

Salaries and remunerations 2015

The highest decision-making power in the company is held by the Annual General Meeting. The Annual General Meeting elects the members of the Board of Directors and determines the fees for Board and committee work, as well as other benefits. Fees are paid in cash or company shares.

Remunerations paid to members of the Board in 2015, EUR

In 2015, in accordance with the decision of the General Meeting held on April 8, 2015, a fixed fee of EUR 80,000 was paid to the Chairman of the Board, and a fee of EUR 40,000 to each of the members of the Board. The annual fee consisted of a cash payment accounting for 50% of the fee and company shares accounting for 50% of the fee. In addition, the Board and committee members received a meeting fee of EUR 600 for each meeting attended. In 2015, remunerations to Board members totalled EUR 355,800 (2014: EUR 336,712), including 4,873 (5,350) Nokian Tyres' shares worth EUR 139,874 (EUR 150,281). In addition, meeting fees paid to the committee and Board members totalled all in all EUR 55,800 (EUR 36,000). Members of the Board of Directors did not receive any other monetary benefits, and they are covered by neither the company's stock option schemes nor performance share plan.

The Board met 10 times in 2015, with an attendance as follows:

Petteri Walldén, Chairman	10/10	100%
Kim Gran (until April 8, 2015)	4/4	100%
Hille Korhonen	10/10	100%
Tapio Kuula (from April 8, 2015)	6/6	100%
Raimo Lind	10/10	100%
Inka Mero	10/10	100%

Risto Murto (until April 8, 2015)	4/4	100%
Hannu Penttilä	10/10	100%

Reward system of the President and CEO and company management

The Board of Directors determines the salaries and benefits of the Group's President and CEO and other members of the management team based on the proposal submitted by the Nomination and Remuneration Committee. The Group's management team consists of the President and CEO, heads of profit centers and service functions, and the director in charge of Russian operations.

In addition to a monthly salary, the President and CEO and members of the management team receive incentives, which are determined annually on the basis of principles confirmed by the Board of Directors, based on the Nomination and Remuneration Committee's proposal.

The annual bonus of management team members 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 processes. The annual bonus sum ranges between 30 and 50 per cent of the recipient's annual salary.

In 2015, members of the Group's management team, other than the President and CEO, received fixed salaries totaling EUR 1,664,574 and annual bonuses totaling EUR 199,572, i.e. a combined total of EUR 1,864,146. In 2015 a total of 143,400 share options and 78,000 shares were granted to the members of the Group's management team (excluding the President and CEO).

The Annual General Meetings of April 8, 2010 and April 11, 2013 decided on the company personnel's stock option schemes that form a part of the incentive and commitment program for the personnel. The Board of Directors approved on April 29, 2013 a performance share plan for key employees. Members of the Group's management team are covered by Nokian Tyres plc's 2010 and 2013 stock option schemes and by performance share plan. The terms and conditions of the option schemes are available on the company's website at <https://www.nokiantyres.com/stock-options> and information on the performance share plan at <https://www.nokiantyres.com/company/news-article/the-board-of-directors-of-nokian-tyres-plc-resolved-on-a-key-employees-incentive-plan/>.



Financial benefits belonging to the office of President and CEO

The Board of Directors appoints and dismisses the President and CEO of the company and decides the terms and benefits of this office as outlined in the President's written contract.

In 2015 the fixed salary paid to the the President and CEO of Nokian Tyres plc Ari Lehtoranta totalled EUR 687,942. The fixed salary includes fringe benefits worth EUR 8,469. In addition, an annual bonus of EUR 100,000 was paid. In 2015 a total of 60,000 share options and 33,800 shares were granted to the President and CEO.

The President and CEO is covered by Nokian Tyres plc's 2010 and 2013 stock option schemes and share performance plan. The terms and conditions of the option schemes are available on the company's website at <https://www.nokiantyres.com/stock-options> and information on the performance share plan at <https://www.nokiantyres.com/company/news-article/the-board-of-directors-of-nokian-tyres-plc-resolved-on-a-key-employees-incentive-plan/>.

According to the President's contract, the retirement age of the President and CEO is 63 years. The pension is determined on the basis of the Employees Pensions Act and an additional defined contribution pension plan taken out by the company. The amount paid in 2015 was EUR 132,000.

The President's period of notice is 6 months. If the agreement is terminated by the company, the President is entitled to a remuneration corresponding to 18 months' salary and other benefits, in addition to the notice period's salary.