

MAGNA INTERNATIONAL INC. WIN PROGRAM RULES

What is WIN?

The “WIN” program (which we refer to in these rules as the “**Program**”) is an innovation program to reward employees who have great automotive or non-automotive ideas which they wish to share with Magna.

Who can participate in the Program?

All regular part-time and regular full-time employees of Magna International Inc. or any of its Canadian, U.S. or Mexican subsidiaries or divisions are eligible to participate. Members of the WIN Expert Committee, Magna employees involved in pre-screening any ideas submitted to the Program and their respective immediate family members are not eligible to participate.

Where is the Program being operated?

The Program is being offered in Canada, the United States and Mexico. A separate WIN program is offered in Europe.

When can ideas be submitted?

The Program will run for a fixed period within a calendar year. Specific Program timing for a year will be as stated in Program brochures or posters. Magna may discontinue the Program at any time, with or without notice, at its discretion.

How can I participate?

Full details on how you can submit an idea to the Program are found in the Program brochures and

posters available through Magna corporate and group offices and its divisions, as well as on Magna’s website

(<http://win.magna.com>) and intranet (<http://win.magna.intranet>). You can submit more than one idea and can submit different ideas at different times; however, once you have submitted an idea to the Program, you cannot withdraw it. Two or more employees may submit an idea jointly. If two employees submit the same idea independently, the idea that was submitted first, will be treated as the submitted entry, unless the WIN Expert Committee determines, after investigation, that the person who submitted the idea first was not the actual creator or inventor of the idea.

On what basis will ideas submitted to the WIN Program be evaluated?

An idea submitted to the Program will be prescreened by designated Magna employees to determine whether the idea:

- should be assessed as a continuous improvement idea – if so, it will be directed to the appropriate division or group’s continuous improvement program; or
- has potential to be commercialized – in which case it will be directed to the WIN Expert Committee for further evaluation; or ;
- does not fall into either category – in which case it will be released back to the employee.

Following pre-screening, you will be informed of Magna's decision with respect to your idea. If Magna decides that the idea has commercial potential, the idea will be forwarded to the WIN Expert Committee. The WIN Expert Committee will then evaluate the idea based on the following criteria:

- innovation;
- technical feasibility;
- cost effectiveness and risk assessment; and
- market potential.

You will be informed of Magna's decision with respect to your idea following evaluation by the WIN Expert Committee. All decisions by Magna, including the WIN Expert Committee, are final.

Who owns the rights in ideas submitted to the WIN Program?

An idea that was created by you in the course of your work as a Magna employee, or that was created by you during the course of your employment with Magna using Magna resources, belongs to Magna ("**Magna-Owned Idea**"). In such circumstances, you may be required to sign certain legal documents formally assigning your rights in the intellectual property to Magna, as is currently the case in respect of patent applications. An idea that is unrelated to your duties as a Magna employee, or one which was created without Magna equipment or other resources, as determined by Magna in its discretion, is owned by you ("**Employee-Owned Idea**"). The Program is not intended to encourage or authorize any employee to create an idea unrelated to the employee's duties during working hours, on Magna premises, or using Magna equipment or other resources.

What do I give up and what do I get for participating in the Program?

If your idea is selected by the WIN Expert Committee, you will have to transfer to Magna whatever rights you do have in the idea you submitted to Magna, in exchange for compensation which may differ depending on whether the idea is a Magna-Owned Idea or an Employee-Owned Idea.

- If you submit a **Magna-Owned Idea** that is accepted by the WIN Expert Committee, then Magna will pay you an amount (at Magna's discretion) of between \$100 and \$3,000 (minus any required tax withholdings) for that idea. More significantly, Magna may (at its discretion) offer you a profit-sharing arrangement based on the Magna-Owned Idea.
- If you submit an **Employee-Owned Idea** that is accepted by the Program then, in exchange for you assigning your rights to the idea to Magna, Magna will pay you an amount (at Magna's discretion) of between \$100 and \$3,000 (minus any required tax withholdings) for that idea and negotiate a profit-sharing or other compensation arrangement. The specific form, amount and structure of the profit-sharing arrangement will depend on the commercial potential of the idea you submitted. If your idea is not selected, you do not give up any rights you may have in the idea you submitted. If you and Magna cannot agree on compensation, you will retain whatever rights you had in the idea you submitted.

What happens if my idea is an Employee-Owned Idea and it is selected by the WIN Expert Committee, but Magna does not commercialize it?

If your Employee-Owned Idea is selected but Magna and you enter into an agreement with Magna that assigns your rights in the idea to Magna in exchange for compensation, then the terms of that agreement will govern. Typically, Magna will require, as part of the agreement, to have a period of 48 months from the time the idea is accepted by the Program to evaluate commercialization opportunities. If, after such 48 month period, Magna has not taken active steps to commercialize the idea, then Magna will end the arrangement so that the ownership of the idea will revert back to you. But, again, this will all be subject to the specific terms of the agreement to be negotiated at the time.

What happens if I cease to be an employee after I have submitted an idea?

Once you have submitted an idea to the Program, it cannot be withdrawn. If you cease to be an employee of Magna or any of its subsidiaries or divisions after the idea has been submitted, then the following rules will apply:

- any Magna-Owned Idea continues to be owned by Magna and you will be expected to continue to cooperate with Magna if Magna decides to commercialize such idea;
- if your Employee-Owned Idea does not get selected by the WIN Expert Committee, you will retain whatever rights you have in the idea;
- if your Employee-Owned Idea is selected by the WIN Expert Committee, then Magna will negotiate with you some form of compensation in exchange for the transfer of whatever rights you have in the idea. If you and Magna cannot agree on compensation, you will retain whatever rights you had in the idea you submitted;
- if your Employee-Owned Idea was selected by the WIN Expert Committee while you were still an employee and the form of compensation was agreed upon, Magna will pay you the compensation agreed upon.

In what ways am I legally responsible for ideas submitted to the WIN Program?

By submitting an idea to the WIN Program, you confirm to Magna that the idea is your own and that it:

- has not been taken improperly from anyone else, including any employee, division or subsidiary of Magna, or any of Magna's customers, suppliers, competitors or others; and
- is not based on information improperly taken from any person or business entity or used in violation of the terms of any confidentiality agreement or principle of law.

Magna will not be responsible for any breach or violation by any employee of this rule.

Will I have to sign any agreements relating to my submission?

If the WIN Expert Committee selects your idea and some compensation is agreed to between you and Magna, the terms agreed upon will be reflected in a written agreement signed by you and Magna. Magna will not be bound by any terms unless they are in a written agreement.

What is the effect of these Program rules: The Program will be governed by these rules and by any additional rules in the Program brochures, posters and website page. If anything in a Program brochure, poster or website page contradicts these rules, these rules will apply. If these rules are incomplete, Magna can (at any time) add additional rules to clarify any issue or make these rules complete. Since Magna is the sponsor of the Program, it can change these rules at any time, with or without notice, for any reason.