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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Nexteer Automotive Group Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Nexteer Automotive Group Limited
耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

**PROPOSAL FOR
ADOPTION OF A SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting of Nexteer Automotive Group Limited to be held at Meeting Room 1, Level 4, Jinjiang Fuyuan Hotel, No. 11 Ronghua Road, Beijing Economic-Technological Development Area, Beijing, China on June 5, 2014 at 10:00 a.m. is set out on pages 16 to 17 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. Whether or not you intend to attend the Extraordinary General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any shareholder from attending and voting in person at the Extraordinary General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked.

May 20, 2014

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DEFINITIONS

In this circular, unless the context states otherwise, the following expressions have the following meaning:

“Board”	the board of Directors of the Company
“Company”	Nexteer Automotive Group Limited (耐世特汽車系統集團有限公司), a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands on August 21, 2012 and the issued Shares of which are listed on the main board of the Stock Exchange
“Date of Grant”	in respect of an Option, subject to the Share Option Scheme, the date on which the Board resolves to make an Offer of that Option to the Participant or such other date as designated by the Board, which date must be a business day
“Director(s)”	the director(s) of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at Meeting Room 1, Level 4, Jinjiang Fuyuan Hotel, No. 11 Ronghua Road, Beijing Economic-Technological Development Area, Beijing, China on June 5, 2014 at 10:00 a.m., or any adjournment thereof
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	May 16, 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Offer”	an offer of the grant of an Option made in accordance with the Share Option Scheme
“Option”	a right granted for the subscription of Shares pursuant to the Share Option Scheme
“Option Period”	a period within which an Option may be exercised to be notified by the Board to each Grantee at the time of making an Offer, which shall not expire later than ten years from the Date of Grant
“Participants”	any Directors (excluding independent non-executive Directors), senior management as well as other key employees approved by the Board; and the Company’s senior management, which means those who are responsible for the decision-making, operation and management of the Company. The Participants shall be identified and interpreted by the Board at its absolute discretion
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Share Option Scheme”	the proposed share option scheme to be adopted by the Company, the principal terms of which are set out in the Appendix of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option granted pursuant to the Share Option Scheme
“Substantial Shareholder”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules
“%”	per cent.



Nexteer Automotive Group Limited
耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

Executive Directors:

Mr. ZHAO Guibin

(Chairman and Chief Executive Officer)

Mr. RICHARDSON Michael Paul

Mr. FAN Yi

Non-executive Directors:

Mr. LU Daen

Mr. WANG Xiaobo

Independent non-executive Directors:

Mr. TSANG Hing Lun

Mr. LIU Jianjun

Mr. WEI Kevin Cheng

Registered Address:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Corporate headquarters:

3900 E. Holland Road

Saginaw, MI 48601-9494

United States

*Principal place of business
in Hong Kong:*

8/F, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

May 20, 2014

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR
ADOPTION OF A SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is (i) to provide you with information on the proposed adoption of the Share Option Scheme; and (ii) to give you a notice of the Extraordinary General Meeting at which resolutions will be proposed to consider and, if thought fit, to approve the adoption of the Share Option Scheme.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

The Directors propose to recommend to the Shareholders for consideration and if thought fit adoption of the Share Option Scheme. A summary of the principal terms of the Share Option Scheme is set out in the Appendix. The Company currently does not have any share option scheme.

The Share Option Scheme is conditional upon:

- (a) the Listing Committee (as defined in the Listing Rules) granting or agreeing to grant approval of (subject to such condition as the Stock Exchange may impose) the listing of and permission to deal in the Shares to be allotted and issued pursuant to the exercise of Options; and
- (b) the passing of an ordinary resolution to approve the Share Option Scheme by the Shareholders at the Extraordinary General Meeting of the Company and to authorize the Board, including but not limited to, to administer the Share Option Scheme, to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the Share Option Scheme.

An ordinary resolution will be proposed at the Extraordinary General Meeting to approve the proposed adoption of the Share Option Scheme. To the best knowledge of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the proposed adoption of the Share Option Scheme and, therefore, no Shareholder is required to abstain from voting on the said resolution.

Application will be made to the Listing Committee of the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of any Options that may be granted under the Share Option Scheme.

PURPOSES OF THE SHARE OPTION SCHEME

The purposes of the Share Option Scheme are: (1) to align the interests of the Company's Directors and senior management with the Company's performance and strategic objectives so as to lay a foundation for the Company's future development and maximize the Shareholders' value; and (2) to attract, retain and motivate employees in key positions required for attaining the Company's strategic objectives by offering competitive general remuneration in the human resources market.

The rules of the Share Option Scheme provide that the Company may specify certain Participants to whom the Options shall be granted, the number of Shares subject to each Option, the date on which the Options shall be granted and the minimum holding period for which an Option must be held before exercise. The basis for determining the Subscription Price is also specified precisely in the rules of the Share Option Scheme. The Board may adjust, at its discretion, any performance target(s) which must be achieved

LETTER FROM THE BOARD

before the Options can be exercised. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage the Participants to acquire proprietary interest in the Company.

VALUE OF THE OPTIONS

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for the calculation of the value of the Options and have not been determined. Such variables include the Subscription Price, Option Period, any performance targets set and other relevant variables.

SCHEME MANDATE LIMIT

Subject to the obtaining of Shareholders' approval with respect to the adoption of the Share Option Scheme, pursuant to Rule 17.03 of the Listing Rules, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of the Share Option Scheme. The Board shall not grant any Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted but yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Company exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

MAXIMUM NUMBER OF SHARES

Based on the 2,497,804,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the Extraordinary General Meeting, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the Share Option Scheme are 249,780,400 Shares, being 10% of the issued share capital of the Company.

ADOPTION OF THE NEW SHARE OPTION SCHEME

A resolution will be proposed at the Extraordinary General Meeting to approve the adoption of the Share Option Scheme and to grant the general authority to the Directors to grant Options under the Share Option Scheme for the subscription of Shares representing up to 10% of the issued share capital of the Company as at the Extraordinary General Meeting.

LETTER FROM THE BOARD

NOTICE OF EXTRAORDINARY GENERAL MEETING

Set out on pages 16 to 17 of this circular is the notice of the Extraordinary General Meeting containing, inter alia, the ordinary resolutions in relation to the Share Option Scheme.

For determining eligibility to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from June 3, 2014 to June 5, 2014, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on May 30, 2014.

PROXY ARRANGEMENT

A form of proxy for the Extraordinary General Meeting is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors believe that the adoption of the Share Option Scheme is in the best interest of the Company and the Shareholders (taken as a whole). The Directors recommend the Shareholders to vote in favour of the resolutions set out in the notice of the Extraordinary General Meeting.

INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors acted as trustees of the Share Option Scheme or had any direct or indirect interest in the trustees (if any) of the Share Option Scheme.

LETTER FROM THE BOARD

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Share Option Scheme will be available for inspection during 10:00 a.m. to 5:00 p.m. (other than on Saturdays, Sundays and public holidays) at the Company's principal place of business in Hong Kong at 8/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the Extraordinary General Meeting.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully
By order of the Board
Nexteer Automotive Group Limited
ZHAO Guibin
Chairman

PRINCIPAL TERMS OF SHARE OPTION SCHEME

This Appendix summaries the principal terms of the Share Option Scheme but does not form part of, nor is it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme. The Directors reserve the right at any time prior to the Extraordinary General Meeting to make such amendments to the Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict in any material aspects with the summary in this Appendix.

The following is a summary of the principal terms of the Share Option Scheme as required by the Listing Rules:

1. Purpose

The purposes of the Share Option Scheme are: (1) to align the interests of the Company's Directors and senior management with the Company's performance and strategic objectives so as to lay a foundation for the Company's future development and maximize the Shareholders' value; and (2) to attract, retain and motivate employees in key positions required for attaining the Company's strategic objectives by offering competitive general remuneration in the human resources market.

2. Participants

The Board may, at their discretion, invite any Directors (excluding independent non-executive Directors), senior management as well as other key employees approved by the Board; and the Company's senior management, which means those who are responsible the decision-making, operation and management of the Company as the Participants.

3. Maximum number of Shares subject to Options

- (a) The Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option scheme(s) adopted by the Company (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not in aggregate exceed 10% of the aggregate of the Shares in issue on the date of adoption of the Share Option Scheme (the "**Scheme Mandate Limit**") which shall be 249,780,400 Shares.
- (b) The Company may refresh the Scheme Mandate Limit at any time subject to prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as of the date of the aforesaid approval by the Shareholders in general meeting. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (and to which the provisions of Chapter 17 of the Listing

Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the limit as refreshed.

- (c) The Company may also seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before the aforesaid Shareholders' meeting at which such approval is sought.
- (d) Subject to the requirements of the Listing Rules, the number of securities may be issued upon the exercise of all outstanding options granted under the Share Option Scheme and any other schemes shall not exceed 30% of the relevant class of securities in issue of the Company (or its related subsidiaries) from time to time.
- (e) Unless approved by the Shareholders in the manner set out in this paragraph, the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted under the Share Option Scheme of the Company to each Participant (including both exercised and outstanding Options) in any 12 month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**"). Any further grant of Options to a Participant which would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders in general meeting with such Participant and his associates abstaining from voting.
- (f) Each grant of Options to any Director, chief executive or Substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company. Where any grant of Options to a Substantial Shareholder, or any of its respective associates, would result in the number of Shares issued and to be issued upon exercise of all Options

already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12 month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange),

such further grant of Options shall be subject to the prior approval by the Shareholders (voting by way of poll) in general meeting. The Company shall send a circular to the Shareholders in accordance with the Listing Rules and all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour of the resolution at such general meeting.

4. Restriction on dealing

The Company shall not grant any Option after inside information has come to its knowledge until it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted. The period in which no Option can be granted shall include that in which the Company delays the publication of its results announcement.

5. Exercise period

The period within which the Options may be exercised must expire no later than 10 years from the relevant Date of Grant.

6. Frequency of the grant of Options

In principle, the Company shall grant the Options to the eligible Participants identified by the Board on an annual basis.

7. Minimum holding period

The Option must be held for one year from the Date of Grant before it can be exercised. The vesting period shall be three years and one-third shall be vested at each anniversary from the Date of Grant.

8. Performance targets and performance conditions

The Participants are required to pass the general appraisal for the year prior to the exercise of the Option. The Board may adjust, at its discretion, any performance target(s) which must be achieved before the Options can be exercised.

The Company will set performance conditions for each grant and vesting of the Options, and the performance conditions may vary with each grant based on the actual situation.

According to the Share Option Scheme, the Company will only grant Options or the Options will only be vested upon the satisfaction of following conditions by the Company and the Participants:

- (1) The non-occurrence of any of the followings on the part of the Company: (a) the Company's auditors issues an adverse opinion or a disclaimer of opinion on the annual financial report of the Group; or (b) the audit department raises a major objection against the Company's financial results or annual report.
- (2) The non-occurrence of any of the followings on the part of Participants: (a) serious dereliction of duty or misconduct; (b) violation of the relevant laws and regulations of the state or the articles of association of the Company; (c) where the Company has sufficient evidence to prove the Participants, during his tenure, is involved in bribing, corruption, theft, divulging of operational and technological secrets of the Company, conduct of connected transactions damaging the interests and reputation of the Company or activities bringing substantial negative influence on the image of the Company, thereby causing loss to the Company; or (d) the Participant has failed his/her general appraisal for the previous year.

9. Consideration for acceptance

The consideration payable for acceptance of the Option by each Participant is HK\$1.00. If the Participant does not accept such grant of Option pursuant to the procedures specified in the respective grant agreement or notice within the stipulated timeframe, such Option shall be regarded as unaccepted and lapsed.

10. Subscription Price

The Subscription Price shall be such price determined by the Board in its absolute discretion and notified to the Participant in the Offer and shall be no less than the higher of:

- (a) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant; or
- (c) the nominal value of a Share.

11. Rights allotted to the Shares

The Shares to be allotted and issued upon the exercise of an Option shall be identical to the then existing issued shares of the Company and subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank *pari passu* with the other fully paid Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

12. Term of the scheme

No Options may be granted under the Share Option Scheme on or after the date of the tenth anniversary of the adoption of the Share Option Scheme ("**Scheme Period**").

13. Lapse of options and treatment under specific circumstances

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;
- (b) the date on which the Grantee commits a breach of paragraph 17;
- (c) the date on which the Grantee (being an employee or a director of any member of the Group) ceases to be a Participant by reason of the termination of his or her employment or engagement due to justified dismissal, resignation or other reasons, except for termination of the employment because of unjustified dismissal, non-renewal, retirement, death or loss of working capacity where the Options, vested pursuant to the Share Option Scheme, can be exercisable within 6 months of the termination of employment; and
- (d) the date on which the Company becomes bankrupt or insolvent, or concludes a disposal plan or settlement arrangement with its creditors.

If there is a change in control of the Company, the exercise of the granted yet exercised Options shall not be accelerated. "Change in control" refers to any of the following circumstances: (1) a change in the Company's first Substantial Shareholder; or (2) half or more directors of the Company have been replaced by way of resolution in a general meeting before the end of the tenure of Board.

14. Adjustments in the capital structure of the Company

In the event of a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the number of Shares to be issued on exercise of the Options and/or the subscription price shall be, where appropriate, adjusted accordingly; provided that the Grantee's gain from appreciation of Shares obtained from the Options remains the same as far as possible. No such adjustment shall be made in respect of an issue of securities by the Company as consideration in a transaction. In respect of any such adjustment, an independent financial adviser or the Company's auditors must confirm to the Board in writing that the adjustments are fair and reasonable.

15. Cancellation of Options

The Board may decide to cancel the exercisable Options for the financial year if any of the following circumstances arises:

- (1) the Company's auditors issues an adverse opinion or a disclaimer of opinion on the annual financial report of the Group; or

- (2) the audit department of the Company raises a major objection against the Company's financial results or annual report.

16. Termination

The Share Option Scheme will be terminated automatically at the expiration of the validity period. The Board also has the right to terminate the Share Option Scheme at any time in advance. The Company will not grant any Option under the Share Option Scheme upon termination. Unless otherwise required by the Board, the Options granted before the termination shall continue to be valid and can be exercised subject to the Share Option Scheme.

17. Transfer of Options

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Option. Any breach of the foregoing shall render the Option transferred lapsed automatically and entitle the Company to cancel any other Option held by such Participant (to the extent of the outstanding Options).

However, under the following circumstances, the Options may be transferred after the death of such Participant: (1) the Options available for transfer pursuant to the applicable testament or succession law of such Participant; or (2) the transfer to eligible successor pursuant to the relevant laws and regulations and in compliance with the requirements under the Share Option Scheme.

18. Alteration

The Board may amend any of the provisions of the Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Share Option Scheme, which are not found in Chapter 17 of the Listing Rules) at any time when necessary at its own discretion. Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and no changes to the authority of the administrator of the Share Option Scheme in relation to any alteration of the terms of the Share Option Scheme shall be made, without the prior approval of Shareholders in general meetings.

The Board may decide to amend and alter the entire Share Option Scheme or any part of the Share Option Scheme at any time when necessary at its own discretion to: (1) allow to adjust the Options granted to comply with new requirements after the change in applicable laws, policies or other new schemes; (2) select and determine the Participants of the Options on a regular or irregular basis; or (3) when conditions to implement other equity incentive plans become mature,

decide whether and the extent to grant Options and other equity incentives to the Participants, as well as the transferability among them.

The alteration below will not be effective without the approval of the shareholders by ordinary resolutions: (1) limitation on the grant of the Options; (2) maximum limit of the Options to be granted; (3) limitation on the exercise of the Options; (4) rights of option holders during closure of business of the Company; (5) adjustment of the exercise price of the Options; (6) exercise period (or any specific period) of the Options, or the validity period of the Share Option Scheme; (7) terms substantially in favor of the grantor(s).

The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.



Nexteer Automotive Group Limited

耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "Extraordinary General Meeting") of Nexteer Automotive Group Limited (the "Company") will be held at Meeting Room 1, Level 4, Jinjiang Fuyuan Hotel, No. 11 Ronghua Road, Beijing Economic-Technological Development Area, Beijing, China on June 5, 2014 at 10:00 a.m. for the following purposes:

"THAT

- (i) subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of the listing of and permission to deal in the Shares to be issued and allotted by the Company under the proposed share option scheme of the Company (the "Scheme"), the rules of which are set out in a document submitted to the Extraordinary General Meeting marked "A" and signed for the purpose of identification by the chairman of the Extraordinary General Meeting, such Scheme be and is hereby approved and adopted as the Company's share option scheme and the directors of the Company ("Directors") be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the Scheme subject to the terms of the Scheme and Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and
- (ii) the Directors be and are hereby authorized to grant options to subscribe for Shares in accordance with the rules of the Scheme up to a maximum of 10% of the Shares in issue, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit."

Yours faithfully

By order of the Board

Nexteer Automotive Group Limited

ZHAO Guibin

Chairman

Hong Kong, May 20, 2014

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Corporate Headquarters:
3900 E. Holland Road
Saginaw, MI 48601-9494
United States

*Principal place of business
in Hong Kong:*
8/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above Extraordinary General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder.
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the above Extraordinary General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the above Extraordinary General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Extraordinary General Meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The transfer books and register of members of the Company will be closed from June 3, 2014 to June 5, 2014, both days inclusive, to determine the entitlement of shareholders to attend and vote at the Extraordinary General Meeting, during which period no share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on May 30, 2014.
- (v) As at the date hereof, the executive Directors are Mr. ZHAO Guibin, Mr. RICHARDSON Michael Paul and Mr. FAN Yi; the non-executive Directors are Mr. LU Daen and Mr. WANG Xiaobo; and the independent non-executive Directors are Mr. TSANG Hing Lun, Mr. LIU Jianjun and Mr. WEI Kevin Cheng.