

Dividend proposal

The Board of Directors' Proposal for the Disposal of Profits

The parent company's distributable funds are EUR 128.4 million, of which EUR 57.1 million is distributable as dividends, including the net profit (loss) for the financial year EUR 8.8 million.

Motherson Sumi Systems Limited's voluntary public tender offer announced in January 19, 2017 is recommended by the Board of Directors and should the offer be completed no dividend shall be paid.

The Board of Directors will propose to the Annual General Meeting to be held on 5 April 2017 that a dividend of EUR 0.70 per share be paid for a total of EUR 16.9 million and that the remainder of the distributable funds be transferred to shareholders' equity. The number of shares may change due to share subscriptions registered before the record date. In the view of the Board of Directors, the proposed dividend pay-out will not put the company's liquidity at risk.

The dividend proposal is conditional upon

- a) the conditions for the completion of Motherson Sumi Systems Limited's voluntary public tender offer ("Tender Offer") announced on 19 January 2017 having not been fulfilled (or waived) and
- b) Tender offer having not been completed.

The Board of Directors furthermore will propose to the Annual General Meeting that Board of Directors be authorized to decide, subject to the fulfillment of and in line with the above mention conditions, upon the record date for the dividend pay-out and the dividend payment date as well as other required actions related thereto. Before the Board of Directors carries out the Annual General meeting's resolution, it has to evaluate in accordance with the Companies Act whether company's liquidity and financial position have changed after the Annual General Meeting to such an effect that the Companies Act's prerequisites for dividend pay-out are no longer fulfilled.

The Board of Directors will propose that the resolution and authorization be effective until the start of the next Annual General Meeting of Shareholders.

Auditors and Board of Directors

Resolution on the remuneration of the members of the Board of Directors and the auditor

Board remuneration

a) Shareholders' Nomination Board's proposal

The Shareholders' Nomination Board proposes that the remuneration remain unchanged and

- the annual remuneration payable to the members of the Board of Directors to be elected for a term of office ending at the end of the next Annual General Meeting shall be the following: Chairman of the Board EUR 60,000, Vice Chairman of the Board EUR 45,000 and other Board members EUR 30,000;
- the Chairmen of the Board Committees shall be paid an additional annual remuneration of EUR 10,000 and the other Committee members EUR 5,000;
- the meeting fee for attending the Board and Committee meetings shall be the following: Chairmen EUR 1,200 per meeting and other members EUR 800 per meeting. The meeting fees will be doubled in case member physically participates in a meeting held in a country, where member is not resident. No meeting fee shall be paid for the decision minutes drafted without holding a meeting;
- in addition, the travel and accommodation expenses related to the Board and Committee meetings shall be paid.

b) Proposal of shareholders owning over 10%

The shareholders' propose that the remuneration of the members of the Board of Directors shall be as proposed with the amendment that any members that are in employment or service relationship to Motherson Sumi Systems Ltd or its affiliates [other than PKC] are only entitled to the reimbursement of the travel and accommodation expenses.

Remuneration for auditor

The Board of Directors proposes, upon Audit Committee's proposal, that the remuneration and travel expenses for the auditor to be elected be paid according to the auditor's reasonable invoice.

Resolution on the number of members of the Board of Directors and the auditors

The Shareholders' Nomination Board proposes that six members shall be elected to the Board of Directors.

Board of Directors proposes, upon Audit Committee's proposal, that one audit firm shall be elected as auditor.

Election of members of the Board of Directors

a) Shareholders' Nomination Board's proposal

The Shareholders' Nomination Board proposes that Wolfgang Diez, Henrik Lange, Shemaya Levy, Mingming Liu, Robert Remenar and Matti Ruotsala shall be re-elected as Board members. [Reinhard Buhl has informed that he shall not be available for re-election to the Board of Directors.]

- b) Proposal of shareholders owning over 10%

The Shareholders propose that Robert Remenar and Matti Ruotsala shall be re-elected as Board members and Vivek Chaand Sehgal, Andreas Heuser, Pankaj Mital and Gaya Nand Gauba shall be elected as new members.

Election of auditor

- a) Board of Directors' proposal

The Board of Directors proposes, upon Audit Committee's proposal, that audit firm KPMG Oy Ab, which has announced Kim Järvi, Authorized Public Accountant, to be the Auditor with principal responsibility, shall be selected as auditor.

- b) Proposal of shareholders owning over 10%

The Shareholders propose that audit firm Ernst & Young Oy shall be elected as auditor. [Ernst & Young Oy has announced Jari Karppinen Authorized Public Accountant, to be the Auditor with principal responsibility]