



**CODE OF CONDUCT AND ETHICS
POLICY ON CONFLICTS OF
INTEREST**

POLICY ON CONFLICTS OF INTEREST

Magna employees must act in Magna's best interest. Your personal interests should not influence, nor reasonably appear to influence, your judgment on any business matter. 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.

Definitions

In this Policy:

- The term "**conflict of interest**" (or "**conflict**") has a broad meaning. In general, it refers to a situation where you are able to make or influence a business decision for Magna while your personal interests, or the interests of your related parties, could differ from Magna's interests.
- The terms "**manage**" and "**managing**" include hiring, supervising, being in a supervisor/subordinate reporting relationship with, or having the ability to materially influence the evaluation of the pay or job performance of another.
- A "**related party**" means any person to whom you are related or with whom you have a personal relationship which may influence, or could reasonably appear to influence, your business judgment. Examples include family members, friends, or former colleagues, classmates, and employers.
- A person holds a "**significant interest**" in a business if the person (i) directly or indirectly controls ten percent (10%) or more of the stock or assets of, or other interests in, the business; (ii) has a leadership role in the business; or (iii) would benefit from the relationship between the business and Magna.

Disclosing Your Conflict

If you have a conflict of interest or believe that a conflict of interest is likely to arise (or be reasonably perceived by others), you must disclose the conflict as soon as possible, and seek approval before taking further steps. The process for disclosing conflicts and seeking approval is explained in the **Compliance Control Procedure - Conflicts of Interest** (the "**Procedure**") which is available on MagNET.

Depending on the circumstances, Magna may choose to approve the circumstances giving rise to the conflict, with or without conditions, if it determines that such approval would be in Magna's best interest. A conditional approval would require that certain appropriate steps be taken, under the supervision and continuous oversight of colleagues (who do not face the same conflict), to promote Magna's best interests.

Common Types of Conflicts

Conflicts of interest most commonly occur in the following situations.

Personal Workplace Relationships

You have a conflict if you manage, or are managed by, a related party (for example, a person supervising their spouse). A direct management or reporting relationship with a related party is prohibited. You may indirectly manage a related party if you have disclosed the relationship and obtained approval under the Procedure.

Self-Dealing

You have a conflict if you approve or direct a business relationship between Magna and a business in which you have a significant interest. For example, an Assistant General Manager has a conflict if they award business to a vendor that they co-own.

You also have a conflict of interest if you approve or direct a business relationship with a third party in anticipation of, or in exchange for, a personal benefit (e.g. a kickback). Please refer to our [Policy on Bribery & Improper Payments](#) for more information.

Related Party Transactions

You have a conflict if you are in a position to approve or direct a business relationship between Magna and a business in which your related party has a significant interest. For example, a General Manager has a conflict if she approves a business relationship between her division and a company owned by her son.

You also have a conflict if you approve or direct a business relationship with a third party in anticipation of, or in exchange for, a personal benefit to a related party. For example, a Purchasing Manager has a conflict if he awards business to a vendor on condition that the vendor hires his sister.

Outside Positions

Except in very limited circumstances that are authorized by our VP, Ethics & Chief Compliance Officer, you cannot hold any position (paid or unpaid) with Magna's customers, competitors, or suppliers.

You must disclose and obtain written approval under the Procedure if you intend to hold an outside position or are engaged in any venture, including your own business, which causes you to devote less than your full time and attention during working hours to your job at Magna. For example, an engineer has a conflict if they devote substantial time during Magna business hours toward developing their own consulting business.

Use of Corporate Opportunities and Resources

You have a conflict if you use, either for yourself or a related party, opportunities that are discovered through the use of Magna's property or information, or discovered through your position at Magna. It is also a conflict of interest to use Magna property, information, or your position for personal gain or the benefit of a related party (not including employee 'perks' and benefits, or gifts and entertainment otherwise covered by our [Policy on Gifts & Entertainment](#)). In such circumstances, you must disclose the conflict and obtain written approval pursuant to the Conflicts of Interest Procedure.

For example, an employee has a conflict if he uses his Division's cafeteria to host a family reunion. Also, an employee has a conflict if she shares information about a Magna business opportunity, for the benefit of her husband's business.

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.

If you are aware or suspect that anyone is in violation of the Magna Code of Conduct and Ethics or this policy (for example, if you are aware that someone's conflict that has not been disclosed), you should report your concern by informing (i) your manager; (ii) a Group, Regional or Corporate lawyer; (iii) a Regional Compliance Officer; (iv) Magna's VP, Ethics & Chief Compliance Officer or (v) the Magna Hotline.

Magna protects employees from being retaliation for reporting, in good faith, any violation of Magna's Code of Conduct and Ethics or this policy. For more information, please refer to our [Policy on Anti-Retaliation](#).

Helpful Tips

ALWAYS...

- ✓ Think about whether you have a personal interest that affects the business decisions you make or recommend, on Magna's behalf.
- ✓ When in doubt, speak to your manager, a Group, Regional, or Corporate lawyer, or a Regional Compliance Officer.
- ✓ Consider how any actions you take on Magna's behalf might be perceived if they are reported on the front page of a newspaper or on social media. If the public might perceive that you benefitted personally from your actions, you probably have a conflict.
- ✓ Disclose your conflict as soon as possible and obtain approval before taking any further steps.
- ✓ Report any suspected violations of our Code of Conduct and Ethics or this Policy.

NEVER...

- ✗ Hold a second job with a Magna supplier, customer, or competitor without prior written approval of our VP, Ethics & Chief Compliance Officer. Such approval will be granted only in exceptional circumstances.
- ✗ Enter into, or support a business relationship between Magna and a business in which you or your related party have a significant interest, without disclosing this conflict and obtaining approval.
- ✗ Hire or support the hiring of your related party without disclosing this conflict and obtaining approval.
- ✗ Accept an outside position that would require a significant portion of your time and attention during Magna working hours, without disclosing this conflict and obtaining approval.
- ✗ Use, for yourself or your related party, opportunities that you discover through the use of Magna's property or information, or through your position at Magna, without disclosing this conflict and obtaining approval.

FURTHER INFORMATION:

For more information or advice, contact your Group or Regional Legal Counsel, a Regional Compliance Officer or Magna's VP, Ethics & Chief Compliance Officer.

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Driving Integrity

Know it.

Speak it.

Live it.