

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

APRIL 9, 2019

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Dividend policy and payment of dividend

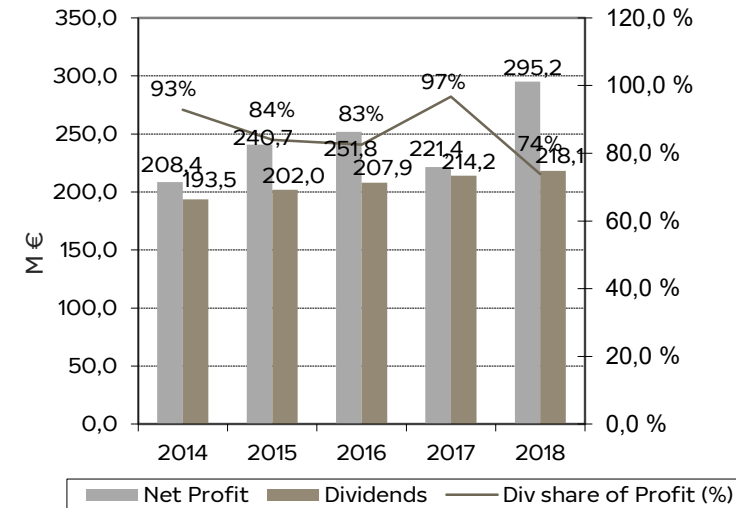
- Dividend policy: Company targets to distribute above 50% of net earnings in dividends.
- Parent Company's distributable funds on Dec 31, 2018 were 683 M€, payment of dividend amounts to 218 M€ and 465 M€ to be retained in shareholders' equity.

The Board of Directors' proposal:

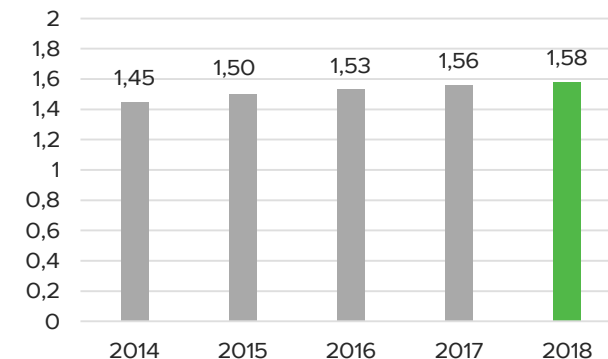
A dividend of EUR 1,58 per share be paid for the fiscal year ended December 31, 2018.

- Dividend is 73.9% of Group's profit for the period.
- The dividend will be paid to shareholders who, on the record date, April 11, 2019, have been entered in the Company's shareholder register maintained by Euroclear Finland Oy.
- The payment date for the dividend is April 24, 2019.

NET PROFIT AND DIVIDENDS



DIVIDENDS PER SHARE (EUR)



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Board's remuneration

The Personnel and Remuneration Committee's proposal:

Remuneration, unchanged:

- The monthly fee paid to the Chairman of the Board would be EUR 7,500 or EUR 90,000 per year, the monthly fee paid to the Deputy Chairman of the Board and to the Chairman of the Audit Committee would be EUR 5,625 or EUR 67,500 per year, and the monthly fee paid to Members of the Board would be EUR 3,750 or EUR 45,000 per year.
- 50% of the annual fee is to be paid in cash and 50% in Company shares to the effect that in the period from April 10 to April 30, 2019, EUR 45,000 worth of shares in Nokian Tyres plc will be purchased at the stock exchange on behalf of the Chairman of the Board, EUR 33,750 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 22,500 worth of shares will be purchased on behalf of other members 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 will 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 eight (8) members be re-elected for the one-year term:

- Heikki Allonen,
- Kari Jordan,
- Raimo Lind,
- Veronica Lindholm,
- Inka Mero,
- George Rietbergen,
- Pekka Vauramo, and
- Petteri Walldén

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

President and CEO, Hemmings Oy Ab

Member of the Board since 2016
Member of the Audit Committee

Key experience

2016– President and CEO, Hemmings Oy Ab
2008–2016 President and CEO, Patria Group
2004–2008 President and CEO, Fiskars Plc
2001–2004 President and CEO, SRV Plc
1992–2001 Member of the Board of Management, Wärtsilä Corporation (Metra Oy Ab)
1991–1992 VP, Corporate Development and Planning, Metra Oy Ab
1986–1991 VP, Corporate Development and Planning, Oy Lohja Ab

Other simultaneous positions of trust

Vice Chairman of the Board: VR Group Oy
Member of the Board and Chairman of the Audit Committee:
Detection Technology Oyj
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

Chairman of the Supervisory Board: Varma Mutual Pension Insurance Company



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 Senior Executive Vice President and deputy to the CEO, Wärtsilä

1998–2013 CFO, Wärtsilä

1992–1997 Coal division president, Service division president, CFO, Tamrock

1990–1991 Managing Director, Scantrailer

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: Elisa Oyj and 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, Finnkino Oy

Member of the Board since 2016

Member of the Personnel and Remuneration Committee

Key experience

2015– CEO, Finnkino Oy

2013–2015 CEO, Mondelez Finland

2009–2013 Vice President, Chief Marketing Officer, Walt Disney Company Nordic

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

2000–2008 Marketing Director, Walt Disney International Nordic

Other simultaneous positions of trust

Chairman of the Board: Forum Cinemas SIA and Forum Cinemas UAB

Member of the Board: Service Sector Employers PALTA and the Finnish Chamber of Films

Member of the Supervisory Board: Forum Cinemas AS



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)

Partner and Chairwoman, Industryhack Oy

Member of the Board since 2014

Member of the Audit Committee

Key experience

2018– Partner and Chairwoman, Industryhack Oy

2016– Co-Founder and Chairwoman, Pivot5 Oy

2008– Co-Founder and Chairwoman, KoppiCatch Oy

2006–2008 CEO, Playforia Oy

2005–2006 Director, Nokia Plc

2001–2005 VP Sales and Marketing, Digia Plc

1996–2001 Investment Manager, Sonera Corporation

Other simultaneous positions of trust

Chairman of the Board: Industryhack Oy and KoppiCatch Oy

Member of the Board: Fiskars Corporation and YIT Corporation



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

Partner of 5Square Committed Capital

Member of the Board since 2017

Key experience

2017–Partner, 5Square Committed Capital

2016– Advisor to the board, Nokian Tyres plc

2015–2016 COO, Arriva Netherlands

2013–2015 Group Managing Director, Goodyear Dunlop, DACH, Germany

2012–2013 Vice President, Goodyear Dunlop, Commercial Tires, EMEA Belgium

2010–2012 Group Managing Director, Goodyear Dunlop, UK & Ireland UK

2005–2010 General Manager, Goodyear Dunlop, Benelux Netherlands

2002–2005 Director, Goodyear Dunlop, Retail, EMEA Netherlands

2001–2002 Director, Goodyear Dunlop, E-Business and Retail Business, EMEA Netherlands

1999–2001 Director of E-Business, KLM Royal Airlines



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)

President and CEO, Metso Corporation

Member of the Board since 2018

Member of the Audit Committee

Key experience

2013–2018 President and CEO, Finnair Plc

2007–2013 Various management positions at Cargotec

1985–2007 Various management positions at Sandvik

Other simultaneous positions of trust

Member of the Board: Boliden Group



BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

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

Petteri Waldén, b. 1948

Master of Science (Technology)

CEO, Wapiti Oy

Member of the Board since 2005

Chairman of the Board

Member of the Personnel and Remuneration Committee

Key experience

2007–2010 President and CEO, Alteams Oy

2001–2005 President and CEO, Onninen Oy

1996–2001 President and CEO, Ensto Oy

1990–1996 President and CEO, Nokia Kaapeli Oy

1987–1990 President and CEO, Sako Oy

Other simultaneous positions of trust

Chairman of the Board: Componenta Corporation and Savonlinna Opera Festival

Vice Chairman of the Board: Tikkurila Oyj

Member of the Board: Efla Oy and Kuusakoski Group Oy



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:

- 2014: audit fees 435,000 €; to KPMG Oy Ab from other services 266,000 €
- 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 €

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Election of auditor

The Board proposes for election of auditor:

KPMG Oy Ab, authorized public accountants, be elected again as auditor for the 2019 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 the company's own shares

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

- The Board of Directors proposes that the Annual General Meeting of Shareholders authorize the Board of Directors to resolve to repurchase a maximum of 5,000,000 shares in the Company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds to 3.6% 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, 2020.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 1/4

The Board of Directors proposes amendments of the articles of associations §8, 9 and 11 as follows:

Current wording:

§8 Auditor

- The company shall have one auditor, which must be an authorized public accountant firm approved by the Central Chamber of Commerce.
- The auditor's term of office terminates at the end of the first Annual General Meeting following their election.

Proposed new wording:

§8 Auditor

- The company shall have one (1) auditor which must be an auditing firm authorized by the Finnish Patent and Registration Office. The auditor's term of office expires at the end of the first Annual General Meeting following the election.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 2/4

The Board of Directors proposes amendments of the articles of associations §8, 9 and 11 as follows:

Current wording:

§9 Notice of Meeting

- The notice to Annual General Meeting must be published, in accordance with the Board of Directors' decision, on the company's website and in one national and one Tampere region daily newspaper, no earlier than three months before the record date referred to in Chapter 4, section 2, subsection 2 of the Finnish Companies Act and no later than three weeks before the Annual General Meeting. The invitation must, however, be delivered no later than nine days before the record date of the Meeting.

Proposed new wording:

§9 Notice of General Meeting

- The notice of a General Meeting shall be published on the company's website, no earlier than three months before the record date referred to in the Finnish Limited Liability Companies Act and no later than three weeks before the General Meeting. The notice must, however, be delivered no later than nine days before the record date of the General Meeting.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 3/4

The Board of Directors proposes amendments of the articles of associations §8, 9 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, consisting of the Profit and Loss Account, Balance Sheet and Annual Report;
 - 2. the Auditor's report;
- shall resolve:
 - 3. the Consolidation of the Profit and Loss Account and Balance Sheet;
 - 4. the disposal of profit shown in 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 Auditors;
 - 7. the number of members on the Board of Directors;
- shall elect:
 - 8. the members of the Board of Directors;
 - 9. an Auditor.

BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

Amendments of the articles of association 4/4

The Board of Directors proposes amendments of the articles of associations §8, 9 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. 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:

- 20
- 10. any other matters mentioned in the notice of the meeting.



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