

# BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

APRIL 10, 2018

# BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

## Dividend policy and payment of dividend

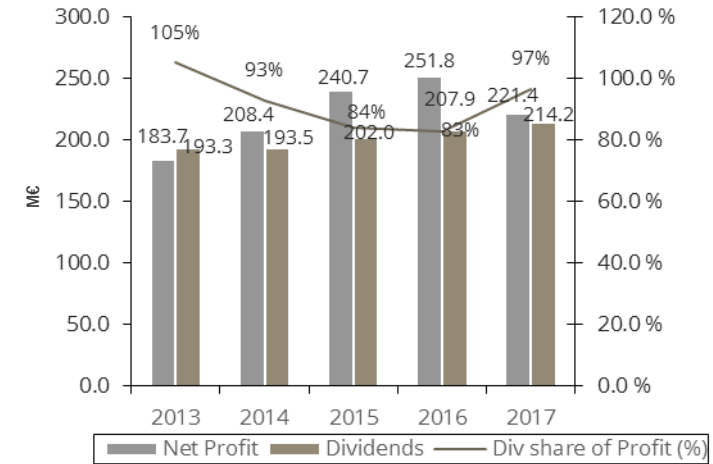
- Dividend policy: Company targets to distribute at least 50% of Net Results in dividends.
- Parent Company's distributable funds on Dec 31, 2017 were 658.0 M€, payment of dividend amounts to 214.2 M€ and 443.8 M€ to be retained in shareholders' equity.

### The Board of Directors' proposal:

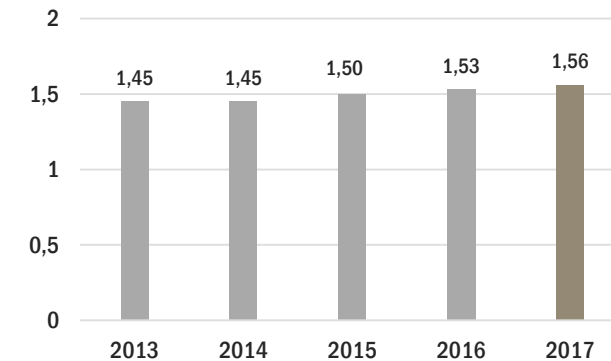
**A dividend of EUR 1,56 per share be paid for the fiscal year ended December 31, 2017.**

- Dividend is 97% of Group's profit for the period.
- The dividend will be paid to shareholders who, on the record date, April 12, 2018, have been entered in the Company's shareholder register maintained by Euroclear Finland Oy.
- The payment date for the dividend is April 25, 2018.

## 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:

- 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 the 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 11 to April 30, 2018, 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 the Chairman of the Audit committee, and EUR 22,500 worth of shares will be purchased on behalf of each Board Member.
- The company is liable to pay any asset transfer tax which may arise from the acquisition of the 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 would 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 six members be re-elected for the one-year term:**

- Heikki Allonen,
- Raimo Lind,
- Veronica Lindholm,
- Inka Mero,
- George Rietbergen, and
- Petteri Walldén

#### **The new proposed members are as follows:**

- Kari Jordan, and
- Pekka Vauramo, President & CEO, Finnair Oyj

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

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

Chairman of the Board: Robit Oyj

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**

**Raimo Lind, b. 1953**

Master of Science (Economics)

Member of the Board since 2014

Deputy Chairman (since November 14, 2017)

Chairman of the Audit Committee

Member of the Personnel and Remuneration Committee  
(since November 14, 2017)

## **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 Plc and Nest Capital

Member of the Board: 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, 3/8**

**Veronica Lindholm, b. 1970**  
Master of Economics

CEO, Finnkino Oy

Member of the Board since 2016

Member of the Personnel and Remuneration Committee

## **Key experience**

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, 4/8**

**Inka Mero, b. 1976**  
Master of Economics

Chairwoman and Partner, Industryhack Oy

Member of the Board since 2014  
Member of the Audit Committee

## **Key experience**

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, KoppiCatch Oy and Pivot5 Oy

Member of the Board: Fiskars Oyj and YIT Oyj



# 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**

**George Rietbergen, b. 1964**  
Master, Business Administration

Partner of 5Square Committed Capital

Member of the Board since 2017  
Member of the Audit Committee

## **Key experience**

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 Ebusiness, KLM Royal Airlines



# 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**

**Petteri Walldén, b. 1948**

Master of Science (Engineering)

Member of the Board since 2005

Chairman of the Board

Chairman of the Personnel and Remuneration Committee  
(since November 14, 2017)

## **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

**The Personnel and Remuneration Committee's nominee for the Member of the Board of Directors, 7/8 – new member**

**Kari Jordan, b. 1956**

Master of Science (Economy)

Vuorineuvos (Finnish honorary title)

## **Key experience**

2006–31.3.2018 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

Chairman of the Supervisory Board: Varma Mutual Pension Insurance Company



# BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

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

**Pekka Vauramo, b. 1957**

Master of Science (Mining)

President and CEO, Finnair Oyj

## **Key experience**

Mr. Vauramo held different management position between 2007 and 2013 in Cargotec, and was based in Hong Kong as COO of the MacGregor Business Area.

Between 1985 and 2007 Mr. Vauramo worked at Sandvik, a Swedish mining and construction company.

## **Other simultaneous positions of trust**

Member of the Board: Glaston Plc (until April 10, 2018)  
and Boliden Group



# 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:

- 2013: audit fees 494,000 €; to KPMG Oy Ab from other services 238,000 €
- 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 €

# BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

## Election of auditor

### **The Board proposes for election of auditor:**

**KPMG Oy Ab, authorised public accountants, be elected again as auditor for the 2018 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 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, for carrying out acquisitions or other arrangements related to the Company's business, to be transferred for other purposes, or to be cancelled, 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, 2019.



# BOARD'S PROPOSALS TO THE ANNUAL GENERAL MEETING

## Authorizing the Board to decide for a share issue

### **The Board proposes that the Annual General Meeting of Shareholders authorize the Board to decide for a share issue:**

- The Board of Directors proposes that at the Annual General Meeting the Board be authorized to make a decision to offer no more than 25,000,000 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 18.2% 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 will 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 the Company's own shares shall be recognized 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, 2019. This authorization will invalidate all other Board authorizations regarding share issues and special rights.

An aerial photograph showing a two-lane asphalt road with a white dashed center line and a white edge line. A white car is driving on the road. To the right of the road is a rocky river with white water rapids, surrounded by dense green forest. The left side of the road is also a dense forest with some yellowing trees. The overall scene is a scenic, natural landscape.

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