

## **Proposals by the Board of Directors of Nokian Tyres plc to the Annual General Meeting**

Nokian Tyres plc's Annual General Meeting 2020 is planned to be held at the Tampere Hall in Tampere on April 2, 2020.

The Board of Directors' proposals for the Annual General Meeting concern the payment of dividends, the adoption of the remuneration policy, the remuneration of the Board, the election of the members of Nokian Tyres' Board of Directors and the Auditor, authorizing the Board to decide on the repurchase the Company's own shares, authorization for a share issue, establishment of the shareholders' nomination board, and amendments to the Articles of Association.

### **1. Dividend payment**

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.58 per share be paid for the financial period ending on December 31, 2019.

The dividend will be paid to a shareholder who is registered in the shareholder register maintained by Euroclear Finland Ltd on the dividend record date of April 6, 2020. The Board proposes that the dividend be paid on April 17, 2020.

### **2. Adoption of the Remuneration Policy**

The Board of Directors proposes that the Annual General Meeting adopts the Remuneration Policy. The Remuneration policy will be published by a stock exchange release and will be available on the Company's website at <https://www.nokiantyres.com/company/investors/ir-services/ir-calendar/annual-general-meetings/by> March 12, 2020.

### **3. Remuneration**

The Personnel and Remuneration Committee of Nokian Tyres' Board of Directors proposes to the Annual General Meeting that the members of the Board be paid the following remuneration: The monthly fee paid to the Chairman of the Board would be EUR 7,917 or EUR 95,000 per year, the monthly fee paid to the Deputy Chairman of the Board and to the Chairman of the Audit Committee would be EUR 5,833 or EUR 70,000 per year, and the monthly fee paid to Members of the Board would be EUR 3,958 or EUR 47,500 per year.

The Personnel and Remuneration Committee of Nokian Tyres' Board of Directors further proposes to the Annual General Meeting that 60% of the annual fee be 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 shares in Nokian Tyres plc be purchased at the stock exchange on behalf of the Chairman of the Board, EUR 28,000 worth of shares in Nokian Tyres plc be 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 shares be purchased on behalf of other members of the Board.

The Company is liable to pay any asset transfer taxes, which may arise from the acquisition of the Company shares.

Each member of the Board is proposed to 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 is proposed to be EUR 600. Travel expenses are proposed to be compensated in accordance with the Company's travel policy.

### **4. Members of the Board and the Auditor**

The Personnel and Remuneration Committee of Nokian Tyres' Board of Directors proposes to the Annual General Meeting that the Board be comprised of eight members and that of the current Board members; Heikki Allonen, Kari Jordan, Raimo Lind, Veronica Lindholm, Inka Mero, George Rietbergen, and Pekka Vauramo be re-elected for the one-year term. In addition, Jukka Hienonen,

M.Sc. (Econ.), is proposed to be elected as a new Board member for one-year term. Petteri Walldén is not available for re-election.

All proposed Board members are independent of the Company and of any major shareholders in the Company.

Additional information on the Board members will be available on Nokian Tyres' website by March 12, 2020.

The Board of Directors of Nokian Tyres proposes to the Annual General Meeting that KPMG Oy Ab, authorised public accountants, be elected as auditors and that fees be paid according to the auditor's invoice approved by the Company.

## **5. The Board asks for the AGM's authorization to decide on the repurchase of the Company's own shares**

The Board proposes to the Annual General Meeting that the Board of Directors be authorized 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 per cent of all shares in the Company.

The shares may be repurchased in order to improve the capital structure of the Company, to carry out acquisitions or other arrangements related to the Company's business, to be transferred for other purposes, or to be cancelled, to be used in the Company's incentive plans or if, according to the Board of Directors' understanding, it is in the interest of the shareholders.

The price paid for the shares repurchased under the authorization shall be based on the market price of the Company's share in public trading. The minimum price to be paid would be the lowest market price of the share quoted in public trading during the authorization period and the maximum price the highest market price quoted during the authorization period.

The Company's own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

It is proposed that the authorization be effective until the next Annual General Meeting of Shareholders, however at most until June 30, 2021.

## **6. The Board asks for the AGM's authorization for a share issue**

The Board of Directors proposes to the Annual General Meeting that the Board be authorized to decide to offer no more than 13,800,000 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 9.9 per cent of all shares in the Company.

The authorization is proposed to include 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 would 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 Company's own shares shall be recognised 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, 2021.

## **7. Establishment of a Shareholders' Nomination Board**

The Board of Directors proposes to the Annual General Meeting to establish a Shareholders' Nomination Board consisting of major shareholders of the Company or persons appointed by such shareholders for preparing, annually, proposals concerning the composition, election and the remuneration of the members of the Board of Directors of the Company. In addition, the Board of Directors proposes that the Charter of the Shareholders' Nomination Board which regulates the nomination and composition of the Nomination Board as well as defines the tasks and duties of the Nomination Board, be adopted.

## **8. Amendments to the Articles of Association**

The Board of Directors proposes to the Annual General Meeting to amend the Articles of Association so that the last sentence in section §4 ("Board of Directors") be removed. According to the proposal, section §4 would read as follows in its entirety:

### **"§4 BOARD OF DIRECTORS**

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."

Furthermore, the Board of Directors proposes to the Annual General Meeting to amend section §11 ("Annual General Meeting") so that the Annual General Meeting shall also resolve, in addition to the items currently listed in section §11, on the adoption of the remuneration policy, when necessary (amended section §11, second paragraph, new sub-item 6), and on the adoption of the remuneration report (amended section §11, second paragraph, sub-item 7), and that the numbering of current sub-items 6-10 of section §11 be changed accordingly due to the above-mentioned amendments.

According to the proposal, section §11 of the Articles of Association would read as follows in its entirety:

### **"§11 ANNUAL GENERAL MEETING**

The Annual General Meeting shall be held annually on a day fixed by the Board of Directors, by the end of May. The Meeting shall be held either at the company's registered place of business or in either the city of Tampere or Helsinki, as decided by the Board of Directors.

The Annual General Meeting shall review:

1. the financial statements, which include the consolidated financial statements, and annual report;
2. the auditor's report;

shall resolve:

3. the adoption of the financial statements;
4. the use of the profit shown on the balance sheet;
5. granting discharge from personal liability to the members of the Board of Directors and the Managing Director;
6. adoption of the remuneration policy, when necessary;
7. adoption of the remuneration report;
8. the remuneration payable to the members of the Board of Directors and the auditor;
9. the number of the members of the Board of Directors;

shall elect:

10. the members of the Board of Directors;

11. an auditor; and

shall deal with:

12. any other matters mentioned in the notice of the meeting.”

February 4, 2020

Nokian Tyres plc  
Board of Directors

Further information: Päivi Antola, SVP, Corporate Communications and Investor Relations, tel.  
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Notice to the Annual General Meeting with instructions for the participants will be published as a  
Stock Exchange release by March 12, 2020.

Distribution: Nasdaq Helsinki, media, and [www.nokiantyres.com](http://www.nokiantyres.com)