

Code of Conduct and Ethics Policy on Gifts & Entertainment

ETHICS & LEGAL COMPLIANCE | ISSUED: May 1, 2014 – REVISED: September 21, 2021

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 influence a business or government 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 (collectively, "Magna Persons").

Except where prohibited by law, Magna Persons 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 breach of our Code of Conduct and Ethics when they are (i) given pursuant to accepted business practices, including this policy, (ii) not intended to influence any decision-making, and (iii) consistent with applicable law. Any Magna Person with questions about the appropriateness or legality of offering or accepting a particular gift or providing certain entertainment should check with Group or Regional Legal Counsel or a Regional Compliance Officer.

"**Gifts and entertainment**" are anything of value, including:

- goods
- meals and beverages
- tickets to events
- transportation
- discounts
- cash
- services
- use of vehicles or vacation facilities
- travel expenses
- cash equivalents (such as gift cards or gift certificates)
- prizes
- 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 each Magna Person's responsibility to protect Magna's reputation against allegations of improper behaviour. Magna Persons must therefore exercise care when offering or accepting gifts and entertainment 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.

From time to time, we may adopt country-specific guidelines with further information about what constitutes "modest" and "reasonable" in that country. For a list of countries with such guidelines, see Schedule A.

USE OF GOOD JUDGMENT

Determining what is acceptable is a matter of judgment. Consider whether the gift or entertainment would embarrass Magna or its employees if it is disclosed publicly. It is the intent and purpose of the offering, in light of the relevant facts and circumstances, and not its cash value, that often determines its appropriateness. Generally, the higher the monetary value of the gift or entertainment, 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 custom. In addition, most of Magna's customers have strict internal rules concerning gifts and entertainment applicable to their own employees and suppliers. Any gifts or entertainment offered to customers' employees should only be made if permitted under the applicable customer's internal rules.

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. This includes both direct requests and giving the impression that the offer of a gift or entertainment would be appropriate or desirable.

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 (through the Disclose It! system), 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 entities are considered government officials for purposes of this policy and the Policy on Bribery & Improper Payments, unless the relationship between Magna and the state owned entity is purely commercial in nature.

The Magna Person proposing to offer a gift or entertainment bears the obligation of verifying whether the recipient is a government official or employee of a state-owned entity.

CASH (AND CASH EQUIVALENTS, SUCH AS GIFT CARDS)

Offering or receiving cash (or a cash equivalent, such as a gift card) is prohibited, except where giving such gifts may be appropriate under local custom (e.g. Japan or South Korea), and you have obtained pre-approval. To qualify for such an exception, you must obtain prior written approval from the Vice President of Legal in the region where the gift will be given.

VIOLATIONS

Magna has no tolerance for compliance violations. Any such 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 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 Divisional or Group Finance Officer, (iii) a Group or Regional Legal Counsel, (iv) a Regional Compliance Officer, or (v) through the Magna Hotline.

Magna is also committed to supporting a culture in which concerns about potential violations may be raised without fear of retaliation. For that reason, Magna's [Policy on Anti-Retaliation](#) prohibits retaliation against anyone who raises a concern honestly and in good faith.

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 Regional Compliance Officer if you are offered or are contemplating offering a gift or entertainment that you believe 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.
- 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 approval through the Disclose It! system before giving gifts or entertainment to any government official in accordance with the Compliance Control Procedure – Expenditures on Government Officials.
- Seek to understand and verify whether the proposed recipient is a government official before offering any gift or entertainment.
- Assess the potential for a conflict of interest where offering or accepting gifts or entertainment.
- Be prepared to politely decline 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 given or 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 internal approval may be required from the recipient’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 a modest value or is contrary to commonly accepted business practices.
- Offer or accept prohibited gifts or entertainment, such as:
 - Cash or cash equivalents (e.g. gift cards, personal cheques), except with pre-approval as set out above;
 - 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, 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 behavior.
- 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.

FOR FURTHER INFORMATION:

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

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SCHEDULE A – COUNTRIES WITH GUIDELINES UNDER THIS POLICY

China