

Corporate Governance Statement 2014

Nokian Tyres plc (hereinafter “the company”) complies with the rules and regulations of its Articles of Association and the Finnish Companies Act, as well as those published by NASDAQ Helsinki Oy (“The Helsinki Stock Exchange”) concerning listed companies. The company also complies with the Finnish Corporate Governance Code 2010 approved by the Securities Market Association that became effective October 1, 2010. The code document is available on the Internet at <http://cgfinland.fi/en/>.

The company’s corporate governance is based on the entity comprised of the Annual General Meeting, the Board of Directors, the President and the Group Management Team, the above-mentioned laws and regulations, and the Group’s policies, instructions and practices. The company’s Board of Directors has accepted the report concerning corporate governance. According to the company’s auditors, the report and the related descriptions of internal reporting controls and risk management are in compliance with the actual reporting process.

Annual General Meeting

The highest decision-making power in the company is held by the Annual General Meeting, whose tasks and procedures are outlined in the Limited Liabilities Companies Act and the company’s 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 from liability. The Annual General Meeting elects the members of the Board of Directors and auditors and determines their fees. In addition, the Annual General Meeting can make decisions concerning for example amendments to the Articles of Association, share issues, granting warrants, and acquisition of the company’s own shares.

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 the entire stock requires it in writing in order to address a certain issue.

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.

The Articles of Association state that the invitation to the Annual General Meeting must be published in one daily newspaper distributed nationwide and one distributed in the Tampere region. In addition, the company publishes the invitation to the Annual General Meeting as a stock exchange release and on its website.

The Annual General Meeting for 2014 took place on April 8, 2014 in the Tampere Hall, Tampere. The meeting confirmed the consolidated financial statements and discharged the Board members and the President from liability for the fiscal year 2013. All documents related to the Annual General Meeting are available on the Internet at www.nokiantyres.com/company/investors/.

Shareholder’s rights

According to the law, shareholders are entitled to subject matters belonging to the Annual General Meeting’s scope of power to be addressed at the meeting. This requires that the shareholder submits the requirement to the Board of Directors in writing, far enough in advance so that the matter can be added to the agenda on the invitation.

Shareholders registered in the company’s shareholder register by the date specified on the invitation to the Annual General Meeting, 8 days before the meeting (the record date), are entitled to attend the Annual General Meeting. Shareholders can also authorize a proxy to act on their behalf in the Annual General Meeting. Owners of administratively registered shares can be temporarily added to the shareholder register in order to make them eligible to attend the Annual General Meeting.

In the Annual General Meeting, shareholders are entitled to use the entire amount of votes they

own on the record date. Shareholders have the right to present questions regarding issues on the General Annual Meeting's agenda. In addition, shareholders are entitled to suggest draft resolutions concerning matters belonging to the scope of power of the Annual General Meeting and included on its agenda.

Board of Directors

The Board is responsible for corporate governance and the appropriate conduct of ordinary activities. The Board holds the general juridical power in company-related issues that do not belong to the scope of power of other corporate governance bodies as stipulated in applicable laws and the Articles of Association. The policies and key tasks of the Board are defined in the Limited Liability Companies Act, the Articles of Association, and the Board's working order. The key tasks include:

- Consolidated financial statements and interim reports
- Proposals to the Annual General Meeting
- Appointing and dismissing the President and CEO
- Organization of financial control.

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

- Group and profit centre strategies
- 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 scheme for Group management
- Appointing Board committees
- Monitoring and evaluating the actions of the President.

The company has a separate Audit Committee and a Nomination and Remuneration Committee.

Nokian Tyres' President and CEO is in charge of ensuring that the Board members have 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.

Composition of the Board

The Board of Directors shall comprise such a number of members and feature such a composition that it is capable of efficiently carrying out its tasks. The elected Board members must be qualified for the task and able to allocate enough time for the Board duties.

According to the Articles of Association of Nokian Tyres, the Board of Directors comprises no fewer than three and no more than eight members. Members of the Board are elected at the Annual General Meeting. The Board members' term of office terminates at the end of the first Annual General Meeting following the elections.

Remunerations payable to Board members are confirmed at the Annual General Meeting. The Board of Directors appoints a chairman from among its members at the first constituent meeting following the Annual General Meeting. The chairman presides until the end of the following Annual General Meeting. The Board meetings usually take place in Helsinki. The Board visits yearly the main units of the group and holds its meetings at these locations. When necessary, telephone conferences can also be arranged. The Vice President responsible for finance and control and other Group Management Team members as well as internal auditor participate in the Board meetings when necessary. The auditor participates in the annual meeting dealing with financial statements and auditing plan. The Group General Counsel is the secretary of the Board.

The Board met 8 times in 2014, with an attendance as follows:

Petteri Walldén, Chairman	8/8	100%
Kim Gran	7/8	88%
Hille Korhonen	8/8	100%
Raimo Lind (starting April 8, 2014)	6/6	100%
Inka Mero (starting April 8, 2014)	6/6	100%
Risto Murto	8/8	100%
Hannu Penttilä	8/8	100%
Aleksey Vlasov (until April 8, 2014)	0/2	0%

In 2014 the company's Board comprised the following members:

Petteri Walldén, Chairman (b. 1948)

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

Education: Master of Science (Engineering).

Key experience: President and CEO: 2007–2010 Alteams Oy, 2001–2005 Onninen Oy, 1996–2001 Ensto Oy, 1990–1996 Nokia Kaapeli Oy and 1987–1990 Sako Oy

Key positions of trust: Vice Chairman of the Board: Tikkurila;

Member of the Board: Kuusakoski Group Oy, SE Mäkinen Logistics Oy, Staffpoing Holding Oy and Teleste Oy

Fee per year: EUR 80,000 of which 1,394 pcs as share (EUR 39,984)

Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 4,800, the Nomination and Remuneration Committee EUR 1,800.

Holding on 31 Dec. 2014: 15,737

Kim Gran (b. 1954)

Member of the Board since 2002.

Full-time position: President & CEO of Nokian Tyres until 30 September, 2014.

Education: Bachelor of Science in Economics.

Key experience: 2000–2014 President and CEO, Nokian Tyres plc, 1995–2000 Vice President, Nokian Tyres, Car and Van tyres; 1992–1995 Managing Director, Pechiney Cebal, Corby, UK; 1988–1995 Managing Director, Cebal-Printal, Devizes, UK; 1987–1988 Marketing Director, Printal Oy, Hanko, Finland; 1985–1987 Director, Gran-Transport Ltd, Turku, Finland; 1982–1985 Marketing Manager, A. Ahlström; 1980–1982 Purchasing Manager, A. Ahlström;

Key positions of trust: Chairman of the Board: Rubber Manufacturer's Association;

Vice Chairman of the Board: YIT plc; Member of the Board: Finnish-Russian Chamber of Commerce (FRCC), Ilmarinen and SSAB

Fee per year: EUR 21,312 of which 471 pcs as share (EUR 10,339)

Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 600. Mr. Gran did not receive a separate fee for his Board work as the acting President and CEO (until 30 September 2014).

Holding on 31 Dec. 2014: 0

Stock options on 31 Dec. 2014: 2010B 90,000, 2010C 90,000 , 2013A 60,000 and 2013B 40

Hille Korhonen (b. 1961)

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

Full-time position: President and CEO, Alko Inc.

Education: Licentiate of Science (Technology).

Key experience: 2008–2012 Fiskars Corporation, Vice President, Operations; 2003–2009 Iittala Group, Group Director, Operations; 1996–2003 Nokia Corporation, management duties for logistics; 1993–1996 Outokumpu Copper Plc, Manager, Logistics and Marketing Development

Key positions of trust: Member of the Board: Finnish Commerce and Lassila&Tikanoja

Member of the Supervisory Board: Ilmarinen Mutual Pension Insurance Company
Fee per year: EUR 46,600 of which 697 pcs as share (EUR 19,992)
Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 4,800, the Nomination and Remuneration Committee EUR 1,800.
Holding on 31 Dec. 2014: 6,568

Raimo Lind (b. 1953)

Member of the Board since 2014. Chairman of the Audit Committee.
Education: Master of Science (Economics)
Key experience: Wärtsilä, Senior Executive Vice President and deputy to the CEO 2005–2013, CFO 1998–2013 Tamrock; Coal division president, Service division president, CFO 1992–1997 Scantrailer, Managing Director, 1990–1991 Wärtsilä, Service division, Vice president, Wärtsilä Singapore Ltd, MD, Diesel division, VP Group Controller 1976–1989
Key positions of trust: Chairman of the Board: Elisa Plc; Member of the Board: Capman Credit and HiQ AB
Fee per year: EUR 40,000 of which 697 pcs as share (EUR 19,992)
Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 3,600, the Audit Committee EUR 1,200.
Holding on 31 Dec. 2014: 697

Inka Mero (b. 1976)

Member of the Board since 2014. Member of the Audit Committee
Full-time position: Co-Founder and Chairwoman, KoppiCatch Ltd
Education: Master of Economics
Key experience: 2008- Co-Founder and Chairwoman, KoppiCatch Oy; 2006–2008 CEO, Playforia Oy 2005–2006 Director, Nokia Plc; 2001–2005 VP Sales and Marketing, Digia Plc; 1996–2001 Investment Manager, Sonera Corporation
Key positions of trust: Chairman of the Board: IndoorAtlas Oy and KoppiCatch Oy
Member of the Board: Klevu Oy, Staffpoint Holding Oy and Startup-Sauna Foundation
Fee per year: EUR 40,000 of which 697 pcs as share (EUR 19,992)
Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 3,600, the Audit Committee EUR 1,200
Holding on 31 Dec. 2014: 697

Risto Murto (b. 1963)

Member of the Board since 2012. Member of the Audit Committee.
Full-time position: CEO, Varma Mutual Pension Insurance Company
Education: Doctor of Science (Economics), Master of Science (Economics).
Key experience: Vice president, Varma Mutual Pension Insurance Company 2010-2013; Director, investments, Varma Mutual Pension Insurance Company 2006-2010; Managing Director, Opstock Ltd. 2000 – 2005; Head of Equities and Research, Opstock Ltd. 1997–2000
Key positions of trust: Vice Chairman of the Board: Kaleva Mutual Life Insurance, Oulu University and The Finnish Pension Alliance TELA
Member of the Board: Wärtsilä and Federation of Finnish Financial Services FFI
Fee per year: EUR 40,000 of which 697 pcs as share (EUR 19,992)
Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 4,800, the Audit Committee EUR 1,200.
Holding on 31 Dec. 2014: 1,899

Hannu Penttilä (b. 1953)

Member of the Board since 1999. Member of the Nomination and Remuneration Committee
Education: Master of Laws.

Key experience: Stockmann plc: 2001–2014 Vice President Stockmann plc: 1994–2001 Executive Vice President; 1992–2001 Director, Department Store Division; 1986–1991 Director, Helsinki Department Store; 1985–1986 Manager, Tapiola Department Store; 1978–1984 Company lawyer; 1976–1978 Ministry of Labour, inspector, junior ministerial secretary
Key positions of trust: Member of the Board: HC Ässät Pori Oy
Fee per year: EUR 40,000 of which 697 pcs as share (EUR 19,992)
Meeting fee (EUR 600 per attended meeting): The Board meetings EUR 4,800, the Nomination and Remuneration Committee EUR 1,800.
Holding on 31 Dec. 2014: 8,196

Independence of the Board members

The Board members are independent of the company. All Board members are independent of any major shareholders of the company.

Committees of the Board

From among its members, the Board of Directors appoints a chairman and the members for the committees annually at its first constituent meeting following the Annual General Meeting. Each committee must include no fewer than three members with the competence and expertise necessary for working in the committee. The members of the Audit Committee must be independent of the company, and at least one member must be independent of any major shareholders. The majority of the members of the Nomination and Remuneration Committee must be independent of the company. The President and CEO or another member of the company management cannot act as a member of the Nomination and Remuneration Committee.

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; the Board makes collective decisions and is responsible for carrying out the tasks assigned to the committee.

Raimo Lind (Chairman), Inka Mero, and Risto Murto were members of the Audit Committee in 2014.

According to the working order specified by the Board, the committee supervises that bookkeeping, financial administration, financing, internal auditing, audit of the accounts, and risk management are appropriately arranged in the company. The committee follows the reporting process for financial statements as well as any significant changes in the recording principles and the items valued in the balance sheet. Furthermore, the committee 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. The committee prepares the draft resolution for selecting the auditor.

The committee assembled 2 times in 2014. The attendance rate was 100%. All committee members are independent of the company and of any major shareholders of the company.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established to add improve the efficiency of the Board's work. The committee assists the Board by preparing matters subject to decision by the Board and reports to the Board. The committee has no independent decision-making power; the Board makes collective decisions and is responsible for carrying out the tasks assigned to the committee.

Hille Korhonen, Risto Murto, Hannu Penttilä, and Petteri Walldén (Chairman), were members of the Nomination and Remuneration Committee in 2014.

The committee prepares the Board's proposal to the Annual General Meeting on the members to be appointed to the Board of Directors and the remuneration paid to the Board members. In addition, the

committee prepares a proposal to the Board on the company's President and CEO as well as the salary and other incentives paid to the President and CEO. The Nomination and Remuneration Committee also submits a proposal to the Board on the allocation and criteria of employee stock options and other incentives.

The committee assembled 3 times in 2014. The attendance rate was 100%. All committee members are independent of the company and of any major shareholders of the company.

President and CEO

The President and CEO manages the Group's business operations and implements the current corporate governance in accordance with the instructions and guidelines provided by the Board of Directors. With regard to the extent and quality of the company operations, the President and CEO may only undertake unusual or extensive actions as authorized by the Board of Directors. The President and CEO is in charge of ensuring that the company accounting follows statutory requirements and that asset management is arranged reliably. Kim Gran, Bachelor of Science in Economics, was the President and CEO between September 1, 2000 and September 30, 2014. Ari Lehtoranta, Master of Science in Telecommunications, has been the President and CEO as of October 1, 2014.

Other management

The Group's management team assists the President and CEO in operative management. In compliance with the Group's meeting practice, the Management Workshop convenes once a month, and it is attended by the President and CEO, the profit center Vice Presidents, the service center Vice Presidents, the Vice President for Russian operations, and the Internal Auditor (CAE). The Group's Management Team is introduced in more detail at www.nokiantyres.com/company/investors/corporate-governance/the-groups-management-team/

Salaries and remunerations 2014

Remuneration of the Board members

Remunerations payable to Board members are confirmed at the Annual General Meeting. In 2014, remunerations to Board members totaled EUR 336,712 (EUR 240,000), including 5,350 (3,859) Nokian Tyres' shares worth EUR 150,281 (EUR 119,884). In addition, the committee and Board members, excluding the President and CEO, received meeting fees totaling EUR 36,000 (25,200) for attended meetings. Board members are not included in the company's option scheme or performance share plan. The President and CEO does not receive separate remuneration for participating in Board meetings, but the President and CEO is covered by the option schemes and performance share plan.

Remuneration of the President and CEO

The Board of Directors makes decisions concerning the President and CEO's salary and other benefits. The compensation package includes the basic salary, fringe benefits, pension scheme, and performance related bonus scheme, which is based on the Group's profitability and growth. The bonus cannot exceed 100% of President and CEO's annual base salary.

In 2014, the annual salary of Kim Gran, President and CEO (until September 30, 2014), was EUR 568,822. The share of fringe benefits in the salary was EUR 13,680. In addition, the President and CEO received annual bonuses in a total of EUR 104,998.

In 2014, the annual salary of Ari Lehtoranta, President and CEO (as of October 1, 2014), was EUR 167,597. The share of fringe benefits in the salary was EUR 2,055.

According to a written agreement, the President and CEO's age of retirement is 63 years. The pension will be determined on the basis of the Employees Pensions Act and an additional supplemental defined benefit plan pension insurance policy taken out by the company. The fee paid in 2014 was EUR 44,000.

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 a compensation corresponding to 18 months' salary

and other benefits, in addition to the notice period's salary.

Management's incentive systems

The Nomination and Remuneration Committee's proposal for the salaries and benefits of managerial employees, as well as for the employee incentive scheme, is subject to the Board's approval.

Management rewards are based on a monthly remuneration determined by the competence classification of the tasks and on a separate annual bonus. The annual bonus is determined on the basis of the Group's EBIT and the achievement of the KPIs set for different functions. The function specific KPIs consist of several factors including profitable growth, cash flow, and the efficiency of operative process. At maximum, the annual bonus can correspond to 25–30% of a person's annual salary.

The Group has also created an option scheme covering all personnel and a performance share plan for key employees, which aim to provide long-term incentives and built commitment to the company.

Mechanisms of internal control, internal audit, and risk management

The Group's internal control mechanisms are in place in order to ensure that the financial reports released by the company contain the essential, correct information on the Group's financial position. The Group has defined Group-level instructions and policies for the key operative units specified below in order to ensure efficient and profitable company operations.

The business activities of the Nokian Tyres Group are divided into two areas: the manufacturing business and the tyre chain. The manufacturing business consists of profit centers, which are Passenger Car Tyres, Heavy Tyres (the Nokian Heavy Tyres profit center was incorporated into an independent company as of January 1, 2006), and Other Business. Each profit center is responsible for its business area and its financial performance, risk management, balance sheet, and investments, supported by the different service functions. The Group's sales companies are a part of the sales function and serve as product distribution channels in local markets. The tyre chain is organized into a separate sub-group, whose parent company is Vianor Holding Oy, fully owned by the parent company Nokian Tyres plc. The tyre outlets operating in different countries are part of the sub-group.

The Managing Directors of the company's subsidiaries are responsible for the daily operations and administration of their companies. They report to the company's Vice President responsible for Sales and Logistics, while the Managing Directors of the Vianor chain report to the director of the Vianor profit center.

The Board of Directors is responsible for the functionality of the internal control mechanisms, which are managed by the company management and implemented throughout the organization. Internal control is not a separate function; it is an integral part of all activities at all levels of the Group. Operative company management bears the main responsibility for operational control. Every supervisor is obliged to ensure sufficient control over the activities belonging to his/her responsibility and to continuously monitor the functionality of the control mechanisms. The Vice President responsible for finance and control is responsible for organizing financial administration and reporting processes and the internal control thereof. The parent company's Finance and Control unit is responsible for internal and external accounting; its tasks also include producing financial information concerning the business areas and ensuring the accuracy of this information.

The preparation process of the consolidated financial statements (IFRS), the related control measures, as well as the task descriptions and areas of responsibility related to the reporting process have been defined. The parent company's Finance and Control unit is in charge of consolidating the business areas' figures to produce Group-level financial information. Under the parent company's Finance and Control unit's supervision, each legal Group company produces its own information in compliance with the instructions provided and in line with local legislation. The revenue and operating profit of the Group and business units are analyzed, and the consolidated profit is compared with the

management's assessment of business development and information on operative systems. The Group Finance and Control unit is centrally responsible for the interpretation and application of financial reporting standards, and also for monitoring compliance with these standards.

Effective internal control requires sufficient, timely, and reliable information in order for the company 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. Financial administration and other instructions are shared on the intranet for those who need them, and financial administration provides training with regard to these instructions when necessary. There is continuous communication with the business units. The company's financial performance is internally monitored by means of monthly reporting complemented with rolling prognoses. The profit is communicated to company personnel immediately after releasing the official stock exchange releases.

The Internal Auditing in Nokian Tyres Group makes assessments and audits on the efficiency of risk management, internal control, and governance processes. Internal Auditing is an independent and objective function, which aims to help the organization to achieve its targets. The Internal Audit function in the Group is managed by the Internal Auditor (CAE), who works under the Board of Directors and the President and CEO. The Internal Audit function of the Group is planned to be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

In 2014, the internal audit focused, among other things, on assessing the operation and risks of various country organizations, compliance with corporate governance instructions, corporate social responsibility, information security matters, and some misconduct risks. Since May, the Internal Audit function has primarily reported to the Tax Inspection Committee, which was established at the time. The Internal Audit function in Vianor focuses on guiding the outlets and ensuring conformity to the Vianor activity system, and it reports to the Internal Auditor of the Group and the Managing Directors of the country units.

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 business continuance. The Group's risk management policy focuses on managing the risks pertaining to business opportunities as well as those 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 risks, country risks, brand, R&D, and investments. Operational risks arise as a consequence of shortcomings or failures in the company's internal processes, personnel actions, or systems or external events, such as the legislation, unpredictable rulings of judicial systems or the authorities, or changes in raw material prices. Financial risks (Note 29) are related to fluctuations in interest rate and currency markets, refunding, and counterparty risks. Hazard risks can lead to injuries, property damage, production outages, environmental impacts, or liabilities to third parties.

The most significant risks related to Nokian Tyres' business are the country risks related to the Russian business environment, reputation risks, product and R&D risks, production outage risks, currency risks, and governance and data administration risks. Due to the company's product strategy, interruption risks that are related to marketing and logistics may have a significant impact especially on peak season sales.

The risk management process aims to identify and evaluate risks, and to plan and implement practical measures for each one. Such measures may include, for example, avoiding the risk, reducing it in different ways or transferring the risk through insurances or contracts. Control functions and actions mean securing or backing up procedures applied to reduce risks and ensure the completion of risk management measures.

Risk management is not allocated to a separate organization; its tasks follow the general distribution of responsibilities adopted in the organization and other business activities. The main

risks detected in risk surveys are reported to the company's Board of Directors once a year.

Insider issues

Nokian Tyres complies with the guidelines for insider trading drawn up by NASDAQ Helsinki, as well as the standard 5.3 issued by the Financial Supervisory Authority (Declarations of insider holdings and insider registers), which the company has supplemented with its own insider regulations.

In the guidelines for insiders issued by NASDAQ Helsinki, an insider with a duty to declare refers to:

1. The company's Board members, President and CEO, auditor, and the representative of the authorized public accountants acting as the principal auditor, and
2. Other members of the company's top management who have regular access to insider information and who are authorized to make decisions regarding the company's future development and the organization of business activities. The company has assigned all its top management members in this category of insiders with a duty to declare.

In the guidelines for insiders issued by NASDAQ Helsinki, company specific insiders refer to

1. Persons employed by the company or working for the company under another type of contract who, owing to their position or the nature of their work have regular access to insider information and who the company has defined as insiders (so-called permanent company-specific insiders). In this group, the company has included management assistants, people in the communications department responsible for distributing stock exchange and financial information, and key people in the finance department.

2. Persons employed by the company under an employment contract or other contract and have access to insider information, or persons temporarily included in the project specific register (so-called project-specific insiders). A project is a confidentially-prepared, uniquely identifiable collection of topics or an arrangement that includes insider information and which, if realized, may essentially affect the value of the company's publicly traded securities. The Financial Supervisory Authority is entitled to have access to information pertaining to the management of the company's project-specific insider information.

Duty to declare, insider registers and trading prohibition

The Securities Market Act imposes a duty to declare to the company's insiders with a duty to declare and requires that the company maintain a public register of its insiders with a duty to declare. The law requires that the company keeps a non-public, company-specific register of company-specific insiders. In the guidelines for insiders issued by NASDAQ Helsinki, insiders with a duty to declare and permanent company-specific insiders are jointly called permanent insiders.

Permanent insiders must time their trading in securities issued by the company in such a way that it does not erode confidence in the securities markets. Insiders are not allowed to trade the company's securities in the 30 days preceding the publication of interim reports and financial statement bulletins. This period may be extended if necessary. In addition to permanent insiders, the restriction on trading applies to their spouses, individuals of legal incapacity under their trusteeship, and associations in which they exercise authority. The trading prohibition applies to project-specific insiders until the termination or publication of the project.

Management of insider issues

Nokian Tyres maintains its insider register in the Euroclear Finland's SIRE system. The company has appointed a person to manage the tasks related to insider trading. The company also has an insider registrar, who deals with the practical tasks related to the insider register. The company annually reviews the basic information and trading covered by the duty to declare of the insiders with a duty to declare. Based on the review, the company prepares an annual report including the date and results of the review.

Audit

The auditor elected at the Annual General Meeting is KPMG Oy Ab, authorized public accountants, with Mr. Jari Härmälä, Authorized Public Accountant, acting as the auditor with principal responsibility. 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 2014 amounted to EUR 435,000 (EUR 494,000). The fees paid to the authorized public accountants for other services totaled EUR 266,000 (EUR 238,000).

Nokian Tyres group structure

