



## TESMA INTERNATIONAL INC.

### CORPORATE DISCLOSURE POLICY

#### APPLICATION OF THE POLICY

As a public company, Tesma International Inc. (“Tesma” or the “Company”) has an obligation to ensure that all communications of Company information are timely, factual, accurate and in compliance with the applicable regulatory and legal requirements of the various securities regulatory authorities and stock exchanges to which Tesma is, from time to time, subject, including without limitation, the requirements of the Ontario Securities Commission (the “OSC”), the United States Securities and Exchange Commission (the “SEC”), The Toronto Stock Exchange (the “TSX”) and the NASDAQ Stock Market (“NASDAQ”), as well as other applicable securities laws in both Canada and the United States. For Company financial information, this obligation includes compliance with generally accepted accounting principles and other applicable accounting rules and standards.

Failure to fulfill these obligations may result in significant liability for Tesma and, in some instances, Tesma Personnel (as defined below). It is therefore important that Tesma implement prescribed procedures and policies to govern the disclosure of Company information to the public. This Corporate Disclosure Policy (this “Policy”) sets forth those procedures and policies.

Unless otherwise noted, this Policy applies to all of Tesma’s current directors, officers, employees, insiders and any other person or company that is or may engage in a business or professional activity with the Company (including authorized representatives) (collectively, each referred to as “Tesma Personnel”), as well as former Tesma Personnel who served in that capacity in the past. Failure of current Tesma Personnel to adhere to this Policy as it relates to the unauthorized disclosure of Material Non-Public Information (as defined below) will constitute presumptive grounds for termination of office and employment.

#### THE GENERAL PRINCIPLE

1. **Except as required in the performance of his or her duties, Tesma Personnel should not discuss internal Company matters or developments relating to the Company or its subsidiaries of which they are aware which constitute Material Non-Public Information with any person (including, without limitation, Tesma Personnel who do not need to know the information, family members, relatives and friends).** Similarly, Tesma Personnel should not discuss Company affairs which relate in any way to Material Non-Public Information in public or quasi-public areas where conversations may be overheard (e.g., airplanes, restaurants, restrooms, elevators, etc.) or actively participate in internet chat rooms or bulletin boards which discuss such information. In addition, Tesma Personnel must ensure that any document (including an electronic document) containing Material Non-Public Information is properly protected, not viewed in any public location and stored safely at all times. Tesma Personnel must also report (as soon as reasonably possible) any discussion or information concerning Material Non-Public Information of Tesma which is discovered on any internet chatroom or bulletin board to Tesma’s Chief Financial Officer, General Counsel or Corporate Secretary.

2. It is impossible to delineate in advance what information will or will not be considered “Material” to Tesma. Under Canadian securities legislation, information is “Material” if it significantly affects, or may be reasonably expected to have a significant effect on, the market price or value of any of Tesma’s securities. Under U.S. federal securities laws, information is “Material” if there is a substantial likelihood that a reasonable shareholder or other investor would consider it important in making an investment

decision regarding Tesma's securities. Any such, "Material" information which has not been disseminated in a manner that makes it available to investors generally would constitute "Material Non-Public Information". Examples of Material Non-Public Information include, without limitation, previously undisclosed non-public information concerning the Company regarding:

- (i) revenues, income or earnings per share;
- (ii) forecasts or projections (including those covering one or more of revenues, gross margin, content per vehicle, SG&A, income, earnings per share or capital spending);
- (iii) significant mergers, acquisitions, tender offers, joint ventures or changes in assets (including potential or pending transactions which have not been completed);
- (iv) changes in control of Tesma;
- (v) changes in debt ratings;
- (vi) significant write-downs of assets, restatements, impairments or additions to reserves for bad debts or contingent liabilities;
- (vii) liquidity problems;
- (viii) significant new products or technologies;
- (ix) significant developments regarding customers or suppliers, including the entering into or loss of significant contracts;
- (x) bankruptcies or receiverships;
- (xi) changes in the board of directors, executive management or other senior personnel;
- (xii) changes in the Auditors or the Auditors' audit report to the shareholders;
- (xiii) significant events regarding Tesma's securities (such as defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes in the rights of securityholders, public or private issuances and sales of additional securities, etc.);
- (xiv) significant litigation or other contingencies, including product warranty, recalls and product liability;
- (xv) significant investigations by regulatory authorities or government bodies;
- (xvi) significant collective bargaining agreements or significant labour disputes; and
- (xvii) borrowing of a significant amount of funds.

**Note that this list is merely illustrative and not exhaustive and that what is considered "significant" depends on the particular facts of each situation. For further clarification on what information is considered Material Non-Public Information, please contact Tesma's Chief Financial Officer, General Counsel or Corporate Secretary.**

A list of the current outstanding securities of Tesma is included at the end of this Policy.

#### **AUTHORIZED SPOKESPEOPLE**

3. Unless otherwise approved by Tesma's Board of Directors or as specified below, the only persons authorized to discuss Tesma matters with the media, securities industry professionals (e.g.

securities analysts, investment bankers and mutual fund representatives) or the Company's securityholders are as follows: the Chairman, the Chief Executive Officer, the President, the Chief Financial Officer, the General Counsel and the Corporate Secretary (each an "Authorized Spokesperson"). In certain special circumstances, such Authorized Spokespersons may designate other employees of Tesma to discuss specified Tesma matters on their behalf.

The current Authorized Spokespersons are listed at the end of this Policy.

## **CORPORATE DISCLOSURE COMMITTEE**

4. In order to ensure compliance with this Policy, applicable legal requirements and the continuity, accuracy, completeness and currency of information disseminated by the Company to the public and applicable regulatory agencies, the Chief Financial Officer, the Vice President, Finance, the Treasurer, the Controller, the General Counsel, the Corporate Secretary and the senior person responsible for Investor Relations, shall constitute the Tesma Corporate Disclosure Committee (the "Corporate Disclosure Committee") and shall review and approve all Material Non-Public Information and all public regulatory filings of Tesma prior to such information being disseminated to the public or filed with applicable regulatory agencies. Such members shall serve on the Corporate Disclosure Committee at the pleasure of the Tesma Audit Committee or until they resign from the Corporate Disclosure Committee. The Tesma Audit Committee shall retain the discretion to make changes to the composition of the Corporate Disclosure Committee from time to time.

5. All materials and information relating to Material Non-Public Information and all public regulatory filings of Tesma should be forwarded, at least 24 hours prior to the targeted release or filing time, as applicable, to the Corporate Disclosure Committee for its review and approval. Any approvals required to be given by the Corporate Disclosure Committee hereunder may be given by any three members thereof.

6. The Corporate Disclosure Committee shall report to (i) the Chief Executive Officer, and the President from time to time in respect of those matters required to be reported on by applicable regulatory requirements, (ii) to the Tesma Audit Committee on not less than a quarterly basis as to matters relating to this Policy generally, and (iii) to the Tesma Board of Directors from time to time as to matters within its mandate.

## **DISCLOSURE OF MATERIAL NON-PUBLIC INFORMATION**

7. **No Tesma Personnel may ever discuss or otherwise disclose Material Non-Public Information pertaining to Tesma with any person except in accordance with the provisions of this Policy.** If disclosure to third party recipients is required, Tesma Personnel shall ensure that adequate measures are taken to protect the confidentiality of the information to be disclosed, including the execution of a written confidentiality agreement with the third party recipient of such information. (Such confidentiality agreement shall be subject to review by the Company's Legal Department or, failing which, a member of the Corporate Disclosure Committee, prior to the execution thereof). In addition, Tesma Personnel should limit access to such Material Non-Public Information to those Tesma Personnel who need to know the information by virtue of their position and responsibilities, and such persons must be notified that such information is to be kept confidential.

8. Subject to the specific provisions below regarding the disclosure of quarterly financial information and to paragraph 9 of this Policy, **all Material Non-Public Information pertaining to Tesma should initially be disclosed to the public either (i) by means of a widely disseminated press release, or (ii) by another method reasonably expected to effect a broad and non-exclusionary distribution of information to the public (i.e. pre-announced webcast or open conference call).** Disclosure must include any information the omission of which would make the rest of the disclosure misleading. In addition, unfavourable Material Non-Public Information must be disclosed as promptly and completely as favourable Material Non-Public Information. In the case of the disclosure of Material Non-Public Information which constitutes a material change for Tesma, Tesma shall file, in addition to the press release as provided above, (a) a material change report with the OSC and other applicable Canadian securities regulatory authorities as soon as practicable and in any event within ten days of the date on which the change occurs, (b) such information and documents with the SEC as required pursuant to the

Exchange Act of 1934, and (c) such other forms, reports and information as the OSC, SEC or other applicable securities regulatory authorities and stock exchanges may, from time to time, require.

9. In certain cases, the Chief Financial Officer, the General Counsel or the Corporate Secretary may determine that disclosure of Material Non-Public Information would be unduly detrimental to Tesma (e.g. if the disclosure would prejudice negotiations in a corporate transaction). In this case, Tesma will continue to keep such Material Non-Public Information confidential and, in the case of a material change, Tesma will file with the OSC and other applicable Canadian securities regulatory authorities a confidential material change report. At least every ten days thereafter the decision to keep the information confidential must be reviewed by Tesma and, at that time, Tesma must either notify the applicable securities regulatory authorities in writing of its decision to keep the material change report confidential or disseminate the Material Non-Public Information pursuant to paragraph 8 of this Policy. During the confidentiality period, Tesma will take the necessary precautions to maintain the confidentiality of the information, including the execution of written confidentiality agreements with any third party recipient of the information.

#### **DISCLOSURE OF QUARTERLY EARNINGS INFORMATION**

10. **Quarterly earnings information regarding Tesma shall be disclosed in the following manner:** First, a press release containing a discussion of Tesma's quarterly earnings results shall be submitted to the appropriate newswire services for dissemination in Canada and the United States as approved by the Corporate Disclosure Committee and Tesma's Board of Directors. Second, advance notice of the time, date and connection instructions for the quarterly earnings conference call and/or webcast will be: (i) released in advance (generally not less than five (5) business days, but in any event not less than 18 hours prior to the conference call and/or webcast) and (ii) posted on Tesma's website (generally not less than five (5) business days prior to the quarterly earnings release), or (iii) in either such case where not released or posted in advance, included in the quarterly earnings press release which should be issued not less than 18 hours prior to the conference call and/or webcast. Third, the quarterly earnings conference call should be broadcast live on a medium (i.e. open conference call or webcast) that will allow the public, without charge, to listen in on the call, and, to the extent reasonably possible, provision should be made for a taped replay of the conference call to be made available for a number of days thereafter. Assuming that these three steps have been followed, the information contained in the quarterly earnings press release may be discussed freely on the scheduled conference call.

11. No Tesma Personnel should ever discuss Tesma's income or earnings per share information (including giving any "guidance" or "comfort" on securities analyst estimates or reports) with any person, except in accordance with the provisions of this Policy.

#### **DEALING WITH THE PRESS, GENERAL MEDIA AND INDUSTRY COMMUNICATIONS, RUMOURS AND LEAKS**

12. **All press releases to be issued by or on behalf of Tesma or its subsidiaries (including the operating divisions of Tesma and its subsidiaries) must be forwarded, at least 24 hours prior to issuance, to the Corporate Disclosure Committee for review and approval, with reasonable advance notice prior to issuance or discussion.**

13. This Policy acknowledges that Tesma, including persons other than Authorized Spokespersons, may communicate on a regular basis, in the ordinary course of business, with the Company's customers, suppliers and other third parties (other than investors and shareholders), by means of media communications, interviews, speeches, industry conference presentations and otherwise. Such communications are not, in-and-of-themselves, subject to this Policy, except where such communications are disseminated through communication channels which reach, or which could reasonably be expected to reach, analysts or other members of the financial media or investment community in general, or where such communications may involve the dissemination or discussion of Material Non-Public Information pertaining to Tesma. In such event, the relevant materials and information forming part of such communications should be submitted to the Corporate Disclosure Committee with reasonable advance notice, for purposes of the Committee's review and approval. In the event of any doubt as to whether or not materials or information in a particular instance requires Corporate Disclosure Committee review and

approval, such materials and information should be referred to the Corporate Disclosure Committee for consideration prior to distribution or discussion.

14. If any individual (including a securities industry professional, Tesma securityholder, government official, media representative, etc.) contacts Tesma Personnel seeking information regarding the Company, that individual must notify the outsider that, in accordance with this Policy, all such inquiries are to be directed to an Authorized Spokesperson. **If such inquiry relates to a market rumour, the Authorized Spokesperson should, subject to specific legal advice to the contrary, advise the outsider that Tesma has a policy that it does not comment on market rumours.** If any applicable securities regulatory authority or stock exchange requests that Tesma make a definitive statement in response to a market rumour that is causing significant fluctuation in the trading price of Tesma's listed securities, Tesma, through the Corporate Disclosure Committee, will consider whether to make a policy exception and respond to the rumour. If a decision is made to respond to the rumour, Tesma will disclose the Material Non-Public Information in accordance with either paragraphs 8 or 9 of this Policy, as applicable.

15. If Tesma Personnel become aware that there has been an inadvertent disclosure of Material Non-Public Information, he or she should immediately contact a member of the Corporate Disclosure Committee. Upon being contacted under such circumstances, the Corporate Disclosure Committee shall (in consultation with Tesma's legal advisors if considered appropriate) develop a plan to make public disclosure of the information in accordance with the provisions of this Policy and shall use their best efforts to execute such plan as soon as practicable, but in any event within the time period, if any, prescribed by applicable law.

16. Each Authorized Spokesperson should, prior to any scheduled interaction with securities industry professionals or Tesma securityholders, consult with the Corporate Disclosure Committee as to what current information relating to Tesma or its subsidiaries (in addition to the information listed in paragraph 2 of this Policy), if any, might then reasonably be considered to be Material Non-Public Information. Prior to the scheduled interaction, the Authorized Spokesperson should, if any such current Material Non-Public Information then exists, decide whether to: (i) keep the information "off-limits" for the interaction with the outsider(s); or (ii) disclose the information publicly by one of the means mentioned in clauses (i) or (ii) of paragraph 8 of this Policy.

17. All "Road Show" and other similar materials (including analyst presentations) to be distributed to or discussed with securities industry professionals or Tesma securityholders (or prospective securityholders) must, prior to the time of their use, be reviewed and approved by the Corporate Disclosure Committee and, where appropriate, posted on Tesma's website.

## **ANALYST REPORTS**

18. Tesma may review, upon request, analysts' models or reports, subject to the applicable restrictions of the OSC, SEC, TSX, NASDAQ or other applicable securities regulatory authority or stock exchange. Any review will be conducted by the Chief Financial Officer or his designee and any comments will be limited to those portions of the model or report that constitute statements of historical fact or a factual description of Tesma's business or which discuss information which is not Material or has otherwise been publicly disclosed. The Chief Financial Officer (or his designee) may correct factual errors in analysts' models and reports, provided the factual information has already been broadly disseminated to the public or is not Material. In no event shall the Chief Financial Officer or any other Tesma Personnel comment on, confirm, deny or guide any forward-looking statements or financial projections contained in such models or reports. Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. **For these reasons, Tesma will not provide analyst reports through any means to persons outside of Tesma, including posting such information on its website.** Tesma may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on Tesma. However, such list will not include links to analysts' or any other third party websites or publications.

## **REGULATORY FILINGS**

19. All electronic and other regulatory filings made by or on behalf of Tesma, including without limitation, all periodic and other filings required to be made with applicable securities regulatory authorities and stock exchanges, shall, subject to paragraph 5 above, be prepared by or in conjunction with, and be the responsibility of, the Corporate Secretary.

## FORWARD-LOOKING INFORMATION

20. **Should Tesma decide to disclose forward-looking information or financial projections in continuous disclosure documents, speeches, webcasts, conference calls, etc., the following guidelines shall be observed:**

- (a) the information, if deemed Material, will be broadly disseminated via press release prior to any other type of disclosure (and, in such case, the information will also require the prior approval of the Tesma Audit Committee and the Board of Directors, in addition to the review and approval by the Corporate Disclosure Committee);
- (b) the information will be clearly identified as forward-looking;
- (c) Tesma will identify the significant general (and, where reasonably feasible, specific) assumptions used in the preparation of the forward-looking information;
- (d) the information will be accompanied by Tesma's then current "Forward-Looking Information Disclaimer", together with a reference to Tesma's then current "Risk Factors" disclosure; and
- (e) the information will be accompanied by a statement that disclaims Tesma's intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be Materially off target, Tesma may choose to update prior disclosures explaining the reasons for the difference. In this case, Tesma will update its previously publicly disclosed guidance on the anticipated impact, if any, on revenue and earnings (or other key metrics).

## WEBSITE DISCLOSURE

21. Disclosure of Material Non-Public Information on Tesma's website currently does not in-and-of-itself constitute adequate public disclosure of such information. As such, Material Non-Public Information which has not otherwise been disclosed in accordance with one or more of the methods noted in paragraph 8 of this Policy, shall not be posted on Tesma's website.

22. The Corporate Disclosure Committee shall be responsible for reviewing and approving, in advance, all substantive financial and other Material information to be posted on Tesma's website so as to ensure the accuracy, completeness and currency of the information posted thereon. Tesma's website shall at all times incorporate by reference the most current version of Tesma's "Risk Factors" disclosure as contained in Tesma's public disclosure record. The website shall also set forth in a clear and prominent manner, a current version of Tesma's "Forward-Looking Information Disclaimer". As noted above, in no event shall Tesma's website post or hyperlink to analysts reports or any other similar third party information regarding Tesma.

## RELATED POLICIES

23. Please see Tesma's Insider Trading Policy for additional prohibitions relating to trades in the Company's securities, including those using Material Non-Public Information, a copy of which is posted on Tesma's website or may otherwise be obtained from the Corporate Secretary.

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It is critical that all Tesma Personnel adhere to this Policy.

If you have any doubts as to your responsibilities under this Policy, please seek clarification and guidance from the Chief Financial Officer, the General Counsel or the Corporate Secretary before you act.

Do not try to resolve uncertainties on your own.

**NOTES:**

1. As at March 1, 2004, Tesma's outstanding securities consist of its:

Class A Subordinate Voting Shares  
Class B Shares

2. As at March 1, 2004, Tesma's Authorized Spokespersons are:

Manfred Gintl, as Tesma's Chairman and Chief Executive Officer  
Anthony E. Dobranowski, as Tesma's President and Chief Financial Officer  
Stefan T. Proniuk, as Tesma's General Counsel and Corporate Secretary.

3. As at March 1, 2004, the Tesma Corporate Disclosure Committee consists of:

Anthony E. Dobranowski, as Tesma's Chief Financial Officer  
James L. Moulds, as Tesma's Vice President, Finance and Treasurer  
Thomas More, as Tesma's Controller  
Stefan T. Proniuk, as Tesma's General Counsel and Corporate Secretary  
Lynn Riley, as Tesma's Manager of Investor Relations