



**TESMA INTERNATIONAL INC.**

**INSIDER TRADING POLICY**

The directors and officers of Tesma International Inc. ("Tesma") and such other employees of Tesma or such other directors, officers or employees of any Tesma Affiliate (as defined in Tesma's Corporate Constitution) as may be designated from time to time by the Chief Executive Officer, the Chief Financial Officer, the General Counsel or the Corporate Secretary of Tesma, shall not, directly or indirectly, purchase, sell or otherwise trade in any security of Tesma (including, without limitation, the Class A Subordinate Voting Shares, options to acquire Class A Subordinate Voting Shares, or Class B Shares of Tesma):

1. for the period commencing at 11:59 p.m. on the last day of each fiscal quarter of Tesma until 12:01 a.m. on the second (2<sup>nd</sup>) business day after the public announcement of Tesma's financial results for such fiscal quarter (or fiscal year, as the case may be); or
2. at any time when any of the aforesaid individuals has/have knowledge of any undisclosed "material information" regarding Tesma (ie., information about Tesma which, if publicly disclosed, would result in, or would reasonably be expected to result in, a significant change in the market price or value of any security of Tesma) until 12:01 a.m. on the second (2<sup>nd</sup>) business day after the public announcement of such information; or
3. at any time and for such duration as a "trading blackout" or other similar notice prohibiting trading in any security of Tesma is issued by the Chief Executive Officer, the Chief Financial Officer, the General Counsel or the Corporate Secretary of Tesma; and
4. at all times in respect of any "call" or "put" option(s) for, or in relation to, any Tesma security.

The above restrictions will also apply to purchases, sales or other trading in any securities of other public companies when any of the aforesaid individuals acquire(s), through his/her/their position or relationship with Tesma or any Tesma Affiliate, any material non-public information regarding such public company.

This Policy is not intended to reduce or otherwise affect the personal obligations imposed on the directors, officers and other insiders of Tesma under applicable securities legislation, including the obligation to file Insider Reports with Canadian provincial securities commissions or other regulatory authorities (whether upon the initial acquisition of ownership of, or rights to exercise control or direction over, any securities of Tesma, or in connection with any subsequent sale or trade in respect thereof).

Breach of this Policy may be considered as the basis for the termination of office and employment for cause or otherwise, for any director, officer or other insider of Tesma who is also an employee of Tesma or any Tesma Affiliate.

Any questions regarding this Policy or any related matters should be directed to the Chief Financial Officer, the General Counsel or the Corporate Secretary of Tesma.

### **Supplementary Information to the Tesma Insider Trading Policy**

For purposes of Tesma's Insider Trading Policy, a broad category of "insiders" are those persons in a "special relationship" with Tesma, including:

1. all directors, officers and employees of Tesma and their respective spouses, children and relatives who share the same residence, as well as certain other entities (eg. trusts, partnerships and corporations) which are associated with such individuals;
2. persons who directly or indirectly own or exercise control or direction over 10% or more of Tesma's voting securities;
3. persons outside of Tesma who engage or propose to engage in any business or professional activity with or on behalf of Tesma; and
4. anyone who learns of "material information" regarding Tesma from someone who he or she knows, or should know, is a person in a special relationship with Tesma.

The narrower category of "insiders" (as specifically defined under the Ontario Securities Act) who are required to file Insider Reports in respect of their trades in the securities of Tesma include:

1. directors of Tesma or any subsidiary;
2. senior officers of Tesma or any subsidiary with the following titles: Chairman, Vice-Chairman, President, Vice-President, Secretary, Treasurer, Managing Director, General Manager (excluding Divisional General Managers) or anyone else who performs the functions normally performed by a person with any of the forgoing titles;
3. each of the five highest-paid employees of Tesma (including any senior officer of Tesma); and
4. anyone who beneficially owns and/or controls, directly or indirectly, more than 10% of the voting rights attached to all voting securities of Tesma.

**Note:** By virtue of the definition of "insider" under the Ontario Securities Act, directors and senior officers of Tesma (as a subsidiary of Magna International Inc.) are insiders of Magna and, therefore, required to file Insider Reports in respect of their trades in the securities of Magna.