

# REMUNERATION REPORT

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# Remuneration report 2025

## People and Sustainability Committee – Chair’s greeting

Dear Shareholder,

**On behalf of the People and Sustainability Committee, I am pleased to present Nokian Tyres’ Remuneration Report (“Remuneration Report”) for the financial year 2025. This report outlines the remuneration paid or payable to the members of the Board of Directors and the President and CEO, in accordance with the Remuneration Policy.**

Nokian Tyres’ Board of Directors has reviewed and approved this report. In response to investor feedback to utilize more details on the target setting and its transparency, the People and Sustainability Committee has ensured that the Remuneration Report is now presented concisely, including relevant remuneration details alongside key financial information of the company.

### Remuneration Policy key take away

The executive remuneration of the company is designed to advance the strategy execution, business objectives, sustainability and long-term profitability of the company. Nokian Tyres aims to create long-term value for its shareholders by focusing on profitable growth. These policy principles are considered when making decisions on the executive remuneration. Remuneration decisions are guided by principles of performance-based pay, sustainability, and alignment with shareholder interests. The President and CEO’s remuneration includes a balanced mix of fixed pay and variable incentives, with short- and long-term components directly linked to company performance and operating profit. This

structure ensures that remuneration supports the company’s strategic priorities, financial success, and responsible business practices.

### Nokian Tyres performance and remuneration in 2025

When setting the short-term incentive plan criteria in 2025, the Board of Directors considered the prevailing market conditions and the company’s strategic focus on completing its investment phase leading to profitable growth. Targets were to support organizational efficiency, sustainability, and profitability. The group-level targets for the short-term incentive plan were segments operating profit and net cash flow. No changes were made to Nokian Tyres’ short-term incentive plan design.

In 2025, the short-term incentive criteria for the President and CEO Paolo Pompei were Nokian Tyres’ segments operating profit with a weight of 60 percent, and net cash flow with a weight of 40 percent, in total 100 percent. Nokian Tyres’ net sales for the financial year 2025 grew by 6.5 percent and were EUR 1,373.6 million (2024: EUR 1,289.8 million) and segments operating profit was EUR 91.3 million (2024: EUR 71.4 million). Despite cautious consumer demand across key markets, the company made progress in operational efficiency and strategic execution. As a result, the short-term incentive (STI) outcome for the President and CEO was 478,880 EUR based on the achievement of the set financial targets.

What it comes to long-term incentives, the two-year performance period of the Performance Share Plan (PSP) 2024–2025 ended after the financial year 2025. The rewards from the performance period 2024–2025 were based on EBITDA (50 percent weight), increase in passenger car tire production volume (40 percent weight) and reduction in direct



**REMUNERATION  
SUPPORTS THE  
COMPANY’S STRATEGIC  
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PRACTICES.**

CO<sub>2</sub> emissions (10 percent weight). The reduction in direct CO<sub>2</sub> emissions with 10 percent weight was achieved at the maximum level and the other targets were not met. The combined achievement of the set targets was thereby 20 percent. The reward calculation and share grant to eligible employees' will be paid in spring 2027.

The last performance period of the Performance Share Program (PSP) 2023–2027 was approved in May 2025 by the Board of Directors. The PSP 2025–2026 includes a two-year performance period, and one year restriction period (2027). The performance targets are average earnings per share (EPS) (45 percent weight), average return on capital employed (ROCE%) (45 percent weight), and a reduction of Scope 1 and 2 CO<sub>2</sub> emissions intensity (10 percent weight). Subject to achieving the performance targets, share rewards will be delivered in spring 2028. Two-year performance period was utilized in the program due to the Romanian factory ramp up and limited visibility because of the overall geopolitical circumstances.

### Looking ahead

Going forward, Nokian Tyres focuses on profitable and sustainable growth after completing a significant approximately EUR 800 million investment phase. The People and Sustainability Committee continues to develop remuneration practices to ensure they best support transformation and the achievement of growth targets. We believe that fostering leadership, enhancing employee engagement, and linking incentives to company performance will strengthen our progress.

### ELINA BJÖRKLUND

Chair of the People and Sustainability Committee of Nokian Tyres Board of Directors

### Introduction

This Remuneration Report describes how the actual remuneration of the Board of Directors and the President and CEO aligns with Nokian Tyres' current Remuneration Policy and how it promotes the company's long-term financial success.

The Remuneration Report has been prepared in accordance with the Securities Market Association's Corporate Governance Code 2025 and the applicable legislation. It has been approved by the Board of Directors and will be presented to the Annual General Meeting 2026 for advisory resolution. At the Annual General Meeting 2025, about 84 percent of votes (2024: 76 percent) supported an advisory resolution to adopt the company's Remuneration Report 2024.

The Board of Directors and the President and CEO were remunerated in accordance with the approved Remuneration Policy in 2025. One temporary deviation within the Remuneration Policy allowed frame was made during the recruitment of the new President and CEO, when he was granted 100,000 Nokian Tyres shares under Restricted Share Plan, with

separate approval from the Board of Directors. It was decided that the Restricted Share Plan for President and CEO has vesting period without separate defined earning criteria. Other deviations from the Remuneration Policy were not made and no clawback provisions were exercised in 2025.

This Remuneration Policy can be found at [Remuneration Policy / Nokian Tyres](#)

### Development of Nokian Tyres performance and remuneration

The following table compares the development of the remuneration of the Board of Directors, the President and CEO, average employee remuneration and the company's performance during the last five years.

The remuneration of the President and CEO is closely aligned with Nokian Tyres' financial and strategic performance. Since 2022, the company has navigated through significant external challenges. During the year 2025 remuneration was aligned with financial targets and was therefore connected to financial performance.

#### Remuneration during 2021–2025

	Average Board of Directors remuneration, EUR <sup>1</sup>	President and CEO remuneration, EUR <sup>2</sup>	Average remuneration per employee, EUR <sup>3</sup>	EPS, EUR	Segments operating profit, EUR	ROCE %
2025	82,114	820,240	65,920	-0.11	91.3	1.9%
2024	83,867	817,854	66,570	-0.17	71.4	0.5%
2023	78,911	1,421,075	61,830	-2.36	65.1	2.2%
2022	81,167	1,502,304	67,530	-1.27	17.8	3.1%
2021	70,489	1,157,960	54,790	1.49	324.8	13.7%

<sup>1</sup>Board of Directors remuneration - Average annual fee paid to Board members is calculated by dividing the total amount of fees paid each year to Board members by the composition of Board (number of members) during each year (2021–2024: 9 members; and 2025: 7 Board members) and excluding fees paid to members leaving during the following term.

<sup>2</sup>President and CEO remuneration realised salaries and rewards reflect the total remuneration for the financial year.

<sup>3</sup>Average remuneration per employee is calculated by dividing the total amount of salaries, incentives, and other related employee costs for the corresponding.

## Remuneration of the Board of Directors 2025

Nokian Tyres 2025 Annual General Meeting decided the following annual and meeting fees to be paid to the Board of Directors serving during the financial year 2025–2026. In accordance with the resolution, approximately 60 percent of the annual fee was paid in cash and 40 percent in company shares.

### Annual Fees:

**Chair of the Board:** 115,000 euros

**Deputy Chair and Chairs of the Board Committee:** 76,000 euros

**Other Directors:** 53,500 euros

**Meeting fees:** For each Board and Board Committee meeting, the fee is 700 euros.

For Board members resident in Europe, the fee for each meeting outside a member's home country within Europe is doubled, and for each meeting outside Europe, the fee is tripled. For Board members resident outside Europe, the fee for each meeting outside a member's home country is tripled. If a member participates in a meeting via telephone or video connection, the remuneration is 700 euros.

Travel expenses are reimbursed in accordance with the company's travel policy.

According to the Remuneration Policy, the members of the Board of Directors cannot participate in the same share-based remuneration schemes with Nokian Tyres management.

## Board of Directors total annual remuneration during 2025:

Board of Director	Position on the Board	Annual fixed fee (EUR) <sup>1</sup>	Board meeting fees (EUR)	Committee meeting fees (EUR)	Total fees (EUR)	Shares acquired with fixed annual fee (number of shares)
Jukka Hienonen	Chair of the Board of Directors, Member of the People and Sustainability Committee and Investment Committee, member of the Shareholders' Nomination Board	115,000	8,400	6,600	129,000	7,525
Elina Björklund	Deputy Chair of the Board of Directors (as of May 7, 2025), Chair of the People and Sustainability Committee, Member of the Investment Committee (as of August 29, 2025)	76,000	8,400	5,600	90,000	4,973
Susanne Hahn	Director, Member of the People and Sustainability Committee	53,500	11,900	7,000	72,400	3,501
Markus Korsten	Director, Member and Chair of the Investment Committee (as of August 29, 2025)	53,500	12,600	2,800	68,900	3,501
Elisa Markula	Director, Member of the Audit Committee	53,500	8,400	3,500	65,400	3,501
Antti Mäkinen	Director, Member of the Audit Committee (as of May 7, 2025)	53,500	5,600	2,100	61,200	3,501
Jouko Pölönen	Director, Chair of the Audit Committee	76,000	8,400	3,500	87,900	4,973
Christopher Ostrander	Director, Chair of the Investment Committee (until Aug 29, 2025)	76,000	10,500	1,400	87,900	4,973
Reima Ryttsölä	Director, Member of the Audit Committee (until May 7, 2025)	-	2,800	1,400	4,200	-
Pekka Vauramo	Deputy Chair, Member of the Investment Committee (until May 7, 2025)	-	2,100	700	2,800	-

<sup>1</sup>Stock exchange releases regarding share acquisitions were published on May 9, 2025. The company paid asset transfer taxes arising from the acquisition of shares.

Christopher Ostrander's shares for the 2025–2026 term are restricted until 2027. This restriction replaces a claw back of shares, which would have been applied proportionally due to Ostrander's resignation from the Board of Directors. Because a claw back was seen as impractical and expensive, the Board determined that the restriction period is a fair solution, especially since Ostrander is moving to a company role.

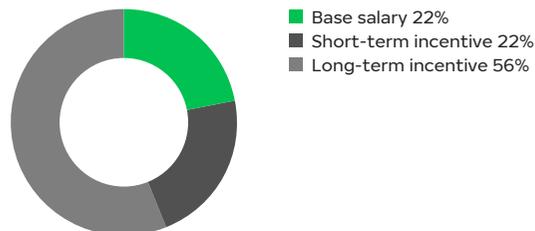
## Remuneration of the President and CEO in 2025

The President and CEO Paolo Pompei received the following remuneration during the 2025 financial year.

Annual remuneration, EUR		Pay mix
Base Salary	820,000	63%
Short-term incentive	478,880	37%
Long-term incentive	0	0%
Fringe benefits	240*	
(Statutory Pension	70,951)	
<b>Total</b>	<b>1,299,120</b>	

\*Phone benefit. Housing allowance included in the annual base salary.

## Relative portions of the President and CEO's compensation at maximum performance level, pension and benefits excluded



## 2025 Short-term incentives (paid in March 2026)

The target short-term incentive (STI) for the President and CEO is 50 percent of the annual base salary and the maximum incentive is 100 percent. The Board of Directors sets the targets annually and resolves on the incentive payout once the consolidated financial statements have been prepared.

The short-term incentive outcome based on target setting on scale 0 (min)–100 (target)–200 (max) percent in 2025 was as follows:

Criteria (Performance period 1.1.2025–31.12.2025)	Weight	Target	2025 achievement	2025 STI outcome %
Segments operating profit	60%	90 EUR million	91 EUR million	104%
Net cash flow, internal metric*	40%	N/A	N/A	136%
<b>Total STI outcome: 478,880 €</b>	<b>100%</b>			<b>116.8%</b>

The total 2025 STI payout for the President and CEO Paolo Pompei was 478,880 and it will be paid in March 2026.

\* Non-disclosed business information.

## Long-term incentive programs

The target long-term incentive (LTI) reward for the President and CEO is 125 percent of the annual base salary and the maximum incentive is 250 percent. Paolo Pompei was invited to participate in Performance Share Plan performance period 2025–2026 and was granted 144,427 Nokian Tyres shares at target level. In addition, Paolo Pompei was granted 100,000 share award under the Restricted Share Plan 2024–2026 based on the Board of Directors' separate decision when the managing director agreement was signed. It was decided that the Restricted Share Plan for President and CEO has vesting period without separate criteria.

Performance Period	2025–2026 (restricted year 2027)	2024–2026
<b>Long-term incentive program and criteria. Weights in brackets.</b>	<b>Performance Share Plan</b>	<b>Restricted Share Plan</b>
Target setting scale: 10%-100%-200%	EPS Average earnings per share (45%) ROCE Average return on Capital Employed percent (45%) Reduction of Scope 1 and 2 CO <sub>2</sub> emission intensity (10%)	Continued employment, segments return on capital employed (ROCE) for Management Team (excluding President and CEO)
Release of shares	2028	2027
Plan achievement	-	-

In 2025, President and CEO Paolo Pompei received no long-term incentive payments.

**The President and CEO’s other terms:**

**Salary:** Salary remained unchanged in 2025.

**Pension:** In accordance with the Finnish statutory pension system.

**Share ownership requirement:** The President and CEO must hold at least 25 percent of the shares received as rewards from the long-term incentive plans and collect shares from the incentive plans until the value of the shares received from the share plans is equal to the President and CEO’s annual gross base salary.

**Dismissal:** Either party can terminate with six months’ notice. The President and CEO is entitled to severance pay if the company terminates the employment relationship or if he terminates the contract in the event of a change of control in the company. The amount of the severance pay corresponds to the President and CEO’s gross annual base salary.

**Malus and claw back:** Nokian Tyres has the right to retroactively restate the amount and reclaim the excess part of the rewards paid from the short- and long-term incentives pursuant to rules regarding unjust enrichment. The short- and long-term remuneration schemes are discretionary in nature and do not form part of the terms and conditions of the service contract of the President and CEO, and the Board of Directors shall decide on the implementation of the schemes and their terms and conditions at any time. Nokian Tyres did not exercise any malus or claw back rights during the financial year 2025.

**Former President and CEO Jukka Moisio’s LTI payment**

Performance Share Plan 2023–2024 payout in spring 2026: The two-year performance period of the Performance Share Plan 2023–2024 ended. The rewards from the performance period 2023–2024 are based on the following criteria: cumulative EBITDA (50 percent weight), increase in passenger car tire production volume (40 percent weight) and reduction in direct CO<sub>2</sub> emissions (10 percent weight). The reduction in direct CO<sub>2</sub> emissions with 10 percent weight was achieved at the maximum level while the other targets were not met. The combined achievement of the set targets was thereby 20 percent. The reward calculation and share grant for Jukka Moisio will be paid during spring 2026 based on prorata on his last date of employment on December 31, 2024. The number of shares to be delivered is 11,609.

Performance Period	2023–2024 (restricted year 2025)
<b>Long-term incentive program and criteria. Weights in brackets.</b>	<b>Performance Share Plan</b>
Target setting scale: 10%-100%-200%	<b>Cumulative EBITDA (50%)</b> Target: 501 M€ Outcome: 272 M€
	<b>Increase in passenger car tire production volume (40%)</b> Target: Not disclosed due to business critical information Outcome: Not achieved
	<b>Reduction in direct CO<sub>2</sub> emissions (10%)</b> Target: max 195 kg per produced ton Outcome: 153 kg per produced ton
Release of shares	2026 spring
Plan achievement	20%



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