

CORPORATE GOVERNANCE STATEMENT

I Introduction

During 2020 Nokian Tyres plc (hereinafter referred to as “Nokian Tyres” or the “Company”) complied in full with the Corporate Governance Code published by the Securities Market Association that entered into force on January 1, 2020 (the “Corporate Governance Code 2020”) and the Company complies with the recommendations in the said code. This Corporate Governance Statement has been prepared in accordance with the Corporate Governance Code 2020. The Corporate Governance Code 2020 is available in its entirety at www.cgfinland.fi/en/. The Company follows the Finnish Limited Liability Companies Act, laws and regulations relating to publicly listed companies in Finland, the Articles of Association, the charters of the Board of Directors and the committees, the Nasdaq Helsinki rules and regulations, and the orders and instructions from the European Securities and Markets Authority as well as the Financial Supervisory Authority.

The Company publishes its Corporate Governance Statement as a separate document and as part of the Financial Review. The Company has prepared a separate remuneration report in accordance with the Corporate Governance Code 2020. The statement and said report are available on the Company’s website at www.nokiantyres.com under Investors – Corporate Governance.

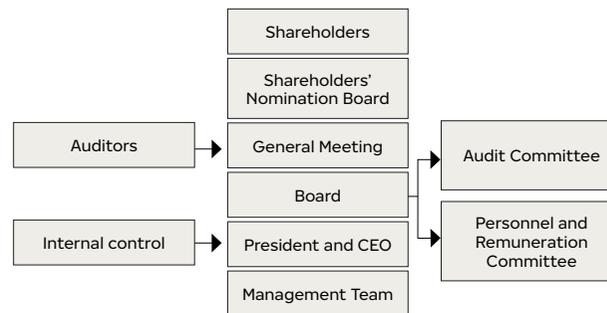
The Company’s corporate governance is based on the General Meeting, the Articles of Association, the Board of Directors, the President and CEO, the Group’s Management Team, the legislation and regulations mentioned hereinabove as well as the Group’s policies, procedures, and practices. The Board of Directors has approved the Corporate Governance Statement. The Company’s auditor verifies that the statement and its related descriptions of the internal reporting controls and risk management correspond to the financial reporting process. The statement will not be updated during the

financial period; however, up-to-date information will be updated on the Company’s website at www.nokiantyres.com/company/investors/.

II Descriptions concerning governance

Nokian Tyres is a Finnish limited liability company and its registered place of business is Nokia. The parent company Nokian Tyres plc and its subsidiaries form the Nokian Tyres Group. The administrative bodies of the parent company Nokian Tyres plc, i.e. the General Meeting, the Board of Directors and the President and CEO, are responsible for the administration and operation of the Nokian Tyres Group. The General Meeting elects the members of the Board of Directors, and the Chairman and the Deputy Chairman of the Board upon the proposal by the Shareholders’ Nomination Board, and the Board of Directors appoints the Company’s President and CEO. The President and CEO is assisted by the Group’s Management Team in leading the Company’s operations.

Nokian Tyres’ administrative organization



General Meeting

The Company’s highest decision-making power is held by the General Meeting, whose tasks and procedures are outlined in the Limited Liability Companies Act and the Articles of Association. The Annual General Meeting decides on such matters as the confirmation of the Company’s annual accounts, profit distribution, and discharging the Board of Directors and the President and CEO from liability. Furthermore, the Annual General Meeting decides on the number of members in the Board of Directors, the selection of the board members and the auditor, and their remuneration. In addition, the General Meeting can make decisions on questions such as amendments to the Articles of Association, share issues, granting warrants, and acquisition of the company’s own shares.

The Annual General Meeting is held by the end of May of each year on a date determined by the Board of Directors, either at the Company’s registered place of business or in the city of Tampere or Helsinki. An extraordinary general meeting is summoned whenever the Board considers this to be necessary or if an auditor or a group of shareholders with a holding of a total of at least one-tenth of all the shares in the Company requires it in writing in order to address a particular issue.

According to law, a shareholder has the right to have a matter falling within the competence of the General Meeting dealt with by the General Meeting, if the shareholder so demands in writing from the Board of Directors well in advance of the General Meeting, so that the matter can be mentioned in the notice to the meeting. The shareholder shall submit the request for having a matter to be dealt with by the General Meeting by the date indicated on the Company’s website.

The Articles of Association state that the notice of a General Meeting shall be published on the Company's website. In addition, the Company publishes the notice of a General Meeting as a stock exchange release. The invitation lists the agenda of the meeting.

The Company's Articles of Association are available on the Company's website at www.nokiantyres.com/company/investors/.

Shareholders are entitled to participate in the General Meeting if they are registered in the Company's shareholders' register, maintained by Euroclear Finland Oy, on the record date separately indicated by the Company. A holder of nominee registered shares can be temporarily registered in the shareholders' register of the Company for purposes of participation in the General Meeting.

According to the Corporate Governance Code 2020, the Chairman of the Board, the Board members and the President and CEO must be present at the General Meeting, and the auditor must be present at the Annual General Meeting. Board member candidates must be present at the General Meeting deciding on their election.

The Annual General Meeting for 2020 took place on April 2, 2020 at the Company's headquarters in Nokia. The meeting confirmed the consolidated financial statements, discharged the Board members and the President and CEO from liability for the fiscal year 2019, adopted the remuneration policy of the Company, resolved to establish a Shareholders' Nomination Board and decided to amend the Articles of Association of the Company. All of the documents related to the Annual General Meeting are available on the Company's website at www.nokiantyres.com/company/investors/.

The Annual General Meeting for 2021 will take place on March 30, 2021 at 4:00 p.m.

Board of Directors

Operation of the Board of Directors

The Board is responsible for the Company's corporate governance and the appropriate organization of its operations pursuant to the Finnish Limited Liability Companies Act and other regulations. The Board holds the general authority in company-related issues, unless other company bodies have the authority under the applicable

legislation or the Articles of Association. The policies and key tasks of the Board are defined in the Finnish Limited Liability Companies Act, the Articles of Association, and the Board's charter. The key tasks include:

- Approving consolidated financial statements, half year reports and interim reports
- Presenting matters to the General Meeting
- Appointing and dismissing the President and CEO
- Organization of financial control.

In addition, as defined in the Board charter, the Board deals with, and decides on, matters of principle as well as issues that carry financial and business significance, such as:

- Group strategy
- The Group's action, budget, and investment plans
- The Group's risk management and reporting procedures
- Decisions concerning the structure and organization of the Group
- Significant individual investments, acquisitions, divestments, and reorganizations
- The Group's insurance and financing policies
- Reward and incentive schemes for the Group's management
- Appointing Board committees, and
- Monitoring and evaluating the actions of the President and CEO.

The Company has a separate Audit Committee, a Personnel and Remuneration Committee and a Shareholders' Nomination Board.

The President and CEO of Nokian Tyres is in charge of ensuring that the Board members have the necessary and sufficient information on the Company's operations. The Board assesses its activities and operating methods by carrying out a self-evaluation once a year. Members of the Board and the President and CEO will not participate in making a decision where the law states that they must be disqualified.

Composition of the Board

According to the Articles of Association of Nokian Tyres, the Board of Directors comprises no fewer than four and no more than nine members. The proposal regarding the composition and remuneration of the Board for the General Meeting is prepared by the Shareholders' Nomination Board. The number of Board members and the composition of the Board shall be such that the Board is capable of efficiently carrying out its tasks, while taking into account the requirements set by the Company's operations and its stage of development. The elected Board members must be qualified for the task and able to devote a sufficient amount of time for the Board duties.

Members of the Board are elected at the Annual General Meeting for a one-year term of office that begins after the closing of the Annual General Meeting and ends at the end of the next Annual General Meeting. In 2020, the Board of Directors appointed the Chairman and the Deputy Chairman from among its members. Following the establishment of the Shareholders' Nomination Board, the Chairman and the Deputy Chairman of the Board of Directors are appointed from among the Board members by the Annual General Meeting upon the proposal by the Shareholders' Nomination Board. The remuneration payable to the Board members is also decided at the Annual General Meeting.

Information on the Board members

The Annual General Meeting on April 2, 2020 elected eight Board members. The Board members Heikki Allonen, Kari Jordan, Raimo Lind, Veronica Lindholm, Inka Mero, George Rietbergen and Pekka Vauramo were re-elected. It was also resolved to elect Jukka Hienonen as a new member of the Board of Directors. In the constituent meeting held after the Annual General Meeting, the Board appointed Jukka Hienonen as its Chairman and Kari Jordan as the Deputy Chairman.

Jukka Hienonen, Chairman of the Board (b. 1961)

Member of the Board since 2020. Member of the Personnel and Remuneration Committee. Member of the Shareholders' Nomination Board.

Education: Master of Science (Economics)
Main occupation: Professional board member

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

Key positions of trust:

Chairman of the Board: Juuri Partners
Deputy Chairman of the Board: SATO

Kari Jordan, Deputy Chairman of the Board (b. 1956)

Member of the Board since 2018. Chairman of the Personnel and Remuneration Committee.

Vuorineuvos (Finnish honorary title)

Education: Master of Science (Economics)
Main occupation: Chairman of the Board, Outokumpu Oyj

Key experience:

2006–2018 Metsä Group, President and CEO
2004–2017 Metsälitto Cooperative, CEO
1981–2004 Several Executive positions in the banking and financial sector at Citibank, OKO Bank, KOP Bank and Nordea Group

Key positions of trust:

Chairman of the Board: Outokumpu Oyj
Vice Chairman of the Board: Nordea Bank Abp

Heikki Allonen (b. 1954)

Member of the Board since 2016. Member of the Audit Committee.

Education: Master of Science (Technology)
Main occupation: Professional board member

Key experience:

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 Oyj, VP, Corporate Development, Member of the Board of Management
1986–1992 Oy Lohja Ab/Metra Oy Ab, Management positions

Key positions of trust:

Vice Chairman of the Board: VR Group Oy and Savox Oy Ab
Member of the Board: Detection Technology Plc and Helsingin Satama Oy

Raimo Lind (b. 1953)

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

Education: Master of Science (Economics)
Main occupation: Professional board member

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 Wärtsilä, Service division, Vice President; Wärtsilä Singapore Ltd, Managing Director; Wärtsilä Diesel division, Vice President Group Controller

Key positions of trust:

Member of the Board: Nordkalk Oy

Veronica Lindholm (b. 1970)

Member of the Board since 2016. Member of the Personnel and Remuneration Committee.

Education: Master of Science (Economics)
Main occupation: CEO, Indoor Group Oy

Key experience:

2020– Indoor Group Oy, CEO
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

Key positions of trust:

Member of the Board: Finland Chamber of Commerce

Inka Mero (b. 1976)

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

Education: Master of Science (Economics)
Main occupation: Managing Partner & Founder, Voima Ventures VC Fund

Key experience:

2019– Voima Ventures I & II VC Fund, Managing Partner & Founder
2008– KoppiCatch Oy, Co-founder and Chairwoman
2016–2019 Industryhack Oy (Pivot5 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

Key positions of trust:

Chairman of the Board: KoppiCatch Oy, Voima Ventures Oy and Adamant Health Oy
Member of the Board: Fiskars Corporation Plc, Dispelix Oy, Tactotek Oy, Elfys Oy, Skyfora Oy and Betolar Oy

George Rietbergen (b. 1964)

Member of the Board since 2017.

Education: Master of Business Administration

Main occupation: CEO, Koninklijke Oosterberg

Key experience:

2021– Koninklijke Oosterberg, CEO

2017–2020 5Square Committed Capital, Partner

2016–2017 Nokian Tyres plc, Advisor to the board

2015–2016 Arriva Netherlands, COO

2013–2015 Goodyear Dunlop Tyres, Group man.

Director DACH

2012–2013 Goodyear Dunlop Tyres EMEA,

Vice president Commercial Tyres

2010–2012 Goodyear Dunlop Tyres, Group man.

director UK & Ireland

2001–2010 Goodyear Dunlop Tyres EMEA,

Director Retail and eBusiness

1998–2001 KLM Royal Dutch Airlines, director eBusiness

Pekka Vauramo (b. 1957)

Member of the Board since 2018. Member of the Audit Committee.

Education: Master of Science (Technology)

Main occupation: President and CEO, Metso Outotec Corporation,

Key experience:

2020– Metso Outotec Corporation, President and CEO

2018–2020 Metso, President and CEO

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

Key positions of trust:

Vice Chairman of the Board: Technology Industries of Finland

Member of the Board: Confederation of Finnish Industries

Independence of the Board members

Pursuant to the recommendation of the Corporate Governance Code 2020, the Board assesses the independence of its members annually. According to the Board's estimate, all Board members are independent of the Company and its major shareholders.

Shares owned by Board members and their controlled corporations

Nokian Tyres holdings of the Company's current Board members	Number of shares, December 31, 2020
Jukka Hienonen, chairman	12,795
Kari Jordan, deputy chairman	3,611
Heikki Allonen, member	3,617
Raimo Lind, member	6,462
Veronica Lindholm, member	3,617
Inka Mero, member	5,010
George Rietbergen, member	2,954
Pekka Vauramo, member	2,424
Total	40,490

The Board members' attendance at meetings

The Board convened a total of 19 times in 2020.

Attendance at meetings by the Company's Board members in 2020	Attendance/ meetings
Petteri Walldén, chairman (until April 2, 2020)	8/19
Jukka Hienonen, chairman (since April 2, 2020)	10/19
Kari Jordan, deputy chairman	18/19
Heikki Allonen, member	19/19
Raimo Lind, member	19/19
Veronica Lindholm, member	19/19
Inka Mero, member	19/19
George Rietbergen, member	19/19
Pekka Vauramo, member	19/19

Diversity of the Board of Directors

The Company sees diversity as a success factor enabling the achievement of Nokian Tyres' strategic goals and business growth. In practice, diversity means different factors such as gender, age, nationality, and the complementary expertise of the members, their education and experience in different professional areas and industrial sectors in which the Group mainly operates. Leadership experience and personal capacities are also considered.

The Board shall have no fewer than two representatives from both genders. If two candidates are equally qualified, the candidate from the minority gender has priority. This goal has been met in the current Board. The Board members have significant experience in industry, consumer business and financial management, among other things. The status and progress of diversity is monitored by the Shareholders' Nomination Board.

The principles concerning the selection of the Board and its diversity are visible on the Company's website at www.nokiantyres.com/company/investors/.

Committees of the Board

The Board will decide on the committees and their chairpersons and members each year during the constituent meeting. In 2020, the Board had two committees: the Personnel and Remuneration Committee and the Audit Committee. Each committee must include no fewer than three members having the competence and expertise necessary for working in the committee. At least one member of the Audit Committee must have expertise in accounting or auditing. The majority of the members of the Personnel and Remuneration Committee must be independent of the Company. The majority of the members of the Audit Committee must be independent of the Company, and at least one member must be independent of the Company's major shareholders. The President and CEO and the other members of the Group Management Team cannot act as members of the Personnel and Remuneration Committee.

Personnel and Remuneration Committee

The Personnel and Remuneration Committee prepares a proposal to the Board on the Company's President and CEO and on the salary and other incentives paid to the President and CEO. The Personnel and Remuneration Committee also prepares a proposal to the Board on the nominations, salaries and other incentives of the Group Management Team members. This Committee also reviews and submits a proposal to the Board on the allocation and criteria of the Nokian Tyres share-based incentive plans, and on the other incentive plans. In addition, the key duties of the Personnel and Remuneration Committee include the preparation of the remuneration policy and the remuneration report for the Board and the President and CEO in accordance with applicable laws and regulations. The committee has no independent decision-making power; collective decisions are made by the Board, which is responsible for carrying out the tasks assigned to the committee.

In 2020, the members of the Personnel and Remuneration Committee were Kari Jordan (Chairman), Veronica Lindholm, and Petteri Walldén until April 2, 2020, and from there onwards Kari Jordan (Chairman), Veronica Lindholm, and Jukka Hienonen.

The committee assembled 11 times in 2020.

All committee members are independent of the Company and of all major shareholders in the Company.

Audit Committee

The Audit Committee assists the Board of Directors in its regulatory duties and reports to the Board. The committee has no independent decision-making power; collective decisions are made by the Board, which is then responsible for carrying out the tasks assigned to the committee.

According to the committee charter, the committee controls that bookkeeping, financial administration, financing, internal control, internal auditing, audit of the accounts, risk management and compliance function are appropriately arranged in the Company. The committee follows and assesses the reporting process for financial statements as well as any significant changes in the recording principles and the items valued in the balance sheet. The committee also processes the general description of the mechanisms of internal auditing and risk management of the financial reporting process, which forms part of the Corporate Governance Statement. The

committee follows the statutory auditing of the financial statement and the consolidated financial statements and assesses the independence of the statutory auditor and the offering of services other than auditing services by the auditor. Furthermore, the committee handles the auditor's report and possible audit minutes as well as the supplementary report presented by the auditor to the committee. The committee prepares the draft resolution on selecting the auditor. In addition, the Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of the ordinary course of business and arm's length terms in accordance with applicable laws and regulations. The Audit Committee must have the expertise and experience required for its tasks.

In 2020, the members of the Audit Committee were Raimo Lind (Chairman), Heikki Allonen, Inka Mero and Pekka Vauramo. As a general rule, the Company's chief auditor participates in the committee's meetings.

The committee assembled 7 times in 2020.

All committee members are independent of the Company and of all major shareholders in the Company.

The attendance of Board members at committee meetings in 2020

	Personnel and Remuneration Committee	Audit Committee
Petteri Walldén (until April 2, 2020)	3/11	
Jukka Hienonen (since April 2, 2020)	8/11	
Kari Jordan	11/11	
Heikki Allonen		7/7
Raimo Lind		7/7
Veronica Lindholm	11/11	
Inka Mero		7/7
George Rietbergen		
Pekka Vauramo		7/7

Shareholders' Nomination Board

The Company's Annual General Meeting 2020 decided to establish a Shareholders' Nomination Board (the "Nomination Board") and to approve the Charter of the Nomination Board. The duties of the Nomination Board consist of the preparation

of proposals to the General Meeting concerning the number, composition, Chairman and possible Deputy Chairman of the Board and the remuneration of the members of the Board and the Board committees. In addition, the Nomination Board seeks prospective successor candidates for the members of the Board.

The Nomination Board consists of five members of which four members represent the Company's four largest shareholders who 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 wish to nominate a member to the Nomination Board. The fifth member of the Nomination Board is the Company's Chairman of the Board. Proposals that have been supported by at least three members of the Nomination Board, shall constitute the proposals of the Nomination Board.

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 of the Nomination Board. The members of the Nomination Board are not entitled to remuneration from the Company on the basis of their membership unless otherwise decided by the General Meeting.

The following members were appointed to the Nomination Board in 2020:

- Antti Mäkinen (CEO, Solidium Oy), appointed by Solidium Oy
- Heikki Westerlund (board professional), appointed by Bridgestone Corporation
- Mikko Mursula (Chief Investment Officer, Ilmarinen Mutual Pension Insurance Company), appointed by Ilmarinen Mutual Pension Insurance Company
- Timo Sallinen (Senior Vice President, Investments, Varma Mutual Pension Insurance Company), appointed by Varma Mutual Pension Insurance Company
- Jukka Hienonen, Chairman of the Board, Nokian Tyres plc

The proposals by the Nomination Board to the Annual General Meeting 2021 were published on November 26, 2020.

The Charter of the Nomination Board is available at www.nokiantyres.com/company/investors/corporate-governance/shareholders-nomination-board/.

President and CEO and his/her duties

The President and CEO conducts the Group's business and manages the Company operations in accordance with the Finnish Limited Liability Companies Act and the instructions and guidelines provided by the Board of Directors. The President and CEO is responsible for informing the Board of Directors regarding the development of the Company's business and financial situation. The President and CEO prepares the Company's strategy and objectives for the Board of Directors. The President and CEO is also responsible for implementing the approved strategy and plans. The President and CEO is responsible for ensuring the legal compliance of the Company's bookkeeping and for arranging reliable asset management. The President and CEO is elected by the Board of Directors. Hille Korhonen was the Company's President and CEO between January 1, 2020 and May 26, 2020. Jukka Moisio started as the Company's President and CEO on May 27, 2020.

Jukka Moisio (b. 1961)

Education: Master of Science (Economics), MBA
Position: President and CEO since May 27, 2020

Key experience:

2008–2019 Huhtamäki Oyj, President and CEO
2004–2008 Ahlstrom Oyj, President and CEO
1991–2004 Ahlstrom Oyj, various management positions
1989–1991 McKinsey & Company, Associate

Key positions of trust:

Chairman of the Board: Neles Corporation, Paulig Oy and Sulapac Oy
Member of the Board: Atria Oyj and Metsä Board Corporation

Nokian Tyres holdings of the President and CEO and controlled corporations, December 31, 2020

	Number of shares
Jukka Moisio, President & CEO	18,000

Management Team

The Group's Management Team is responsible for assisting the President and CEO in preparing the Company's strategy and in operative management, and for discussing matters that involve substantial financial or other impacts, such as corporate transactions and organization changes. Members of the Management Team carry the main responsibility for their business areas and functions. The Management Team has no activities based on the applicable legislation or the Articles of Association. According to the Group's meeting practices, the Management Team assembles once per month. In addition to the President and CEO, the heads of the business units, business areas and functions participate in the meetings.

Responsibility area, year of birth, education and Nokian Tyres holdings of the Group's Management Team and controlled corporations, December 31, 2020

	Year of birth	Education	Number of shares
Jukka Moisio President and CEO	1961	Master of Science (Economics), MBA	18,000
Päivi Antola Corporate Communications & Investor Relations	1971	Master of Arts, CEFA	1,264
Anna Hyvönen North America, Nordics and Vianor	1968	Licentiate of Science (Technology)	21,715
Adrian Kaczmarczyk Supply Operations	1971	Dipl. Ing. Engineering, MBA	0
Tarja Kaipio Human Resources (interim)	1962	Master of Psychology	7,977
Teemu Kangas-Kärki Finance (CFO)	1966	Master of Science (Economics and Business Administration)	7,014
Jukka Kasi Products & Innovation	1966	Master of Science (Technology)	4,420
Bahri Kurter Central Europe	1966	Master of Arts (Economics)	0
Andrei Pantioukhov Russia, Asia, Global Marketing	1972	Master of Business Administration	69,359
Manu Salmi Heavy Tyres and Nokia Factory	1975	Master of Military Sciences, Master of Science (Economics), MBA	26,601
Timo Tervolin Strategy & M&A	1977	Master of Science (Technology), Master of Science (Economics and Business Administration)	6,385
Frans Westerlund IT & Processes	1966	Master of Science (Economics and Business Administration)	4,042

More detailed information concerning the Group's Management Team is available on the Company's website at www.nokiantyres.com/company/investors/corporate-governance/the-groups-management-team/.

III Descriptions of mechanisms of internal control and risk management

Internal control

The purpose of the Group's internal control mechanisms is to ensure that the Company's operation is in line with the applicable laws and regulations and the Company's Code of Conduct. As regards the financial reporting process, the purpose of the Group's internal control mechanisms is to ensure that the financial reports released by the Company have been compiled in accordance with the accounting principles applied by the Company and that they contain essentially correct information on the Group's financial position, and to ensure that financial reporting is accurate and reliable. The Group has defined group-level policies and instructions for the key operative units specified below in order to ensure efficient and profitable Company operations.

The Group's business consists of Passenger Car Tyres, Heavy Tyres, and Vianor business units. Passenger Car Tyres is further divided into the following business areas: Nordics, Other Europe, North America, Russia and Asia. Heavy Tyres and Passenger Car Tyres business units are responsible for their own operations, financial results, risk management, balance sheet and investments, supported by different functions. The Group's sales companies serve as product distribution channels in local markets.

Subsidiaries are responsible for their daily operations and administration. They report to the director responsible for the said business area, while the Vianor chain reports to the director of the Vianor business unit.

The Board of Directors is responsible for the functionality of the internal control mechanisms, which are managed by the Company's management and implemented throughout the organization. Internal control is an integral part of all activities of the Group at all levels. The Company's operative management bears the main responsibility for operational control. Every supervisor is obliged to ensure sufficient control over the activities belonging to his or her responsibility and to continuously monitor the functionality of the control mechanisms. The Chief Financial Officer is responsible for organizing financial administration and reporting processes and the internal control thereof. The parent company's Finance

function is responsible for internal and external accounting; its tasks include, among others, producing financial information concerning the different areas and ensuring the accuracy of this information.

The preparation process of the consolidated financial statements (IFRS), the related control measures, and the task descriptions and areas of responsibility related to the reporting process are defined. The Company's Finance function produces the consolidations and information for the Group level and the different areas. Each legal entity within the Group produces its own information in compliance with the instructions provided and in line with local legislation. The Group's Finance function is centrally responsible for the interpretation and application of financial reporting standards as well as for monitoring compliance with these standards.

Effective internal control requires sufficient, timely, and reliable information in order for the Company's management to be able to monitor the achievement of targets and the efficiency of the control mechanisms. This refers to financial information as well as other kinds of information received through IT systems and other internal and external channels. The instructions on financial administration and other matters are shared on the Company's intranet, and training is organized for personnel with regard to these instructions when necessary. Communication with the business units is continuous. The Company's financial performance is internally monitored by means of monthly reporting complemented with updated forecasts. The financial results are communicated to Company personnel immediately after the official stock exchange releases have been published.

Investor communications

The goal of Nokian Tyres' investor relations is to regularly and consistently provide the stock market with essential, correct, sufficient, and up-to-date information that is subsequently used to determine the share value. The operations are based on equality, openness, and accuracy.

Risk management

The Group has adopted a risk management policy, approved by the Board of Directors, which supports the achievement of strategic goals and ensures continuity of business. The Group's risk management policy focuses on managing both the risks pertaining to business opportunities and the risks affecting the achievement of the Group's goals in the changing operating environment.

The risks are classified as strategic, operational, financial and hazard risks. Strategic risks are related to customer relationships, competitors' actions, political and legislative risks, reputation, country risks, brand, product development, climate change and sustainability risks and investments. Operational risks arise as a consequence of shortcomings or failures in the Company's internal processes, actions by its personnel or systems, contractual risks, risk of non-compliance, or external events, such as unforeseen changes in the operating environment, cyber and information security, management of the supply chain, or changes in raw material prices. Financial risks are related to fluctuations in interest rate and currency markets, liquidity and refinancing, and counterparty and credit risks. Hazard risks arise from property loss or business interruption, shortcomings or failures in employee safety or environmental management systems.

The most significant risks are the risks related to consumer confidence and macroeconomic and geopolitical conditions. Political uncertainties may cause serious disruption and additional trade barriers and affect the company's sales and credit risk. The tire market is evolving to meet changing consumer needs. Failure to innovate and develop new products and services or to adapt to the changes in the sales channel or new technologies could have an adverse effect on the financial performance. Unexpected production or delivery breaks at production facilities or interruptions in logistics could have a significant impact on peak season sales. The risk analysis conducted in 2020 also focused special attention on corporate social responsibility risks, the most significant of which are related to the Company reputation, product quality and change in consumer behavior. Analyses and projects related to information security, data protection and customer information were a special focus area.

The risk management process aims to identify and evaluate the risks, and to plan and implement the practical measures and continuous monitoring for each risk. Among others, such measures may include avoiding the risk, reducing it in different ways or transferring the risk through insurance policies or agreements. Control functions and measures are verification or back-up procedures applied to reduce the risks and ensure the completion of the risk management measures.

Responsibility for identifying, evaluating and to large extent, managing risks is delegated to business units, business areas and functions. Treasury is responsible for developing and maintaining risk management processes, methods and tools. Assisted by the Audit Committee, the Company's Board of Directors monitors and assesses the efficiency of the Company's risk management mechanisms and monitors the assessment and management of risks related to the Company's strategy and operations. The Audit Committee monitors that the risk management actions are in line with the risk management policy. Issues raising in risk analysis are noted in the development of processes, compliance and control, and in Internal Audit planning. The Company's Board of Directors discusses the most significant risks annually.

IV Other information provided

Internal audit

The Group's internal audit systematically carries out assessments and audits on the efficiency of risk management, internal control, and corporate governance processes. Internal audit is an independent and objective function whose aim is to help the organization to achieve its goals. The principles for internal audit have been confirmed in the internal audit's charter approved by the Board of Directors.

The Group's Internal Audit function is managed by the Chief Audit Executive (CAE), who works under the Board of Directors. The focus areas for internal audit are approved by the Board of Directors each year. The audit assignments are based on the key strategic focus areas of the Company's operations and the risks involved. The operation of Internal Audit covers all business activities, functions and processes within the Nokian Tyres Group. The CAE reports on their

findings and the agreed further actions to the Audit Committee, the Board of Directors, the President and CEO, the Chief Financial Officer and the management of the Company. The Company's Board of Directors follows and monitors the efficiency of the Internal Audit.

In 2020, Internal Audit focused on assessing, among other things, the operations and risks of various business areas and country organizations, corporate governance arrangements, risk management, corporate sustainability and information security matters as well as specific misconduct risks and cases and the management of the COVID-19 pandemic in the Group. The Internal Audit function at Vianor focuses on guiding the retail outlets and ensuring conformity to the Vianor activity management system, and reports to the CAE and to the country managers.

Related party transactions

The Company has procedures in place to identify and define its related parties and assesses and monitors related party transactions to ensure that all conflicts of interest and the Company's decision-making process are appropriately taken into account. The Audit Committee monitors and assesses how agreements and other legal acts between the Company and its related parties meet the requirements of ordinary activities and arm's length terms in accordance with applicable laws and regulations. The Group's financial management monitors and supervises related party transactions as part of the Company's normal reporting and monitoring procedures and reports to the Audit Committee on regular basis. The Company only has related party transactions that are a part of normal business, and the information regarding them is provided in the annual report and the notes to the financial statements. The decision-making processes have furthermore been structured in order to avoid conflict of interests. In case the Company would have any transactions that are not part of the Company's ordinary course of business or are not implemented under arm's length terms, such transactions shall be handled by the Audit Committee and approved by the Board and provided in the Financial Review and the notes to the financial statements.

Insider management

The Company complies with the guidelines for insider trading drawn up by Nasdaq Helsinki Ltd. Furthermore, the Company has drawn up separate insider guidelines that have been approved by the Board of Directors and that supplement other insider regulations as well as include instructions on insiders and insider administration.

Project-specific insider lists are drawn up of people involved in insider projects of the Company. Persons with insider information are not allowed to trade in the Company's financial instruments until the project has become void or been published. Those entered into the project-specific list of insiders are notified of their entry into the said list and the duties it entails, as well as the termination of the insider project.

The Company maintains a separate list of people in managerial positions and their related persons. In 2020, the persons holding executive positions in the Company, as defined in the Market Abuse Regulation, were the members of the Board of Directors, the President and CEO, the Chief Financial Officer, the business area directors of the the Passenger Car Tyres business unit, the director of the Nokian Heavy Tyres business unit and the director of the Vianor business unit.

Persons holding managerial positions within the Company are allowed to trade in the Company's financial instruments only for 30 days after the publication day of the Company's financial statement report, half year report, or interim report. The same applies to persons who participate in the preparation, maintaining, and/or publication of the Company's financial reports. The prohibition on trading mentioned hereinabove also applies to persons who process the financial reporting and forecasts of the Nokian Tyres Group.

The Group General Counsel for Nokian Tyres is responsible for the overall management of insider matters in the Company and the related communication (limitations on trade, obligations to announce and publish management transactions). The Group General Counsel checks the information for the persons holding executive positions and their related persons at least once per year. The CFO is the Group General Counsel's substitute for insider matters.

Whistleblowing

The Company has defined processes that internal and external parties can use to notify of any suspected violations of the Company's insider trading guidelines or other instructions, or of any other malpractices. External parties can use the email address whistleblow@nokiantyres.com, among others. All whistleblowing notifications are investigated promptly in a confidential manner and protecting the identity of the whistleblower as far as possible.

Audit

The auditor has an important role as a controlling body appointed by the shareholders. The audits give shareholders an independent opinion on how the financial statements and report by the Board of Directors of the Company have been drawn up and the accounting and administration of the Company have been managed. The auditor elected at the Annual General Meeting of 2020 is KPMG Oy Ab, authorized public accountants, with Lasse Holopainen, Authorized Public Accountant, acting as the Chief Auditor. The auditor's term of office lasts until the end of the following Annual General Meeting. In addition to his duties under the valid regulations, he reports all audit findings to the Group's management.

The Group's audit fees in 2020 amounted to EUR 602,486 (2019: 451,290). The fees paid to the authorized public accountants for other services totaled EUR 222,158 (2019: 1,146,556).

REMUNERATION REPORT 2020

Introduction

This remuneration report (the "Remuneration Report") describes the implementation of the remuneration policy (the "Remuneration Policy") of Nokian Tyres plc (the "Company" or "Nokian Tyres") for the financial year 2020. The Remuneration Policy was presented to and adopted by an advisory resolution in the 2020 Annual General Meeting and shall be applied until the 2024 Annual General Meeting, unless a revised policy is presented to the general meeting before that. The Remuneration Policy describes the remuneration of the Board of Directors and the President and CEO, and the considerations of determining the policy and operation of the policy. This Remuneration Report will in turn provide investors more detailed information of the development of remuneration and some strategic KPI's within Nokian Tyres as well as the implementation of the valid Remuneration Policy. The Remuneration Report is presented for the first time to the 2021 Annual General Meeting for an advisory vote. An index comparison is presented in the table below and a further breakdown of the development of the remuneration of the Board of Directors and President and CEO of the Company with a comparison to the development of the average remuneration of the Company's employees and to the Company's financial development over the preceding 5 financial years is presented below under the section "Remuneration and financial development between 2016 to 2020".

Index of development between years 2016–2020

Remuneration index	2016	2017	2018	2019	2020
Total Board remuneration - Average annual fee paid to Board members**	100%	114%	121%	121%	136%
President and CEO salaries and financial benefits	100%	61%	171%	65%	90%
Average salary cost per employee***	100%	98%	97%	95%	94%
Financial measures index*					
Operating profit	100%	118%	120%	102%	39%
Earnings per share (EPS)	100%	87%	115%	155%	33%
Return of capital employed (ROCE)	100%	113%	117%	88%	30%

*Financial measures used for index according to IFRS reporting. Segments figures in accordance to Nokian Tyres new reporting practices available (2019 and 2020) in section "Remuneration and financial development between 2016 to 2020". [Stock exchange release about Nokian Tyres new reporting practices April 24th, 2020.](#)

** Total Board remuneration - Average annual fee paid to Board members calculated by dividing total amount of fees paid to board members each year, by composition of board (amount of members) during each year (2016: 7 board members, 2017 and onwards: 8 board members) and excluding fees paid to members leaving during following term. Further details in section "Remuneration and financial development between 2016 and 2020".

***Average cost per employee calculated based on average number of employees during each financial year, divided by total amount of salaries, incentives, and other related employee costs for corresponding financial year.

Financial year 2020 offered challenging conditions for Nokian Tyres. The Company was able to show fast adaptability to changed market conditions, cutting cost and readjusting short-term business objectives to comply with the transformed circumstances due to COVID-19 pandemic. Fast adaptability was applied to remuneration, as the structure and earning period of short-term incentive plans were adjusted by a decision of the Board, to realign efforts towards complying with the emerged situation. The earning period was cut to the second half of the financial year 2020 in the Nokian Tyres Global STI plan and target setting was modified and simplified due to the extraordinary effect COVID-19 had on the whole global economy, in order to ensure competitive remuneration to incentivize and retain employees. These measures were in alignment with current Remuneration Policy governance and supported the strong Company performance against the challenging conditions of the financial year 2020.

The executive remuneration of the Company is designed to advance the strategy execution, business objectives and long-term profitability of the Company. Nokian Tyres aims to grow faster compared to the reference market, to have strong profitability and offer good returns to the shareholders. Nokian Tyres has two annually commencing long-term share-based plans, under discretion of the Board of Directors' decision. The long-term share-based plans mainly have performance periods of a minimum of three years. The Nokian Tyres Performance Share Plan is measured through group level financial KPI's such as EPS (Earnings per Share) and ROCE (Return on Capital Employed). The set KPI's are strongly aligned with long-term strategical goals and shareholder value growth. The Nokian Tyres Restricted Share Plan is designed as a complementary component to other long-term incentives and can be used in situations such as new hires and retentions at the Board's discretion. The restricted shares typically have a vesting period of three years. Nokian Tyres published a [Stock Exchange Release February 4, 2020](#), describing the above mentioned two share-based plans commencing during the financial year 2020. A stock exchange release relating to the commencement of new [Performance and Restricted Share Plans during financial year 2021 was published on February 9, 2021](#). By a decision of the Board of Directors, the Restricted

Share Plans commencing 2019, 2020 and 2021 have a threshold value for average ROCE over the vesting period for the President and CEO and Nokian Tyres Management team. With combined elements of regular remuneration review, long-term performance and key talent retention, Nokian Tyres remuneration continues to promote and build the Company's long-term financial success.

During the financial year 2020, Nokian Tyres temporarily deviated from the adopted Remuneration Policy due to the appointment of the new President and CEO in May 2020. As a result of this appointment, the Board of Directors of the Company decided to apply a financial performance criteria to the restricted share plans offered for the President and CEO. A further description of the deviation and clarification of the circumstances justifying the deviation are presented below under the section "*Remuneration of the President and CEO 2020 – Long-term incentive plans*". Apart from this deviation, the remuneration of the Board of Directors and the President and CEO complied with the Remuneration Policy and no other deviations were made due to the appointment of a new President and CEO.

Remuneration of the Board of Directors 2020

Nokian Tyres 2020 Annual General Meeting decided the following annual fees to be paid to the Board of Directors serving during financial year 2020:

Chairman of the Board: A monthly fee of EUR 7,917 or EUR 95,000 per year

Deputy Chairman of the Board and to the Chairman of the Audit Committee: A monthly fee of EUR 5,833 or EUR 70,000 per year

Members of the Board: A monthly fee of EUR 3,958 or EUR 47,500 per year

60% of the annual fee is paid in cash and 40% in Company shares to the effect that in the period from May 6 to June 5, 2020, EUR 38,000 worth of Nokian Tyres plc shares were purchased at the stock exchange on behalf of the Chairman of the Board, EUR 28,000 worth of Nokian Tyres plc shares were 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 Nokian Tyres plc shares were purchased on behalf of each Board member. The Company paid asset transfer taxes arising from the acquisition of shares.

Each member of the Board received EUR 600 for meetings held in their home country and EUR 1,200 for meetings held outside their home country. When a member participated in a meeting via telephone or video connection, the remuneration paid was EUR 600. Travel expenses were compensated in accordance with the Company's travel policy.

The Board gathered frequently during financial year 2020 due to COVID-19's impact on Nokian Tyres business.

Board member	Position on the Board	Annual fixed fee (EUR)*	Board meeting fees (EUR)	Committee meeting fees (EUR)	Total fees (EUR)	Shares acquired with fixed annual fee (number of shares)
Jukka Hienonen	Chairman of the Board / Member of the Personnel and Remuneration Committee (since April 2. 2020)	95,000	6,000	4,800	105,800	2,045
Kari Jordan	Deputy Chairman and Chairman of the Personnel and Remuneration Committee	70,000	10 800	6,600	87,400	1,057
Raimo Lind	Chairman of the Audit Committee	70,000	11,400	4,200	85,600	1,057
Heikki Allonen	Board member / Member of the Audit Committee	47,500	11,400	4,200	63,100	1,022
Inka Mero	Board member / Member of the Audit Committee	47,500	11,400	4,200	63,100	1,022
Pekka Vauramo	Board member / Member of the Audit Committee	47,500	11,400	4,200	63,100	1,022
Veronica Lindholm	Board member / Member of the Personnel and Remuneration Committee	47,500	11,400	6,600	65,500	1,022
George Rietbergen	Board member	47,500	12,600	-	60,100	1,022
Petteri Waldén	Chairman of the Board / Member of the Personnel and Remuneration Committee (until April 2. 2020)	-	4,800	1,800	6,600	-

* 60% of the annual fixed fee paid in cash and 40% in Company shares.

Remuneration of the President and CEO 2020

President and CEO	Fixed annual salary (incl. fringe benefits and holiday compensation)	Monthly base salary	Paid salary during financial year 2020	Paid performance-based bonuses (based on year 2019)	Due performance-based bonuses (based on year 2020)**	Total value of awarded share-based bonus	Supplementary pension contribution	Severance payment	Total fees paid during financial year 2020
Jukka Moisis May 27, 2020-	756,240	60,000	429,611	-	402,632	-	-	-	429,611
Hille Korhonen June 1, 2017-May 26, 2020	693,240	55,000	691,148*	-	-	-	121,044	660,000	1,472,192

Note: All amounts presented are in EUR.

* Including notice pay and annual leave allowance.

** Due performance-based bonuses (based on year 2020) will be paid during financial year 2021.

Short-term incentive opportunities as of annual base salary		Performance share plan long-term incentives*	
Target	Max	Target	Max
50%	100%	125%	250%

* Nokian Tyres may in addition offer restricted share plans for President and CEO in situations like new hire and retention, at the Board's discretion

President and CEO Jukka Moiso has a Company paid mobile phone benefit, with a value of EUR 20 per month or EUR 240 per annum. Fixed annual salary incl. holiday compensation calculated by multiplying monthly base salary EUR 60,000 by 12.6.

Previous President and CEO Hille Korhonen had a Company paid mobile phone benefit, with a value of EUR 20 per month or EUR 240 per annum. Fixed annual salary incl. holiday compensation calculated by multiplying monthly base salary EUR 55,000 by 12.6.

Short-term incentive plans

President and CEO Jukka Moiso is entitled to short-term incentives as described in the Remuneration Policy. The short-term incentive on target amount is equivalent to 50% of the annual base salary and the maximum amount is 100% of the annual base salary. The performance period is typically one year, unless decided otherwise by the Board. The possible reward is paid out in the first half of the year following the performance period.

By decision of the Board of Directors, President and CEO Jukka Moiso's short-term incentives 2020 performance measures were tied to Nokian Tyres EBIT and Nokian Tyres Net Sales. Both measures were in alignment with the current Remuneration Policy and had an equal weight of 50%. The performance period was the second half of financial year 2020, due to the appointment in late May 2020. The paid base salary during financial year 2020 functioned as the basis for the incentive payout. The combined achievement for the second half of financial year 2020 was 188% (100% being the target level and 200% maximum) and the short-term incentive payout to President and CEO Jukka Moiso is 402,632 EUR. The proportion between fixed and variable pay linked to financial year 2020 was 48.4% variable pay and 51.6% fixed pay. The actual payment of the 2020 short-term incentive reward will take place during the first half of financial year 2021.

Long-term incentive plans

The President and CEO's long-term incentives consist of share incentive plans. The value of the performance-based LTI payout is capped at the level of 250% of the annual base salary and the annual target amount is 125% of annual

base salary. The value of paid reward cannot exceed 250% of the annual base salary, used to define the allocation at grant. President and CEO Jukka Moiso was not granted performance-based shares from Nokian Tyres Performance Share Plan during the financial year 2020.

Nokian Tyres may in addition offer restricted share plans for the President and CEO in situations like new hire and retention, at the Board's discretion. President and CEO Jukka Moiso was granted 10,000 shares from the Restricted Share Plan 2020–2022. The stock exchange price was 20.29 EUR/share on the assignment date of June 29, 2020. The potential delivery of the share reward will take place after the vesting period 2020–2022, during the first half of year 2023, in case the threshold value of Return of Capital Employed (ROCE) set by the Board is met.

In connection with the restricted share plan for the President and CEO, Nokian Tyres temporarily deviated from the adopted Remuneration Policy during the financial year 2020. The deviation against the adopted Remuneration Policy occurs in the **Long-term incentive (LTI)** section, where the statute of Restricted Share Plans states; *“For the possible restricted share plans, there are no financial performance criteria, but the share rewards under the restricted share plan will be delivered to the President and CEO provided that his or her service contract with the company continues until the delivery date of the share rewards.”* The Board of Directors of the Company decided to apply a financial performance criteria to the three-year Restricted Share Plans commencing during the years 2019, 2020 and 2021, as a result of the appointment of the new President and CEO in May 2020. The criterion is applied to the Restricted Share Plans of the President and CEO and the management team. The deviation was deemed necessary in order to align the new President and CEO's remuneration to the financial performance of the Company and to promote efforts to ensuring the long-terms interests and sustainability of the Company. The financial performance criterion is measured against a pre-set average threshold value for ROCE (a minimum value that must be achieved in order for the share reward to be delivered), for the three-year vesting period of each Restricted Share Plan. As a result of the temporary deviation, Nokian Tyres applied a financial performance criteria to the 10,000 restricted shares allocated to President

and CEO Jukka Moiso from the Restricted Share Plan 2020–2022. Possible share allocations from the Restricted Share Plan 2021–2023 will also have a threshold value tied to average ROCE between financial years 2021–2023.

The potential reward will be paid partly in shares of Nokian Tyres Plc and partly in cash. The cash portion of the reward is intended to cover the taxes arising from the paid reward.

The President and CEO is required to hold at least 25% of the shares received as rewards from the long-term incentive programs and to accumulate the shares from the incentive programs until the value of the shares received from the share programs equals the annual gross base salary of the President and CEO.

Pension and information regarding the termination of the employment of the previous President and CEO

Pension accumulation and retirement age of the President and CEO is determined by the practices and terms of the applicable law in the home country of the President and CEO. An additional defined contribution pension plan that corresponds to the relevant local market can be arranged by the Company. President and CEO Jukka Moiso does not have a Company paid supplementary pension arrangement. The retirement age and the pension is determined in accordance to the Employees Pensions Act.

The previous President and CEO Hille Korhonen had a Company paid supplementary pension arrangement. The age of retirement defined in the said arrangement was set by written agreement to 65 years. The pension was determined on the basis of the Employees Pensions Act and a separately defined contribution pension plan taken out by the Company. The amount paid in the defined contribution pension plan 2020 was EUR 121,044, corresponding to 20% of base salary until the end of employment during the financial year 2020.

The President and CEO's period of notice is 6 months. If the agreement is terminated by the Company, the President and CEO is entitled to compensation corresponding to 12 months' salary and other benefits, in addition to the notice period's salary.

Malus and claw back

Based on the terms and conditions of the incentive plans, if the President and CEO receives a reward based on the remuneration scheme that subsequently turns out to be incorrectly paid due to intent or negligence by the President and CEO, Nokian Tyres has the right to retroactively restate the amount and reclaim the excess part of the rewards paid from the short- and long-term incentives pursuant to rules regarding unjust enrichment.

The short- and long-term remuneration schemes are discretionary in nature and do not form part of the terms and conditions of the service contract of the President and CEO, and the Board of Directors shall decide on the implementation of the schemes and their terms and conditions at any time.

Nokian Tyres did not exercise any malus or claw back rights during the financial year 2020.

Remuneration and financial development between 2016 and 2020

	2016	2017	2018	2019	2020
Board remuneration, total pay EUR					
Jukka Hienonen	-	-	-	-	105,800
Kari Jordan	-	-	75,900	78,300	87,400
Raimo Lind	50,800	74,400	78,900	76,500	85,600
Heikki Allonen	46,000	53,800	54,000	54,600	63,100
Inka Mero	50,200	53,200	54,000	54,600	63,100
Pekka Vauramo	-	-	52,200	53,400	63,100
Veronica Lindholm	43,000	52,000	57,000	56,400	65,500
George Rietbergen	-	56,800	53,400	54,600	60,100
Petteri Walldén	91,400	93,800	102,000	101,400	6,600
Tapio Kuula	49,600	70,200	-	-	-
Hille Korhonen	51,400	43,000	-	-	-
Hannu Penttilä	6,000	-	-	-	-
Total (excl. fees paid to leaving members)*	382,400	497,200	527,400	529,800	593,700
Board size, number of members	7	8	8	8	8
Average total pay per member*	54,629	62,150	65,925	66,225	74,213
Index	100%	113.8%	120.7%	121.2%	135.8%
President and CEO, total pay EUR					
Jukka Moisio	May 27, 2020-	-	-	-	429,611
Hille Korhonen	Jun 1, 2017-May 26, 2020	-	411,540	3,601,862	1,362,987
Andrei Pantioukhov	Jan 1, 2017-May 31, 2017	-	235,940	-	-
Ari Lehtoranta	Sep 1, 2014-Dec 31, 2016	2,109,397	646,229	-	-
Total		2,109,397	1,293,709	3,601,862	1,362,987
Index	100%	61.3%	170.8%	64.6%	90.2%
Andrei Pantioukhov acted as interim President and CEO between Jan 1, 2017-May 31, 2017					
Employee remuneration, average EUR					
Salaries, incentives, and other related costs, MEUR	219.0	224.7	228.9	235.3	224.7
Group employees on average during financial year	4,433	4,630	4,790	4,995**	4,859
Average per year, k EUR	49.40	48.53	47.79	47.10	46.24
Index	100%	98.2%	96.7%	95.3%	93.6%
Financial development 2016-2020					
Operating profit, MEUR	310.5	365.4	372.4	316.5	120.0
Segments operating profit, MEUR	-	-	-	337.2	190.2
Index***	100%	117.7%	119.9%	101.9%	38.6%
EPS, EUR	1.87	1.63	2.15	2.89****	0.62
Segments EPS, EUR	-	-	-	3.06****	1.04
Index***	100%	87.2%	115.0%	154.5%	33.2%
ROCE, %	19.9%	22.4%	23.3%	17.6%	6.0%
Segments ROCE, %	-	-	-	18.6%	9.3%
Index***	100%	112.6%	117.1%	88.4%	30.2%

* Average total pay per Board member is calculated by dividing the total fees paid to the Board members, excl. members who left the Board during the corresponding term. I.e. fees paid to Hannu Penttilä removed from year 2016 average and fees paid to Petteri Walldén removed from year 2020 average.

** Figures corrected to include passive employments in December 2019 (employees on long leaves).

*** Financial measures used for index according to IFRS reporting. Segments figures 2019-2020 presented (not calculated in index) in accordance to Nokian Tyres new reporting practices [Stock exchange release about Nokian Tyres new reporting practices April 24th, 2020](#).

**** EPS 2019 excl. the impact of the rulings on the tax disputes of EUR 1.08 were EUR 1.81. Segments EPS 2019 excl. the impact were EUR 1.98.