CODE OF CONDUCT AND ETHICS
POLICY ON GIFTS & ENTERTAINMENT
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Offering or receiving business gifts and entertainment is often an appropriate way for business associates to display courtesy and respect for each other, provided they are reasonable in value and are not intended to unjustly influence a business or official action. This policy applies to Magna International Inc. and all of its operating Groups, Divisions, joint ventures and other operations globally (collectively, "Magna"). This policy also applies to all persons who act on Magna’s behalf, including employees, officers, directors, consultants and agents.

Except where prohibited by law, employees may offer and accept reasonable business gifts and entertainment to and from business associates provided that the gifts or entertainment are modest in value and appropriate under the circumstances. Business gifts and entertainment on a modest scale are legitimate tools in building good business relationships. For instance, providing or accepting occasional meals, promotional items and tickets to sporting and other events may be appropriate in certain circumstances.

Exchanging gifts or providing entertainment will generally not be considered a breach of our Code of Conduct and Ethics when the gift or entertainment is (i) given pursuant to accepted business practices, including this policy, (ii) not intended as an inducement, and (iii) consistent with applicable law. Any employee with questions about the propriety or legality of offering or accepting a particular gift or providing certain entertainment should check with Group or Regional Legal Counsel or a Magna Compliance Officer.

“Gifts and entertainment” are anything of value, including:

- goods
- services
- Meals and beverages
- use of vehicles or vacation facilities
- tickets to events
- travel expenses
- transportation
- cash equivalents
  (such as gift cards or gift certificates)
- discounts
- prizes
- cash
- Favours

When not Permitted

It is important that gifts and entertainment never:

- unduly influence business or government decision-making;
- cause others to perceive an undue influence; or
- create a potential conflict of interest.

It is an employee’s responsibility to protect Magna’s reputation against allegations of improper behaviour. Magna employees must therefore exercise care when offering or accepting gifts and entertainment in order to ensure that business and government decisions are made with integrity, comply with applicable laws and are in the best interests of Magna.
When Permitted

Gifts and entertainment should only be offered or accepted:

- if they are reasonable;
- occasional;
- of modest value; and
- recorded accurately and transparently in expense reports and Magna’s books and records.

Use of Good Judgment

Determining what is acceptable is a matter of judgment. Consider whether the gift or entertainment would embarrass Magna or our employees if disclosed publicly. There is no set amount when a gift or entertainment becomes inappropriate. It is the intent and purpose of the offering, not its cash value that determines its appropriateness. Generally, the higher the monetary value of the gift or hospitality or the greater the frequency, the greater the level of transparency that is required. Offering or accepting gifts or entertainment of any kind must always be done in accordance with the law and local business practice. In addition, most of Magna’s customers have strict codes of conduct concerning gifts and entertainment applicable to their employees and suppliers. Any gifts or entertainment offered to customers' employees should only be made if permitted under the applicable customer’s internal rules.

Government Officials

Any offer or provision of gifts and entertainment to government officials raises special risks and may be prohibited by law. You should never offer or provide gifts or entertainment to a government official unless you have received written approval from Group or Magna senior management in accordance with the Compliance Control Procedure – Expenditures on Government Officials (see also Magna’s Policy on Bribery and Improper Payments).

Representatives of state-owned or controlled enterprises are considered government officials for purposes of this policy and the Policy on Bribery & Improper Payments, unless the relationship between Magna and the business entity is purely commercial in nature.

Under no circumstances may gifts or entertainment of any kind be requested or solicited from a supplier, customer or other party with whom Magna conducts business.

It is generally not acceptable to offer or accept cash or equivalent gifts other than in extremely limited circumstances and then only with prior authorization (see below).

Violations

Magna has no tolerance for compliance violations. Any violation will be treated as a serious matter and will be sanctioned with disciplinary action up to and including termination of employment for cause.

If you are aware of or suspect that anyone is in violation of Magna’s Code of Conduct and Ethics or this policy, you should report your concern by informing (i) your manager, (ii) a Division or Group Finance Officer, (iii) a Group or Regional Legal Counsel, (iv) a Magna Compliance Officer, or (v) through the Magna Hotline.

Magna will ensure that an employee will not be penalized, discharged, demoted, suspended or discriminated against for reporting in good faith any violation of Magna’s Code of Conduct and Ethics or this policy.
Helpful Tips

ALWAYS...

✓ Ensure gifts and entertainment are reasonable, occasional and of modest value, and comply with applicable laws, regulations, and local customs. Use good judgment in deciding what is “reasonable”, bearing in mind that the local value of what is “modest” is relative and is a function of the average local standard of living and custom.

✓ Seek the advice and prior approval of your manager, a member of Group Senior Management or your Group or Regional Legal Counsel or a Magna Compliance Officer if you are offered or are contemplating offering a gift or entertainment that you feel may exceed modest value or may be inappropriate.

✓ Ensure that gifts and entertainment are, where possible, made to an organization and not to an individual. Where an individual is offered travel and entertainment, ensure that the purpose of the trip is actually carried out and that the travel and duration of stay are justified by good faith business reasons.

✓ Remember that higher standards and strict rules apply to the giving of gifts and entertainment to government officials (see also Magna’s Policy on Bribery and Improper Payments).

✓ Seek to understand and verify whether company or media representatives are government officials or employees before offering any gift or entertainment.

✓ Assess the potential for a conflict of interest where offering or accepting gifts or entertainment.

✓ Be prepared to decline politely any offer of a gift or hospitality not in line with Magna’s Code of Conduct and Ethics and this policy.

✓ Regard gifts or entertainment received through an intermediary or third party as the same as those given directly.

✓ Keep a record of all gifts and entertainment approvals and rejections, noting the purpose, the names of the parties and the nature and value of the gift or entertainment.

✓ Consider whether a similar approval may be required from an invitee’s organization.

NEVER...

× Offer a gift or offer entertainment where prohibited by law.

× Offer a gift or entertainment to influence a business or government decision.

× Accept a gift or entertainment where doing so would make it difficult to exercise fair and unbiased judgment, where it exceeds modest value or is contrary to commonly accepted business practices.

× Offer or accept prohibited gifts or entertainment, such as:
  ▪ Cash (with very limited exceptions as set out below) or personal cheques;
  ▪ Product or service discounts that are not available to all employees;
  ▪ Gifts or entertainment of an inappropriate nature or at inappropriate venues; or
  ▪ Gifts or entertainment not designed to further a valid business purpose or relationship.

× Request or solicit in any way a gift or entertainment of any kind from a supplier, customer, partner or other party with whom Magna does business. This includes both direct requests and giving the impression that the offer of a gift or entertainment would be appropriate or desirable.
✗ Personally pay for a gift or entertainment in order to avoid complying with Magna’s Code of Conduct and Ethics or this policy.

BE CAUTIOUS OF…

! Exchanging gifts or entertainment with representatives of Magna’s competitors, as such action may create an actual or perceived conflict of interest or may give the impression of anti-competitive behaviour.

! Accepting or offering gifts or entertainment from any person or organization during times of contract tendering, negotiation or award (e.g. RFQ, RFP). This does not include working meals provided by advisors or consultants acting for Magna.

! Offering or receiving cash (or a cash equivalent) as a gift since doing so is only acceptable in extremely limited circumstances. Offering or receiving cash is acceptable only if made infrequently and if all of the following criteria are met:
  - you have notified your manager in writing of the proposed cash gift and your manager has given you prior written authorization to do so;
  - the amount does not exceed a local currency equivalent of US$100 or has been approved by the member of Group or Executive Management with responsibility for your Region or Group or Regional Legal Counsel up to an amount not exceeding US$500, if appropriate;
  - the amount proposed within the above limit is completely in line with local custom and not considered to be excessive;
  - the Magna employee making the offering has been formally invited or is reasonably expected to attend the applicable event and directly makes the offering in connection with such attendance;
  - no non-cash alternative exists which would be equally acceptable under local norms;
  - the offering is not prohibited by local law;
  - the offering is not intended as an inducement of any kind;
  - the offering is not made to any government official at any level, including to any employee of a state controlled entity. For greater certainty, the Magna employee proposing to make the offering bears a positive obligation of verifying whether the recipient is an employee of a state controlled entity;
  - the full amount of the offering and the identity of the recipient is clearly and accurately recorded in the financial records of the applicable Group, Division or other business unit in a manner which:
    - enables a reader to identify what the amount relates to; and
    - the aggregate annual cash amount offered to any one person in connection with all cultural observances does not exceed US$200 for any fiscal year unless otherwise approved in accordance with this policy.

FOR FURTHER INFORMATION:

For further information or advice, please contact your Group or Regional Legal Counsel, a Magna Compliance Officer or Magna’s Vice-President Ethics and Chief Compliance Officer.
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Driving Integrity
Know it.
Speak it.
Live it.