



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

11 April, 2013



BOARD'S PROPOSALS TO THE AGM

Dividend policy and payment of dividend

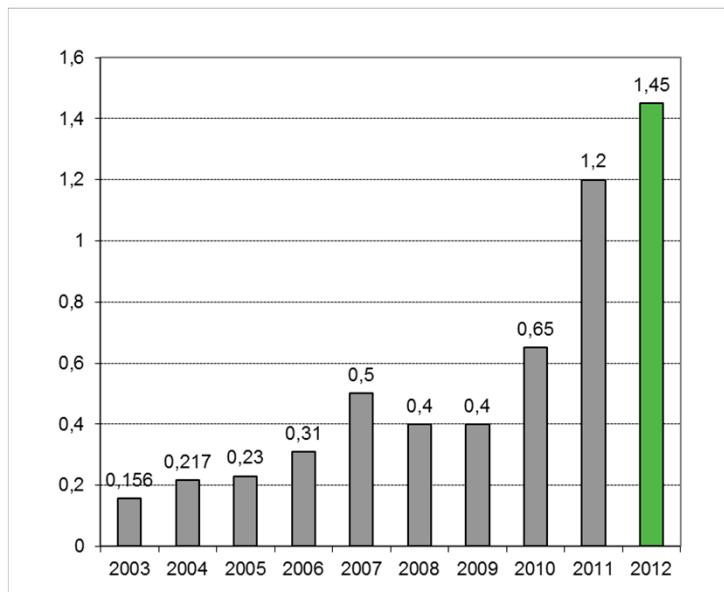
- Dividend policy: to distribute at least 35% of net profit in dividends
- Parent company's distributable funds on 31 Dec 2012 were 447.4 m€, profit 2012 was 233.1 m€, payment of dividend amounts to 191.9 m€, 255.5 m€ to be retained in shareholders' equity
- Parent company's distributable funds on 31 Dec 2013 will be approximately 529 m€, including dividends from subsidiaries

The Board of Directors' proposal:

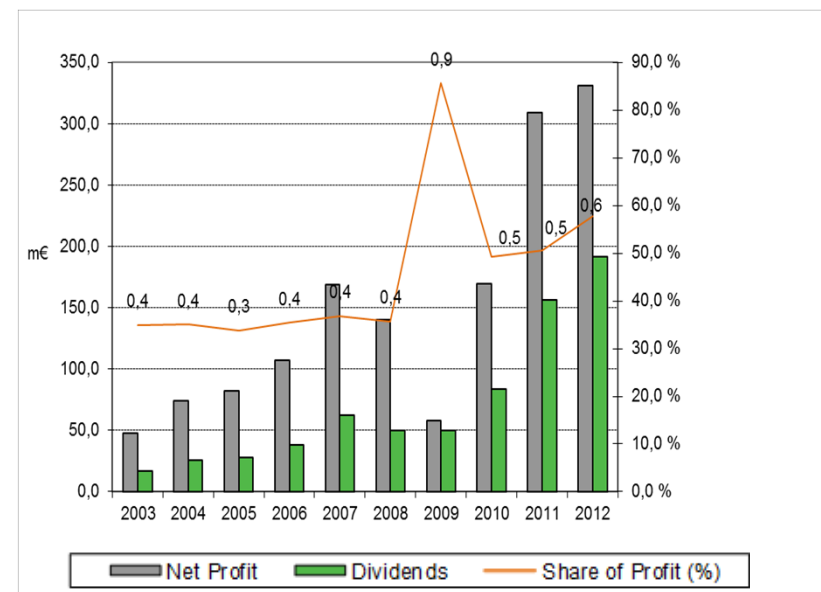
A dividend of EUR 1,45 per share be paid for the fiscal year ended 31 December 2012.

- Dividend is 57.8% of net profit
- The dividend will be paid to shareholders who, on the record date, 16 April 2013, have been entered in the Company's shareholder register maintained by Euroclear Finland Oy.
- The payment date for the dividend is 26 April, 2013.

Dividend per share (EUR)



Net profit (m€), dividends and share of profit (%)





BOARD'S PROPOSALS TO THE AGM

Remuneration of the members of the Board

The Nomination and Remuneration Committee's proposal:

Remuneration unchanged

- 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 2013, 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 proposed not 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 six 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.

- Six current Board members to continue Kim Gran, Hille Korhonen, Risto Murto, Hannu Penttilä, Petteri Walldén and Aleksey Vlasov
- Kim Gran is the President and CEO of the company. The other Board members are independent of the company. All Board members 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, 1/6*

Kim Gran, b. 1954

Bachelor of Science on Economics

President and CEO of Nokian Tyres plc since 2000.

Member of the Nokian Tyres Board since 2002.

Other simultaneous positions of trust

Chairman of the Board: Rautaruukki Plc,
The Rubber Manufacturers' Association

Vice Chairman of the Board: Chemical Industry
Federation of Finland

Member of the Board: Ilmarinen,
Finnish-Russian Chamber of Commerce (FRCC),
YIT plc





BOARD'S PROPOSALS TO THE AGM

*Board's Nomination and Remuneration Committee's nominee
for the Member of the Board of Directors, 2/6*

Hille Korhonen, b. 1961

Licentiate of Technology

President and CEO, Alko Inc.

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, 3/6*

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

Member of the Nokian Tyres Board
since 2012.

Other simultaneous positions of trust

Chairman of the Board: NV Kiinteistösijoitus,
VVT Kiinteistösijoitus Oy

Vice Chairman of the Board: VVO-Group Plc

Member of the Board: Kaleva Mutual Life Insurance



BOARD'S PROPOSALS TO THE AGM

*Board's Nomination and Remuneration Committee's nominee
for the Member of the Board of Directors, 4/6*

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 Board:

Several subsidiaries of Stockmann group

Jääkiekon SM-liiga Oy

Member of the Board:

HC Ässät Pori Oy

Member of the Supervisory Board:

Mutual Insurance Company Kaleva

Varma Mutual Pension Insurance Company

Suomen Luotto-osuuskunta (Vice Chairman)





BOARD'S PROPOSALS TO THE AGM

*Board's Nomination and Remuneration Committee's nominee
for the Member of the Board of Directors, 5/6*

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, 6/6*

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
Vice Chairman of the Board: Tikkurila plc

Member of the Board:
Comptel Oyj
Kuusakoski Group Oy
Mesera Oy
One Nordic Holding AB
SE Mäkinen Logistics Oy
Staffpoing Holding Oy
Teleste Oyj





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):

- 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 €
- 2012: 849,000 €, of which audit fees 543,000 €



BOARD'S PROPOSALS TO THE AGM

Election of auditor

Board's proposal:

KPMG Oy Ab, authorised public accountants, be elected as auditors for the 2013 financial year.

- Auditor: KPMG Oy Ab, authorised public accountants
 - Jari Härmälä, 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 THE AGM

Stock Option Plan 2013

The Nomination and Remuneration Committee's proposal for Stock Option Plan 2013:

- Stock Option Plan for all employees of the company
- Vesting period two years
- A total of 3,450,000 options in three lots → annual dilution 0.85%
 - Subscription price 2013A Jan - April 2013 -> vest in 1 May, 2015
 - Subscription price 2013B Jan - April 2014 -> vest in 1 May, 2016
 - Subscription price 2013C Jan - April 2015 -> vest in 1 May, 2017
- Share subscription ends in 2 years and 1 month from vesting
- Proportion of option income must be used for share purchases (top management)

BOARD'S PROPOSALS TO THE AGM

Authorizing the Board to resolve to repurchase treasury shares

The Board proposes that the Annual General Meeting authorizes the Board of Directors to resolve to repurchase treasury shares

- The Board proposes that the Annual General Meeting of Shareholders authorize the Board of Directors to resolve to repurchase a maximum of 300,000 shares in the Company by using funds in the unrestricted shareholders' equity. The proposed number of shares corresponds 0.2 per cent of all shares of the Company.
- 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.
- Treasury shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase)
- It is proposed that the authorization be used for purposes determined by the Board of Directors, among other things, for the Company's incentive plans.
- It is proposed that the authorization be effective until the next Annual General Meeting of Shareholders, however, at most until 11 October 2014.