

Nokian Tyres plc Stock Exchange Release March 5, 2020, 4:05 p.m.

Nokian Tyres plc: Publication of Notice to the 2020 Annual General Meeting - Background to the Revised Proposals

The Board of Nokian Tyres plc (the “Company”) has today published the notice for the 2020 Annual General Meeting (the “AGM”), which will be held at the Tampere Hall in Tampere on 2 April 2020. The notice has been published via a separate stock exchange release.

The Board has updated certain proposals to the AGM initially announced in connection with the publication of the financial statements for the period ended 31 December 2019. The updated proposals are attached to this release and are available on the Company’s website. In this release, the Board is providing background on the revised proposals.

Change of the Articles of Association to Increase the Maximum Number of Directors

As announced earlier by the Company, the Board has proposed to establish a Shareholders' Nomination Board consisting of major shareholders of the Company or persons appointed by such shareholders. The proposed Shareholders' Nomination Board will prepare proposals to the Annual General Meeting and, when necessary, to the Extraordinary General Meeting concerning the number of members, the composition, the Chairman and possible Deputy Chairman of the Board of Directors as well as the remuneration of the Board of Directors and Committees as well as identify possible successor candidates for the members of the Board of Directors. To provide increased flexibility for the Shareholders' Nomination Board making proposals at future general meetings, and to allow adequate diversity and a broad range of expertise to the Board, the notice for the AGM includes a proposal to amend the articles of association so that the maximum size of the Board is increased from 8 directors to 9 directors.

Proposal on Authority for Share Repurchases – Capital Structure Considerations

Alongside its customary corporate planning process, the Company is evaluating the optimal long-term capital structure for the group. This will include assessing the merits of increasing shareholder returns through dividends, share buybacks or other mechanisms. Any changes to the Company’s capital structure would be designed to improve shareholder returns, while retaining a strong balance sheet, financial flexibility, and safeguarding the Company’s profitable growth across the economic cycle. In order to provide the Company with appropriate flexibility in case the Board determines to distribute capital to shareholders in the form of share repurchases, the notice for the AGM includes a resolution to authorise the Company to repurchase up to 13,800,000 shares, representing approximately 9.9% of the Company’s issued share capital. The proposal represents an increase in the authorisation initially proposed in connection with the publication of the financial statements for the period ended 31 December 2019. The Company maintains its policy of returning above 50% of net earnings in form of dividends.

Nokian Tyres plc
Board of Directors

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Appendix: Updated proposals to the Annual General Meeting

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