A close-up, low-angle shot of the front right corner of a silver car parked on a grassy field. The car's headlight, side mirror, and front wheel are visible. The background is a blurred landscape with a body of water and trees under a clear blue sky.

# **Board's proposals to the Annual General Meeting**

**April 10, 2017**

# Board's proposals to the AGM

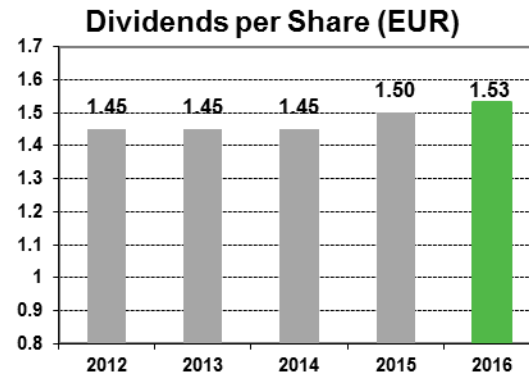
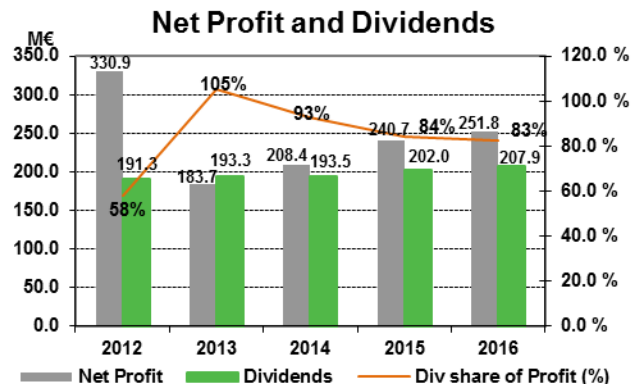
## Dividend policy and payment of dividend

- Dividend policy: Company targets to distribute at least 50% of Net Result in dividends.
- Parent company's distributable funds on Dec 31, 2016 were 608.6 m€, profit for 2016 was 196.7 m€, payment of dividend amounts to 207.9 m€, 400.7 m€ to be retained in shareholders' equity.

### The Board of Directors' proposal:

**A dividend of EUR 1,53 per share be paid for the fiscal year ended December 31, 2016.**

- Dividend is 83% of profit for the period.
- The dividend will be paid to shareholders who, on the record date, April 12, 2017, have been entered in the Company's shareholder register maintained by Euroclear Finland Oy.
- The payment date for the dividend is April 27, 2017.



# Board's proposals to AGM

## Change to Articles of Association

### The Board proposes a change in Article 4 of the Articles of Association:

- **Current wording of Article 4:**

The Company's administration and proper organization of operations shall be the responsibility of the Board of Directors, consisting of a minimum of three 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 from among its members until the closing of the next Annual General Meeting.

- **New proposed wording of Article 4:**

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.

# Board's proposals to AGM

## Board's remuneration

### The Personnel and Remuneration Committee's proposal:

#### ■ Remuneration:

- The monthly fee paid to the Chairman of the Board would be EUR 6,667 or EUR 80,000 per year,
- The monthly fee paid to the Deputy Chairman of the Board and to the Chairman of the Audit Committee would be EUR 5,000 or EUR 60,000 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 to be paid in cash and 50% in Company shares to the effect that in the period from 11 April to 30 April 2017 EUR 40,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Chairman of the Board
  - EUR 30,000 worth of Nokian Tyres plc shares will be purchased at the stock exchange on behalf of the Deputy Chairman of the Board and Chairman of the Audit committee
  - EUR 20,000 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 shares
- Each member of the Board will receive a meeting fee of EUR 600 per attended meeting. If a Board Member's habitual residence is outside Finland the meeting fee is EUR 1,200 per attended meeting.
- Travel expenses to 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 Personnel and Remuneration Committee's proposal:**

- **The Nokian Tyres' Board should consist of eight members.**

# Board's proposals to the AGM

## Election of members of the Board of Directors

### The Personnel and Remuneration Committee's proposal:

#### Eight nominees for the Board

- Heikki Allonen
  - Hille Korhonen
  - Tapio Kuula
  - Raimo Lind
  - Veronica Lindholm
  - Inka Mero
  - Petteri Walldén  
(seven Board members of current seven to continue) and one new member
  - George Rietbergen
- 
- The Board members are independent of the company and of any major shareholders of the company.

## **Board's proposals to the AGM**

Board's 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.

### **Other simultaneous positions of trust**

Vice Chairman of the Board: VR Group Oy

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

## **Board's proposals to the AGM**

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



**Hille Korhonen**, b. 1961  
Licentiate of Technology.

President and CEO, Alko Inc.

Member of the Nokian Tyres Board since 2006.

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



**Tapio Kuula**, b. 1957

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

Member of the Board since 2015.

Chairman of the Personnel and Remuneration Committee.

### **Other simultaneous positions of trust**

Co-Chairman: Northern Dimension Business Council

Member of the Board: Fortum Plc

## **Board's proposals to the AGM**

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



**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, Evac Group Oy, Nest Capital

Member of the Board: HiQ AB

## **Board's proposals to the AGM**

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



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

CEO, Finnkino Oy.

Member of the Board since 2016.

### **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 AGM**

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



**Inka Mero**, b. 1976

Master of Economics.

Co-Founder and Chairman, Pivot5 Oy.

Member of the Nokian Tyres Board since 2014.

Member of the Audit Committee.

### **Other simultaneous positions of trust**

Chairman of the Board: KoppiCatch Oy

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

## **Board's proposals to the AGM**

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

**Petteri Walldén**, b. 1948  
Master of Science.

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

### **Other simultaneous positions of trust**

Chairman of the Board: Savonlinna Operafestival

Vice Chairman of the Board: Tikkurila plc

Member of the Board: Efla Oy, Kuusakoski Group Oy and Staffpoint Holding Oy



## Board's proposals to the AGM

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



**George Rietbergen**, b. 1964 – new member  
Catholic University, Netherlands.  
Master, Business Administration.

### **Key experience:**

- 2016 Advisor to the board, Nokian Tyres Plc
- 2015 COO dept. CEO Arriva Netherlands
- 2013-2015 Group Managing Director, DACH Goodyear Dunlop Tyres
- 2012-2013 Vice President Commercial EMEA Goodyear Dunlop Tyres
- 2009-2012 Group Managing Director UK & Ireland Goodyear Dunlop Tyres
- 2004-2009 Gen. Manager BeNeLux Goodyear Dunlop Tyres
- 2001-2004 Director Retail EMEA Goodyear Dunlop Tyres

### **Other simultaneous positions of trust:**

Non-executive Board Member Stadion Connected B.V

# Board's proposals to the AGM

## Remuneration of the auditor

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

Previous years' fees for auditing and other services:

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 €

2016: audit fees 437,000 €; to KPMG Oy Ab from other services 739,000 €

# Board's proposals to the AGM

## Election of auditor

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

**KPMG Oy Ab, authorised public accountants, be elected as auditors for the 2017 financial year.**

- 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 AGM

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

### The Board asks authorization 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 3.7 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 October 10, 2018.

# Board's proposals to AGM

## Authorizing the Board to decide for a share issue

### The Board asks for authorization for a share issue

- The Board of Directors proposes that at the Annual General Meeting the Board should 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 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 18.4% of the company's shares.
- 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 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 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.
- The authorization will be effective for two years from the decision made at the Annual General Meeting. This authorization will invalidate all other Board authorizations regarding share issues and convertible bonds.