel division, VP Group Controller, Wärtsilä

Other simultaneous positions of trust

Chairman of the Board: Nest Capital

Member of the Board: Nordkalk Oy and HiQ AB



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 4/8

Veronica Lindholm, b. 1970
Master of Science (Economics)

CEO, Indoor Group Oy (starting March 11, 2020)

Member of the Board since 2016

Member of the Personnel and Remuneration Committee

Key experience

2015–2019 Finnkino Oy, CEO

2013–2015 Mondelez Finland, CEO

2009–2013 Walt Disney Company Nordic, VP, Chief Marketing Officer

2008–2009 Walt Disney Studios, Head of Digital Distribution EMEA

2000–2008 Walt Disney International Nordic, Marketing Director



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 5/8

Inka Mero, b. 1976

Master of Science (Economics)

Managing Partner & Founder, Voima Ventures VC Fund

Member of the Board since 2014

Member of the Audit Committee

Key experience

2019– Voima Ventures I & II VC Fund, Managing Partner & Founder

2016–2019 Pivot5 Oy (Industryhack Oy), Co-founder and Chairwoman

2008–KoppiCatch Oy, Co-founder and Chairwoman

2006–2008 Playforia Oy, CEO

2005–2006 Nokia Corporation, Director

2001–2005 Digia Plc, VP, Sales and Marketing

1996–2001 Sonera Corporation, Investment Manager

Other simultaneous positions of trust

Chairman of the Board: KoppiCatch Oy and Voima Ventures Oy

Member of the Board: Fiskars Corporation Plc, Dispelix Oy, Infinited Fiber Company Oy, Elfys Oy, Tactotek Oy and Klevu Oy



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 6/8

George Rietbergen, b. 1964
Master of Business Administration

5Square Committed Capital, Partner

Member of the Board since 2017

Key experience

2017– 5Square Committed Capital, Partner;
2016–2017 Nokian Tyres plc, Advisor to the Board;
2015–2016 Arriva Netherlands, COO;
2013–2015 Goodyear Dunlop Tyres, Group Managing Director, DACH, Germany;
2012–2013 Goodyear Dunlop Tyres, Vice President, Commercial Tires, EMEA Belgium;
2010–2012 Goodyear Dunlop Tyres, Group Managing Director, UK & Ireland UK;
2005–2010 Goodyear Dunlop Tyres, General Manager, Benelux Netherlands;
2001–2005 Goodyear Dunlop Tyres, Director Retail and E-Business EMEA, Netherlands;
1999–2001 KLM Royal Airlines, Director of Ebusiness



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Board's Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 7/8

Pekka Vauramo, b. 1957

Master of Science (Technology)

Metso Corporation, President and CEO

Member of the Board since 2018

Member of the Audit Committee

Key experience

2013–2018 Finnair Plc, President and CEO

2007–2013 Various management positions at Cargotec

1995–2007 Various management positions at Sandvik AB

1985–1995 Various management positions at Tamrock Corporation

Other simultaneous positions of trust

Vice Chairman of the Board: Technology Industries of Finland

Member of the Board: Confederation of Finnish Industries



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

The Personnel and Remuneration Committee's nominee for the new Member of the Board of Directors, 8/8

Jukka Hienonen, b. 1961
Master of Science (Economics)

Key experience

2010–2014 SRV Plc, CEO
2005–2010 Finnair Plc, CEO
1995–2005 Stockmann Plc, Deputy CEO 2000–2005, Director 1995–2000
1991–1995 Timberjack Oy, VP Marketing
1985–1991 Kaukomarkkinat Oy, Director 1988–1991, Representative, Moscow 1986–1988

Other simultaneous positions of trust

2015– SATO, Deputy Chairman of the Board
2015– Juuri Partners, Chairman of the Board
2018–2019 Silmäasema Plc, Chairman of the Board
2016–2019 Stockmann Plc, Member of the Board 2016–17, Chairman of the Board 2017–19
2015–2018 Paroc Group, Chairman of the Board
2012–2015 Helsinki Region Chamber of Commerce, Chairman of the Board
2013–2017 Central Chamber of Commerce, Member of the Board
2009–2014 Pohjola Plc, Member of the Board
2006–2009 Ilmarinen, Member of the Board



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Remuneration of the auditor

The Board proposes that the auditor's fees are paid according to auditor's invoices approved by the Company.

Previous years' fees for auditing and other services:

- 2015: audit fees 537,000 €; to KPMG Oy Ab from other services 347,000 €
- 2016: audit fees 437,000 €; to KPMG Oy Ab from other services 739,000 €
- 2017: audit fees 406,000 €; to KPMG Oy Ab from other services 1,009,000 €
- 2018: audit fees 411,326 €; to KPMG Oy Ab from other services 827,885 €
- 2019: audit fees 451,290 €; to KPMG Oy Ab from other services 1,146,556 €

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Election of the auditor

The Board proposes for election of auditor:

KPMG Oy Ab, authorized public accountants, be elected again as auditor for the 2020 financial year.

- KHT, Lasse Holopainen, Authorized Public Accountant
- According to Audit Act the aggregate duration of audit terms of Authorised Public Accountant can not exceed seven years
- KPMG was elected as Auditor in 2012 after competitive bidding

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Authorizing the Board to decide on the repurchase of the company's own shares

The Board proposes that the Annual General Meeting of Shareholders authorize the Board to decide on the repurchase of the company's own shares:

- The Board of Directors proposes to the Annual General Meeting that the Board of Directors be authorized to resolve to repurchase a maximum of 13,800,000 shares in the Company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to approximately 9.9 per cent of all shares in the Company.
- The shares may be repurchased in order to improve the capital structure of the Company, to carry out acquisitions or other arrangements related to the Company's business, to be transferred for other purposes, or to be cancelled, to be used in the Company's incentive plans or if, according to the Board of Directors' understanding, it is in the interest of the shareholders.
- The price paid for the shares repurchased under the authorization shall be based on the market price of the Company's share in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.
- The Company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).
- It is proposed that the authorization be effective until the next Annual General Meeting of Shareholders, however at most until June 30, 2021.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Authorizing the Board of Directors to decide on the issuance of shares and special rights entitling to shares

The Board proposes that the Annual General Meeting of Shareholders authorize the Board to decide on the issuance of shares and special rights entitling to shares :

- The Board of Directors proposes to the Annual General Meeting that the Board be authorized to make a decision to offer no more than 13,800,000 shares through a share issue, or by granting special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act that entitle to shares (including convertible bonds), on one or more occasions.
- The Board may decide to issue new shares or shares held by the Company. The maximum number of shares included in the proposed authorization accounts for approximately 9.9 per cent of all shares in the Company.
- The authorization includes the right to issue shares or special rights through private offering, in other words to deviate from the shareholders' pre-emptive right subject to the provisions of the law. Under the authorization, the Board of Directors would be entitled to decide on the terms and conditions of a share issue, or the granting of special rights under Chapter 10, Section 1 of the Finnish Limited Liability Companies Act, including the recipients of shares or special rights entitling to shares, and the compensation to be paid. It is proposed that this authorization be exercised for purposes determined by the Board of Directors.
- The subscription price of new shares shall be recognized under unrestricted equity reserve. The consideration payable for Company's own shares shall be recognised under unrestricted equity reserve.
- It is proposed that the authorization be effective until the next Annual General Meeting of Shareholders, however at most until June 30, 2021. This authorization revokes all other Board authorizations for share issuances and issuance of special rights.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Authorizing the Board of Directors to establish a Shareholders' Nomination Board

The Board proposes that the Annual General Meeting of Shareholders authorize the Board to establish a Shareholders' Nomination Board:

- The Board of Directors proposes to the Annual General Meeting that the Annual General Meeting decides to establish a Shareholders' Nomination Board to prepare proposals to the Annual General Meeting and, when necessary, to the Extraordinary General Meeting concerning the number of members, the composition, the Chairman and possible Deputy Chairman of the Board of Directors as well as the remuneration of the Board of Directors and Committees as well as to identify possible successor candidates for the members of the Board of Directors. In addition, the Board of Directors proposes that the Annual General Meeting approves the Charter of the Shareholders' Nomination Board. The proposed Charter of the Shareholders' Nomination Board is available on the Company's website at www.nokiantyres.com/annualgeneralmeeting2020.
- The Nomination Board consists of five (5) members of which four (4) members represent the Company's four (4) largest shareholders who (i) on the first banking day of June each year are the largest shareholders as determined on the basis of the shareholders' register of the Company maintained by Euroclear Finland Ltd; and (ii) wish to nominate a member to the Nomination Board, and one (1) member is the Chairman of the Board.
- If a shareholder, who would have the obligation to notify the Company of certain changes in shareholding under the Finnish Securities Markets Act (flagging obligation), presents a written request addressed to the Board by the first banking day of June, the holdings of a corporation or a foundation controlled by such shareholder or such shareholder's holdings in several funds or registers will be combined when determining the nomination right. A holder of nominee-registered shares will be taken into account when determining the composition of the Nomination Board if the holder of nominee-registered shares presents a written request concerning the issue addressed to the Board by the first banking day of June.
- The members of the Nomination Board shall not be entitled to remuneration from the Company on the basis of their membership unless otherwise decided by the General Meeting. The Nomination Board is established to operate until abolished by the decision of the General Meeting. The term of the members of the Nomination Board shall end upon the nomination of the following Nomination Board in accordance with the Charter.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 1/3

The Board of Directors proposes amendments of the articles of associations §4 and §11 as follows:

Current wording:

§4 BOARD OF DIRECTORS

- The Company's administration and proper organization of operations shall be the responsibility of the Board of Directors, consisting of a minimum of four and a maximum of eight members, in accordance with the decision made by the General Meeting of the Shareholders.
- The term of office of the members of the Board of Directors ends at the closing of the first Annual General Meeting following the election.
- The Board of Directors shall elect a Chairman and a Deputy Chairman from among its members until the closing of the next Annual General Meeting.

Proposed new wording:

§4 BOARD OF DIRECTORS

- The Company's administration and proper organization of operations shall be the responsibility of the Board of Directors, consisting of a minimum of four and a maximum of nine members, in accordance with the decision made by the General Meeting of the Shareholders.
- The term of office of the members of the Board of Directors ends at the closing of the first Annual General Meeting following the election.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 2/3

The Board of Directors proposes amendments of the articles of associations §4 and §11 as follows:

Current wording:

§11 ANNUAL GENERAL MEETING

The Annual General Meeting shall be held annually on a day fixed by the Board of Directors, by the end of May.

The Meeting shall be held either at the company's registered place of business or in either the city of Tampere or Helsinki, as decided by the Board of Directors.

The Annual General Meeting shall review:

1. the financial statements, which include the consolidated financial statements, and annual report;

2. the auditor's report;

shall resolve:

3. the adoption of the financial statements;

4. the use of the profit shown on the balance sheet;

5. granting discharge from personal liability to the members of the Board of Directors and the Managing Director;

6. the remuneration payable to the members of the Board of Directors and the auditor;

7. the number of the members of the Board of Directors;

shall elect:

8. the members of the Board of Directors;

9. an auditor; and

shall deal with:

10. any other matters mentioned in the notice of the meeting.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 3/3

The Board of Directors proposes amendments of the articles of associations §4 and §11 as follows:

Proposed new wording:

§11 ANNUAL GENERAL MEETING

The Annual General Meeting shall be held annually on a day fixed by the Board of Directors, by the end of May. The Meeting shall be held either at the company's registered place of business or in either the city of Tampere or Helsinki, as decided by the Board of Directors.

The Annual General Meeting shall review:

1. the financial statements, which include the consolidated financial statements, and annual report;

2. the auditor's report;

shall resolve:

3. the adoption of the financial statements;

4. the use of the profit shown on the balance sheet;

5. granting discharge from personal liability to the members of the Board of Directors and the Managing Director;

6. adoption of the remuneration policy, when necessary;

7. adoption of the remuneration report;

8. the remuneration payable to the members of the Board of Directors and the auditor;

9. the number of the members of the Board of Directors;

shall elect:

10. the members of the Board of Directors;

11. an auditor; and

shall deal with:

12. any other matters mentioned in the notice of the meeting.

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