



May 15, 2017

Dear Fellow Shareholders,

Martinrea International Inc. (“Martinrea” or the “Company”) is pleased to announce its annual meeting of the shareholders of Martinrea (the “Meeting”) to be held at Paramount Conference and Event Centre, Sinatra Room, 222 Rowntree Dairy Road, Vaughan, Ontario at 10:00 a.m. on Wednesday, June 14, 2017. We invite all shareholders to attend and vote your shares.

You can read about each item of business in the management proxy circular provided with this letter.

The circular also provides important information about voting your shares, the nominated directors, our governance practices and director and executive compensation.

Much has happened since our shareholder meeting last year, when you supported us as your directors to guide this Company through the balance of 2016 and through to this year’s Meeting. It has been a year full of positive developments and achievements for Martinrea, and I would like to outline some highlights for you in advance of the Meeting. Indeed, it was a record year in many ways, and 2017 is off to a great start.

Our Vision, our Mission and our Principles

Every day we focus on our vision for the future—to be the best, preferred and most valued supplier in the world in the products and services we provide our customers. Every day we strive to deliver on our mission, providing outstanding quality products and services to our customers; meaningful opportunity, job satisfaction and job security for our people through competitiveness and prudent growth; superior long term returns to our stakeholders; and positive contributions to our communities as good corporate citizens. Every day we focus on our culture, driving it through the organization, as we apply our Ten Guiding Principles:

1. We make great, high quality products
2. Every plant/division must be a centre of excellence
3. Be disciplined. Discipline is key
4. We attract, train and work with excellent people, and we motivate our people to perform well

5. We are a team
6. Challenges make us better
7. Think different
8. Work hard, play hard
9. The golden rule – show dignity and respect
10. Our leadership team has to drive these messages consistently and simply. Leadership means having the will to ensure we get the right things done the right way.

Peter Drucker once stated that culture trumps strategy every time and, while we all understand the importance of great strategy, we believe that is a great foundational statement for the long term health of a firm. Martinrea is still a young company; it has grown very rapidly over the last decade and a half, by building greenfield facilities and acquiring a variety of assets, many of which required restructuring and nurturing. We have done this all in order to build a long term stable footprint from which we can compete with anyone in servicing our customers. But the real long term strength of the firm depends also on creating a strong cultural foundation, so that the whole becomes more than the sum of its parts. That is what we are doing. The results are becoming increasingly evident not just to us, but to our customers, suppliers, stakeholders and of course our people.

Martinrea 2.0

In 2016 we rolled out our Martinrea 2.0 framework as the foundation to become a great company - diverse people and groups working together to be One Company. Martinrea 2.0 is principle centered to promote specific behaviours to create a strong culture. Martinrea 2.0 is working well, as a cultural basis for our four pillar strategy:

- ✓ A High Performance Culture, supported by engaging and developing our people
- ✓ Operational Excellence, using lean thinking and tools, learning by doing to attack waste, lowering cost and continually improving profitability
- ✓ Financial Management, increasing financial capability and responsibly managing all business aspects efficiently
- ✓ Customer is King, assuring profitable growth by being the best of suppliers with our Casper the Ghost approach (the supplier is invisible as being a problem free supplier that can be counted on to deliver without issue) creating customer enthusiasm with our benchmark approach.

We are pleased with our progress in these areas, in our many quality awards, and in our better than industry standard safety metrics, and we expect to continue to improve in 2017 and beyond.

Leading Edge Lightweighting and Fluids Management

We produce structural parts and assemblies and, in so doing, are a lightweighting company. We believe that our lightweighting initiatives, in both steel and aluminum products, are bearing fruit and will continue to do so. We are continuously working on the development and evolution of core metallic products to reduce vehicle weight and CO₂ contribution, improving overall vehicle efficiency in terms of miles per gallon or distance per electrical charge. Lightweighting is here to stay, being driven by regulation, but also by market trends and consumer preference. Lightweighting means increasing the use of aluminum in a vehicle. We make engine blocks and structural parts, hollow and solid, to satisfy this growing need. Lightweighting means increasing the use of high strength steels, or of techniques that help to lighten the vehicle while maintaining safety standards. That is one of our manufacturing strengths. Lightweighting means working on structures and assemblies that can combine the use of different materials in various combinations. Our assembly expertise positions us in the sweet spot of specializing in this area. So, whether we are working on B Pillars, cross members, control arms, battery trays, engine cradles or steel and aluminum hybrid components, we are positioned in the lightweighting sweet spot. Frankly, whether the future vehicles are gasoline-powered, hybrid, plug in hybrid, electric, fuel cell, with driver or not, structures will still matter and lightweighted structures, yet strong and durable, will matter more. We are a market leader in this area.

We are also a fluid management systems company, and a very successful one. We have taken two companies, acquired in 2002, and developed a business that is leading edge in its field, producing environmentally friendly fluid systems, which reduce pollution and have environmentally friendly coatings. We have grown to be one of the market leaders, not just in North America, but worldwide with our expansions in Europe and China with both greenfield operations now profitable. Our products will remain in demand for a very long time, as we provide fluid systems to internal combustion engine, electric and hybrid vehicles.

Highlights of the Year Just Past

Record Financial Results

Martinrea has had a very good year under the guidance of your Board, CEO Pat D'Eramo and executive team since our last meeting. To use a hockey analogy, we are putting pucks in the net.

- **Strong Revenues.** We are enjoying strong revenues. Our organic revenue growth over the past several years has been great. Growing revenues over time is a strong signal of the fact we have good customers who provide us with the business to grow and achieve our goals. As stated previously, while we anticipate that our revenue growth over the next several years will not be as fast as the annual growth rate since 2009, this accords with our plan, as we focus on operational improvements, margin improvement and allocating capital funds to their most profitable uses. We have built our footprint rapidly, as we needed to, in order to become a go-to supplier to our key customers; now that the footprint is in place,

growth will be more incremental and yet we will see profit and margin growth. At the same time, in 2016 and in 2017 to date we announced significant new product wins from key customers such as GM, Ford and Jaguar Land Rover, great customers for us.

- **Best Year Ever for Earnings.** As promised, 2016 was the best year for earnings in our history, as was 2015 when we wrote to you last year, and as for the years before that. Subject to the usual forward-looking disclaimers used for forecasts in our recent public filings, we can give our view of the future. 2017 will be better than 2016, and is off to a great start given our first quarter results and guidance for our second quarter. Our first quarter results, with record profits, were the best quarterly results in the history of the Company, and our second quarter results are anticipated to surpass any quarter to date. Frankly, we believe 2018 will be better than 2017, and we are optimistic about the years ahead too. We stated publicly last year that we believe our operating margins will increase 50% from the 4% range in 2014 to 6% plus by 2017; our 2016 results showed margin improvement, and our 2017 results to date demonstrate that we continue to move in the right direction and are almost to our interim 6% target. We have also been very clear that margins will continue to increase going forward.
- **Our capital structure is strong, and keeps getting better.** Our relationships with our lenders, who we view as stakeholders and partners, are terrific. Currently, our Net Debt/EBITDA ratio is approximately 1.8 times which is very manageable, and lower than last year at this time when it was 2.2 times. This ratio is supported by increasing cash flow; our EBITDA in the first quarter of 2017 was \$94.5 million, a record for us, as was last year's EBITDA of \$350 million. We have indicated publicly a target Net Debt/EBITDA ratio of 1.5 times by the end of 2017, achievable by a contribution of increasing cash flow and paydown of debt, and we are on track.
- **Improved Share Price.** We believe that improving operational and financial performance translates over time into an improved share price. In 2016, despite record operational performance, we had some pressure on our share price, which declined over the year. There was a general multiple compression for valuations of auto parts companies, whether caused by concerns of "peak auto" or a potential renegotiation of NAFTA, and we were not immune. On a positive note, our share price has rebounded nicely in 2017 to date, and we now have a share price over where we were at the beginning of 2016. Over time, our continued progression should result in higher value.

We want to delight our shareholders.

Governance

Martinrea is committed to having a strong and diverse board to carry out our duties and responsibilities. We implemented a board diversity policy in 2015 and undertook a rigorous review of our skills matrix to make sure we assemble the right mix of skills, experience and good

qualities, as described in our Circular. The following are your independent directors, who you supported strongly last year with your ballots:

- Scott Balfour brings financial, operational, M&A and public company chief financial officer, senior executive and director experience.
- Roman Doroniuk brings financial and audit expertise and a strong understanding of strategy and risk, garnered through a variety of senior internal and external roles with many large companies.
- Terry Lyons brings a broad range of operational, financial and governance experience.
- Frank Macher brings a deep knowledge of the automotive and automotive supplier industry, having had vast international experience as a senior executive and director at several major automotive supplier companies during a career spanning 45 years.
- Fred Olson brings a deep knowledge of the automotive and automotive supplier industry, having been a senior executive and director of a major automotive parts supplier as well as having roles at various suppliers and OEMs during his automotive career.
- Sandra Pupatello brings tremendous international experience, having led investment and trade missions to industrial capitals on five continents and, as the former Minister of Economic Development for Ontario with oversight of the automotive portfolio, has strong connections with many automotive OEMs.

We are an automotive parts company, and our directors as a group have significant expertise in this challenging industry, from a variety of perspectives. We address corporate strategy and risk oversight, which are critical aspects of our responsibility. Our Board members are dedicated, knowledgeable and all focused on the best interests of Martinrea. I note that no director missed a single board or committee meeting in 2016, yet another year of perfect attendance. All the independent directors sat on the three standing committees—Audit, Human Resources and Compensation, and Corporate Governance and Nominating, to ensure the Board had full independent director input. Their commitment to our Company is tremendous.

We conduct board assessments to increase the effectiveness of our board, committees and directors, and we spend a lot of time educating our directors on industry, company and other relevant developments. We are all stakeholders, and will continue to build our equity ownership. In 2016, we introduced an annual retainer for compensating directors, with a minimum of half the amount payable in DSUs, to increase director ownership. We have also introduced a new Performance and Restricted Share Unit Plan for senior executives, effective in 2017, to provide that executive compensation contains a greater percentage of equity based participation. This is in addition to a strong and effective employee share ownership plan and minimum share ownership guidelines for corporate officers. In sum, we are trying to continuously improve our governance and as a board to represent you to the best of our abilities.

In addition to the independent directors, Pat D'Eramo and I will be nominees. Pat D'Eramo is leading our team in developing and fulfilling our strategy, and driving operational excellence throughout the Company. I have been with Martinrea since it was formed. We are both proud to serve on this Board and for this Company and our 15,000 people that work hard for us all every day.

To close, Martinrea continues to have a great future, a highly experienced and dedicated management team and a strong independent board of directors, dedicated to creating shareholder value for years to come. On behalf of the Board, we would like to thank our shareholders for your ongoing support as we move forward together to building a stronger Martinrea.

Please help us continue with this positive momentum.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rob Wildeboer", with a long horizontal flourish extending to the right.

Rob Wildeboer

Questions or Requests for Assistance may be Directed to the Proxy Solicitor:



North America Toll Free

1-877-452-7184

Collect Calls Outside North America

416-304-0211

Email: assistance@laurelhill.com