

**BOARD'S PROPOSALS TO THE
ANNUAL GENERAL MEETING**

12 April, 2012

BOARD'S PROPOSALS TO THE AGM

Dividend policy and payment of dividend

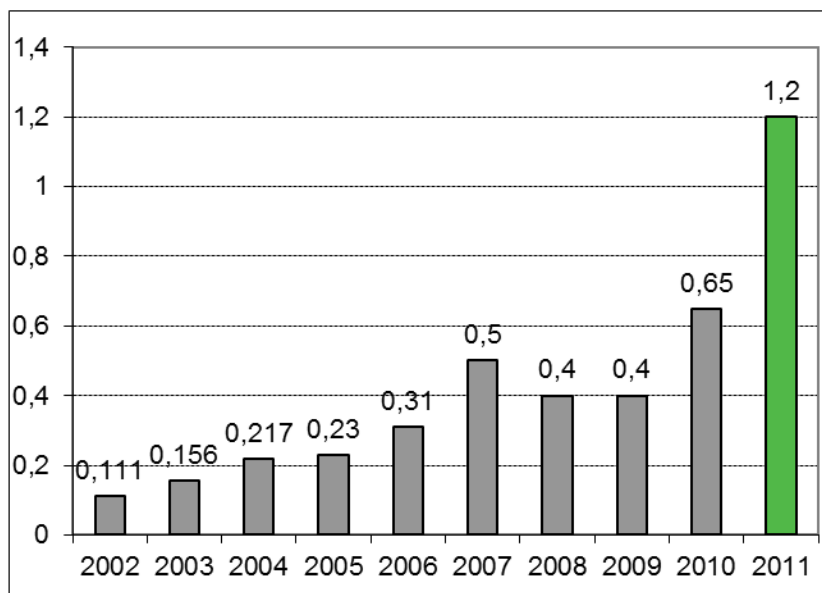
- Dividend policy: to distribute at least 35% of net profit in dividends
- Parent company's distributable funds on 31 Dec 2011 were 327,0 m€, payment of dividend amounts to 156,6 m€, 170,4 m€ to be retained in shareholders' equity
- Parent company's distributable funds on 31 Dec 2012 will be approximately 375 m€, including dividends from subsidiaries

The Board of Directors' proposal:

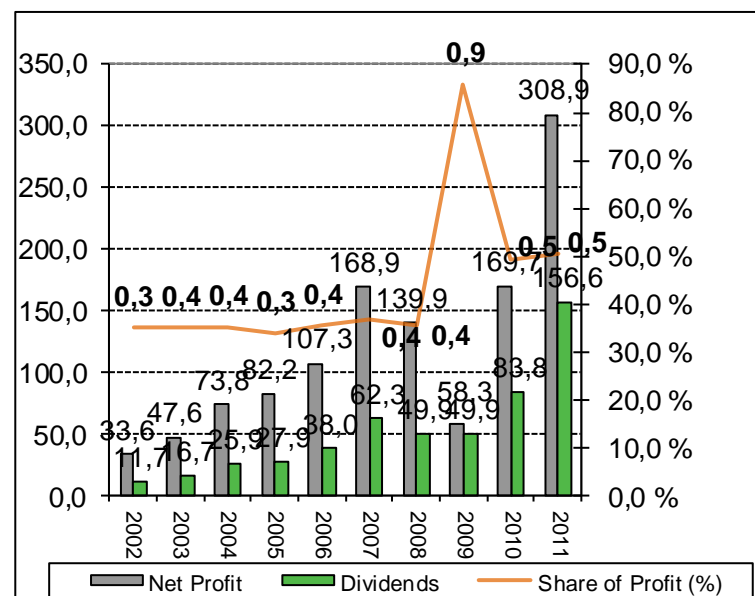
A dividend of EUR 1,20 per share be paid for the fiscal year ended 31 December 2011.

- Dividend is 50,7% of net profit
- The dividend will be paid to shareholders who, on the record date, 17 April 2012, have been entered in the Company's shareholder register maintained by Euroclear Finland Oy.
- The payment date for the dividend is 3 May, 2012.

Dividend per share (EUR)



Net profit (m€) and dividends



BOARD'S PROPOSALS TO THE AGM

Remuneration of the members of the Board

The Nomination and Remuneration Committee's proposal:

Remuneration

- The fee paid to the Chairman of the Board would be EUR 80,000 per year, and the fee paid to Members of the Board 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 12 April to 30 April 2012, 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
- Each Member of the Board will receive a meeting fee of EUR 600 per each possible attended meeting
- It is not proposed to pay a separate compensation to the President and CEO for Board work.

BOARD'S PROPOSALS TO THE AGM

Number of members of the Board of Directors

The Nomination and Remuneration Committee's proposal:

Board comprises of seven members

BOARD'S PROPOSALS TO THE AGM

Election of members of the Board of Directors

The Nomination and Remuneration Committee's proposal:

Six members of the Board be re-elected and one new member elected.

- Six current Board members to continue (Kim Gran, Hille Korhonen, Hannu Penttilä, Benoît Raulin, Petteri Walldén and Aleksey Vlasov) and new member of the board Risto Murto.
- Kim Gran is the President and CEO of the company. The other Board members are independent of the company. All Board members except Benoît Raulin are independent 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*

Kim Gran, b. 1954

Bachelor of Science on Economics

President and CEO of Nokian Tyres plc

Member of the Nokian Tyres Board since 2002.

Other simultaneous positions of trust

Chairman of the Boards:

Rautaruukki Plc

The Rubber Manufacturers' Association

Member of the Boards:

Chemical Industry Federation of Finland (Vice Chairman)

Finnish-Russian Chamber of Commerce (FRCC)

Ilmarinen

YIT Plc



BOARD'S PROPOSALS TO THE AGM

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

Hille Korhonen, b. 1961

Licentiate of Technology

VP Operations, Fiskars Corporation

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

Other simultaneous positions of trust

Member of the Board:
Lassila & Tikanoja Oy



BOARD'S PROPOSALS TO THE AGM

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

Hannu Penttilä, b. 1953

Master of Laws

CEO, Stockmann plc

Member of the Nokian Tyres Board since 1999.

Member of Nomination and Remuneration Committee.

Other simultaneous positions of trust

Chairman of the Boards:

Jääkiekon SM-liiga Oy

Lindex AB, Seppälä Oy

Suomen Pääomarahoitus Oy

Stockmann Russia Holding AB

Member of the Board:

HC Ässät Pori Oy

Member of the Supervisory Boards:

Mutual Insurance Company Kaleva

Varma Mutual Pension Insurance Company

Luottokunta (Vice Chairman)



BOARD'S PROPOSALS TO THE AGM

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

Benoît Raulin, b. 1967

Isege Business School of Management, France.
Masters in Finance and Management

Vice President, Finance and Procurement,
Bridgestone Europe

Member of the Nokian Tyres Board
since 2011.

Other simultaneous positions of trust

Appointed as a Managing Director: Bridgestone
France S.A.S. (sales division), Bridgestone
Deutschland GmbH, and Bridgestone Austria
GmbH.

Member of the Board of Directors:

Bridgestone Italia S.p.A.
Bridgestone Hispania S.A.
Bridgestone UK Ltd.



BOARD'S PROPOSALS TO THE AGM

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

Aleksey Vlasov, b. 1957

Medical doctor

Vice President, Synttech Group

Member of the Nokian Tyres Board
since 2006.



BOARD'S PROPOSALS TO THE AGM

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

Petteri Walldén, b. 1948
Master of Science

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

Other simultaneous positions of trust

Chairman of the Board
Puukeskus Holding Oy

Member of the Boards:

Alteams Oy

Comptel Oyj

Kuusakoski Group Oy

Mesera Oy

One Nordic Holding AB

SE Mäkinen Logistics Oy

Teleste Oyj



BOARD'S PROPOSALS TO THE AGM

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

Risto Murto, b. 1963

Doctor of Science (Economics), Lic. Pol. Sc
(Economics), Master of Science (Economics)

CIO, Executive Vice President
Varma Mutual Pension Insurance Company

Other simultaneous positions of trust

Vice Chairman of the Board: VVO-Group Plc

Member of the Boards:

Kaleva Mutual Life Insurance

NV Kiinteistösijoitus

Professional Experience

Managing Director, Opstock Ltd. 2000 – 2005

Head of Equities and Research, Opstock Ltd. 1997 – 2000



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 (in round figures):

- 2007: 431,000 €, of which audit fees 290,000 €
- 2008: 583,000 €, of which audit fees 503,000 €
- 2009: 583,000 €, of which audit fees 397,000 €
- 2010: 494,000 €, of which audit fees 407,000 €
- 2011: 721,000 €, of which audit fees 510,000 €

BOARD'S PROPOSALS TO THE AGM

Election of auditor

Board's proposal:

KPMG Oy Ab, authorised public accountants, be elected as auditors for the 2012 financial year.

- Auditor: KPMG Oy Ab, authorised public accountants
 - Lasse Holopainen, Authorised Public Accountant, acting as the auditor with principal responsibility since 2006
- 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 2005 after competitive bidding

BOARD'S PROPOSALS TO AGM

Authorization for a share issue

- The Board of Directors proposes that at the Annual General Meeting the Board should be authorised 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 authorisation accounts for approximately 19% of the company's shares.
- The authorisation 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 authorisation, 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 authorisation 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 authorisation will be effective for five years from the decision made at the Annual General Meeting. This authorisation will invalidate all other Board authorisations regarding share issues and convertible bonds.