



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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**IN THE MATTER OF**  
**THE SECURITIES ACT, R.S.O. 1990, c.S.5, AS AMENDED**

**- AND -**

**IN THE MATTER OF**  
**MAGNA INTERNATIONAL INC.**

**ORDER**

**(Clause 104(2)(c))**

**UPON** the application (the “**Application**”) of Magna International Inc. (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the “**Act**”) exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the Act (the “**Issuer Bid Requirements**”) in connection with the proposed purchases by the Issuer of up to 715,000 common shares of the Issuer (collectively, the “**Subject Shares**”) in one or more tranches, from The Bank of Nova Scotia (the “**Selling Shareholder**”);

**AND UPON** considering the Application and the recommendation of staff of the Commission;

**AND UPON** the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 9, 13 and 26 as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Ontario).
2. The registered and head office of the Issuer is located at 337 Magna Drive, Aurora, Ontario, L4G 7K1.
3. The Issuer is a reporting issuer in each of the provinces of Canada and its common shares (the “**Common Shares**”) are listed for trading on the Toronto Stock Exchange (the “**TSX**”) and the New York Stock Exchange (the “**NYSE**”) under the symbols “MG” and “MGA”, respectively. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The Issuer’s authorized share capital consists of an unlimited number of Common Shares, of which 210,462,442 are issued and outstanding as of September 10, 2014, and

99,760,000 preference shares (the “**Preference Shares**”) issuable in series. As of September 10, 2014, no Preference Shares are issued or outstanding.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario. The trades contemplated by this Application will be executed and settled in the Province of Ontario.
6. The Selling Shareholder does not, directly or indirectly, beneficially own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder is the beneficial owner of at least 715,000 Common Shares. None of the Subject Shares were purchased by, or on behalf of, the Selling Shareholder in anticipation or contemplation of resale to the Issuer.
8. No Common Shares were purchased by, or on behalf of, the Selling Shareholder on or after July 8, 2014, being the date that was 30 days prior to the date of the application of the Issuer seeking this Order, in anticipation or contemplation of resale of the Subject Shares to the Issuer.
9. The Selling Shareholder is at arm’s length to the Issuer and is not an “insider” of the Issuer, or an “associate” of an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions*.
10. Pursuant to a Notice of Intention to Make a Normal Course Issuer Bid (the “**Original Notice**”) which was accepted by the TSX effective November 11, 2013, the Issuer was permitted to make a normal course issuer bid (the “**Normal Course Issuer Bid**”) to purchase up to 12,000,000 Common Shares, representing approximately 5.4% of the Issuer’s public float of Common Shares as of November 6, 2013. On May 13, 2014, the Issuer announced that the TSX accepted an amendment to the Original Notice (the “**Amendment**” and together with the Original Notice, the “**Notice**”) effective May 16, 2014 to increase the number of Common Shares the Issuer is permitted to purchase under the Normal Course Issuer Bid to 20,000,000 Common Shares, representing approximately 9% of the Issuer’s public float of Common Shares as of November 6, 2013.
11. In accordance with the Notice, purchases under the Normal Course Issuer Bid are conducted through the facilities of the TSX and purchases may also be made on the NYSE or by such other means as may be permitted by the TSX and/or the NYSE, in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX NCIB Rules**”), including private agreements under an issuer bid exemption order issued by a securities regulatory authority (an “**Off-Exchange Block Purchase**”).
12. The Issuer was granted orders on May 30, 2014 (the “**May 2014 Order**”), March 18, 2014 (the “**March 2014 Order**”) and November 22, 2013 (the “**November 2013 Order**”) pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8, inclusive, and sections 97 to 98.7, inclusive, of the

Act in connection with the proposed purchases by the Issuer of up to 2,150,000 Common Shares, 600,000 Common Shares and 3,200,000 Common Shares, respectively, in tranches, from arm's length selling shareholders. As at September 10, 2014, the Issuer has purchased an aggregate of 14,471,604 Common Shares pursuant to the Normal Course Issuer Bid, including 2,150,000 Common Shares under the May 2014 Order, 600,000 Common Shares under the March 2014 Order and 3,200,000 Common Shares under the November 2013 Order.

13. The Issuer and the Selling Shareholder currently intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**"), pursuant to which the Issuer will, subject to market conditions, agree to acquire some or all of the Subject Shares from the Selling Shareholder in one or more tranches, such tranches to occur not more than once per calendar week and, in each case, prior to the expiry of the Normal Course Issuer Bid (each such purchase, a "**Proposed Purchase**") for a purchase price (each such price, a "**Purchase Price**" in respect of such Proposed Purchase) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will, in each case, be at a discount to the prevailing market price, and below the prevailing bid-ask price, for the Common Shares on the TSX at the time of each Proposed Purchase.
14. Each Proposed Purchase will occur prior to the expiry of the Normal Course Issuer Bid on November 12, 2014, and any Subject Shares not acquired by the Issuer as of that date will not be acquired by the Issuer pursuant to this Order.
15. The Subject Shares acquired under each Proposed Purchase will constitute a "block", as that term is defined in section 628 of the TSX NCIB Rules.
16. The purchase of any of the Subject Shares by the Issuer pursuant to an Agreement will constitute an "issuer bid" for purposes of the Act, to which the Issuer Bid Requirements would apply.
17. Because the Purchase Price will be at a discount to the prevailing market price, and below the prevailing bid-ask price, for the Common Shares on the TSX at the time of each Proposed Purchase, none of the Proposed Purchases can be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to subsection 101.2(1) of the Act.
18. But for the fact that the Purchase Price will be at a discount to the prevailing market price, and below the prevailing bid-ask price, for the Common Shares on the TSX at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares through the facilities of the TSX as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(1)(7) of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to section 101.2(1) of the Act.
19. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).

20. For each Proposed Purchase, the Issuer will be able to acquire the applicable Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
21. Management of the Issuer is of the view that: (a) the Issuer will be able to purchase the Subject Shares at a lower price than the price at which it would otherwise be able to purchase Common Shares under the Normal Course Issuer Bid in accordance with the TSX NCIB Rules and the exemption from the Issuer Bid Requirements available pursuant to section 101.2(1) of the Act; and (b) the Proposed Purchases are an appropriate use of funds and will increase shareholder value.
22. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's security holders and will not materially affect control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other security holders of the Issuer to otherwise sell Common Shares in the open market at the then prevailing market price. The Proposed Purchases will be carried out with a minimum cost to the Issuer.
23. To the best of the Issuer's knowledge, as of September 10, 2014, the "public float" for the Common Shares represented approximately 99.5% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.
24. The Common Shares are "highly-liquid securities" within the meaning of section 1.1 of OSC Rule 48-501 *Trading during Distributions, Formal Bids and Share Exchange Transactions* and section 1.1 of the Universal Market Integrity Rules.
25. Other than the Purchase Price, no fee or other consideration will be paid by the Issuer in connection with the Proposed Purchases.
26. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer nor any member of the trading products group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any "material change" or any "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.
27. On March 31, 2014 the Issuer announced that it entered into an automatic share purchase plan (the "**Plan**") with a broker. Under the Plan, the broker will repurchase Common Shares under the Normal Course Issuer Bid on the TSX, NYSE or other published markets during the Issuer's regularly scheduled quarterly blackout periods, when the Issuer would not be permitted to trade in its Common Shares, in accordance with the instructions and parameters provided by the Issuer. The Plan was reviewed and approved by the TSX, and was implemented by the Issuer effective April 1, 2014. The Issuer will instruct the broker not to conduct a Block Purchase in accordance with the TSX NCIB Rules during the calendar week in which the Issuer completes a Proposed Purchase.

28. No Subject Shares will be acquired under the Plan or otherwise during the Issuer's blackout periods.
29. The Issuer will not purchase, pursuant to Off-Exchange Block Purchases, in aggregate, more than one-third of the maximum number of Common Shares that the Issuer can purchase under the Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 6,666,666 Common Shares.
30. Assuming completion of the purchase of the maximum number of Subject Shares, being 715,000 Common Shares, the Issuer will have purchased under the Normal Course Issuer Bid an aggregate of 6,665,000 Common Shares pursuant to Off-Exchange Block Purchases.

**AND UPON** the Commission being satisfied to do so would not be prejudicial to the public interest;

**IT IS ORDERED** pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

- (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- (b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week in which it completes a Proposed Purchase and will not make any further purchases under its Normal Course Issuer Bid for the remainder of the calendar day on which it completes a Proposed Purchase;
- (c) the Purchase Price in respect of each Proposed Purchase will be at a discount to the last "independent trade" (as that term is used in paragraph 629(1)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of such Proposed Purchase;
- (d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid in accordance with the Notice and the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, including under automatic trading plans and, subject to condition (i) below, by Off-Exchange Block Purchases;
- (e) immediately following each Proposed Purchase of Subject Shares from the Selling Shareholder, the Issuer will report the purchase of Subject Shares to the TSX;
- (f) the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases, and where such Proposed Purchases are made in tranches, in advance of the first tranche purchased from the Selling Shareholder, and (ii) that information regarding each Proposed Purchase, including the number of

Common Shares purchased and the aggregate purchase price, will be available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) following the completion of each Proposed Purchase;

- (g) the Issuer will report information regarding each Proposed Purchase including the number of Subject Shares purchased and the aggregate Purchase Price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase;
- (h) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer nor any member of the trading products group of the Selling Shareholder, nor any personnel of the Selling Shareholder that negotiated the Agreement or made, participated in the making of, or provided advice in connection with, the decision to enter into the Agreement and sell the Subject Shares, will be aware of any “material change” or any “material fact” (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;
- (i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, in the aggregate more than one-third of the maximum number of Common Shares that the Issuer can purchase under its Normal Course Issuer Bid, such one-third being equal to, as of the date of this Order, 6,666,666 Common Shares; and
- (j) the Issuer will not make any Proposed Purchase unless it has first obtained confirmation in writing that the Selling Shareholder has not purchased, or has had purchased on its behalf, any Common Shares on the facilities of the TSX or any other published market between the date of this Order and the date on which such Proposed Purchase is to be completed.

**DATED** at Toronto this 17<sup>th</sup> day of September, 2014.

*“James Turner”*

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Vice-Chair  
Ontario Securities Commission

*“Mary Condon”*

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Commissioner  
Ontario Securities Commission