

Board's proposals to the Annual General Meeting

12 April, 2016

Board's proposals to the AGM

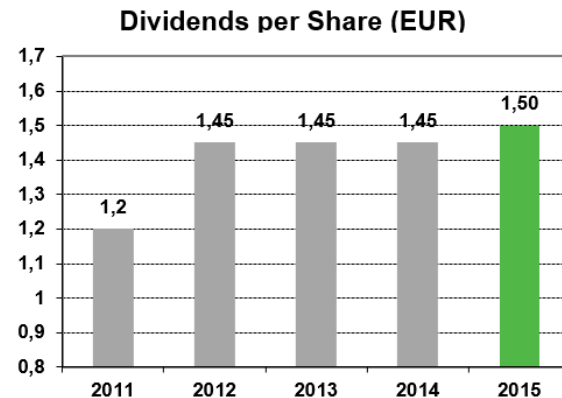
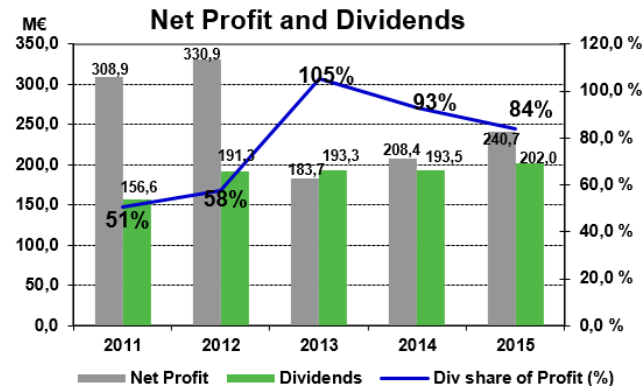
Dividend policy and payment of dividend

- Dividend policy: Company targets to distribute at least 50% of net profits in dividends.
- Parent company's distributable funds on 31 Dec 2015 were 575.6 m€, profit for 2015 was 216.2 m€, payment of dividend amounts to 202.0 m€, 373.6 m€ to be retained in shareholders' equity.

The Board of Directors' proposal:

A dividend of EUR 1,50 per share be paid for the fiscal year ended 31 December 2015.

- Dividend is 84% of profit for the period.
- The dividend will be paid to shareholders who, on the record date, 14 April 2016, have been entered in the Company's shareholder register maintained by Euroclear Finland Oy.
- The payment date for the dividend is 28 April, 2016.



Board's proposals to the AGM

Remuneration of the members of the Board

The Nomination and Remuneration Committee's proposal:

Remuneration unchanged

- The monthly fee paid to the Chairman of the Board would be EUR 6,667 or EUR 80,000 per year, and the monthly fee paid to Members of the Board EUR 3,333 or EUR 40,000 per year.
- 50% of the annual fee be paid in cash and 50% in company shares to the effect that in the period from 13 April to 30 April 2016, EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board and EUR 20,000 worth of shares on behalf of each Board Member.
- The company is liable to pay any asset transfer taxes which may arise from the acquisitions of shares.
- For meetings of the Board and its committees, it is proposed that a meeting fee of EUR 600 be paid to every member who attends a meeting.
- It is proposed that Board Member's travel expenses be compensated in accordance with the company's travel policy.

Board's proposals to the AGM

Number of members of the Board of Directors

The Nomination and Remuneration Committee's proposal:

The Board should consist of seven members.

Board's proposals to the AGM

Election of members of the Board of Directors

The Nomination and Remuneration Committee's proposal:

Seven nominees for the Board

- **Hille Korhonen**
 - **Tapio Kuula**
 - **Raimo Lind**
 - **Inka Mero**
 - **Petteri Walldén**
(five Board members of current six to continue) and two new members
 - **Heikki Allonen**
 - **Veronica Lindholm**
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- The Board members are independent of the company and of any major shareholders of the company.

Board's proposals to the AGM

Board's Nomination and Remuneration Committee's nominee for the Member of the Board of Directors, 1/7



Hille Korhonen, b. 1961
Licentiate of Technology

President and CEO, Alko Inc.

Member of the Nokian Tyres Board since 2006. Member of the Nomination and Remuneration Committee.

Other simultaneous positions of trust

Member of the Board: Finnish Commerce and Ilmarinen Mutual Pension Insurance Company

Board's proposals to the AGM

Board's Nomination and Remuneration Committee's nominee for the Member of the Board of Directors, 2/7



Tapio Kuula, b. 1957

M.Sc. (Econ), M.Sc. (Electrical Engineering), B.Sc. (Econ)

Member of the Nokian Tyres Board since 2015. Member of Audit Committee.

Other simultaneous positions of trust

Co-Chairman: Northern Dimension Business Council

Member of the Board: Fortum Plc and Finnish-Russian Chamber of Commerce

Board's proposals to the AGM

Board's Nomination and Remuneration Committee's nominee for the Member of the Board of Directors, 3/7



Raimo Lind, b. 1953

M.Sc, Econ

Member of the Nokian Tyres Board since 2014. Chairman of the Audit Committee.

Other simultaneous positions of trust

Chairman of the Board: Elisa Plc and Evac Group Oy

Member of the Board: Capman Credit and HiQ AB

Board's proposals to the AGM

Board's Nomination and Remuneration Committee's nominee for the Member of the Board of Directors, 4/7



Inka Mero, b. 1976

Master of Economics

Co-Founder and Chairwoman KoppiCatch Ltd

Member of the Nokian Tyres Board since 2014. Member of the Audit Committee.

Other simultaneous positions of trust

Chairman of the Board: IndoorAtlas Oy, KoppiCatch Oy and Pivot5 Oy

Member of the Board: Fiskars Oyj, KMX Holding Oy, Staffpoint Holding Oy, StartupSauna Foundation and YIT Oyj

Board's proposals to the AGM

Board's Nomination and Remuneration Committee's nominee for the Member of the Board of Directors, 5/7



Petteri Walldén, b. 1948
Master of Science

Member of the Nokian Tyres Board since 2005. Chairman of the Board and the Nomination and Remuneration Committee.

Other simultaneous positions of trust

Chairman of the Board: Savonlinnan Oopperajuhlat

Vice Chairman of the Board: Tikkurila plc

Member of the Board: Efla Oy, Kuusakoski Group Oy, SE Mäkinen

Logistics Oy and Staffpoint Holding Oy

Board's proposals to the AGM

Board's Nomination and Remuneration Committee's nominee for the Member of the Board of Directors, 6/7



Heikki Allonen, b. 1954 – new member
Master of Science

President and CEO, Patria Group

Key experience

2008– 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: Millog Oy and Nammo AS

Vice Chairman of the Board: VR Group Oy

Member of the Board and Chairman of Audit Committee: Detection Technology Oyj

Member of the Board: Teknologiateollisuus ry

Member of Supervisory Board: Ilmarinen Mutual Pension Insurance Company

Board's proposals to the AGM

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



Veronica Lindholm, b. 1970 – new member
Master of Economics

CEO, Finnkino Oy

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

Member of the Board: PALTA and The Finnish Chamber of Films

Board's proposals to the AGM

Remuneration of the auditor

Board's proposal:

Auditors' fees are paid according to auditor's invoices approved by Nokian Tyres.

Previous years' fees for auditing and other services:

- 2011: audit fees 510,000 €; to KPMG Oy Ab from other services 211,000 €
- 2012: audit fees 543,000 €; to KPMG Oy Ab from other services 306,000 €
- 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 €

Board's proposals to the AGM

Election of auditor

Board's proposal:

KPMG Oy Ab, authorised public accountants, be elected as auditors for the 2016 financial year.

- Auditor: KPMG Oy Ab, authorised public accountants
 - Lasse Holopainen, Authorised 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 AGM

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

Board's proposal:

- 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 3.7 per cent of all shares of 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, for the Company's incentive plans, or if according to the Board of Directors' comprehension, it is the interest of 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.
- 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 12 October 2017.