

Magna International Inc. UK Tax Strategy

**(in accordance with Schedule 19 of the Finance Act 2016
for the financial year ended December 31, 2024)**

Introduction

This document outlines the tax strategy for the UK-based entities within the Magna International Inc. Group (“Magna”) to meet the requirements of Schedule 19 of the Finance Act 2016. These entities, referred to as the “Magna UK sub-group” are listed in Appendix 1. This tax strategy applies to all UK taxes applicable to the Magna UK sub-group for the financial year ended December 31, 2024 and will be reviewed annually. The ultimate parent company of the Magna UK sub-group is Magna, a global automotive parts manufacturer headquartered in Aurora, Ontario, Canada. Magna is a public company that is listed on both the Toronto Stock Exchange (“TSX”) and the New York Stock Exchange (“NYSE”).

The tax management principles of the Magna UK sub-group fully align with Magna’s strong corporate governance practices, which are described in the most recent management information circular/proxy statement under “Corporate Governance”. It is also set out in its Board Charter, which can be found under “Corporate Governance Documents” on the Magna website (<https://www.magna.com/company/company-information/leadership-and-governance/corporate-governance-documents>); and is reviewed at least annually and updated as needed to reflect evolving best practices in corporate governance. Magna believes that strong corporate governance practices are essential to fostering stakeholder trust and confidence, management accountability and long-term shareholder value.

Magna is committed to ensuring that the Magna UK sub-group complies with and pays the appropriate amount of tax based on applicable tax laws, rules, regulations, and disclosure requirements. The Magna UK sub-group will utilise available tax incentives and reliefs to minimise the tax cost of conducting business in a manner that is not contradictory to the intent of legislative requirements. Additionally, the Magna UK sub-group is also committed to maintaining an open and honest relationship with HM Revenue & Customs (“HMRC”), based on collaboration and integrity.

How the Magna UK sub-group manages tax risks

Magna has a global group consisting of tax professionals who are based in the jurisdictions in which it has major operations. The Vice-President, Taxation, who reports to the Executive Vice-President and Chief Financial Officer (“CFO”) of Magna, heads the Magna global tax group. Directors of Taxation, who report directly to the Vice-President, Taxation, are responsible for managing the tax affairs in Magna’s major operating jurisdictions. The Senior Manager of UK Taxes, reporting to Magna’s Director, European Tax, is responsible for the Magna UK sub-group.

The Magna UK sub-group’s approach to tax risk management and governance is based on the principles of reasonable care and materiality. Within the Magna group, a culture of continual application of governance with strong internal controls is promoted, which helps to reduce tax risk to acceptable levels from a materiality standpoint. The Magna UK sub-group also complies with the Senior Accounting Officer (“SAO”) measure that was enacted in the Finance Act 2009 as Schedule 46. In accordance with this measure, the Magna UK sub-group maintains appropriate tax accounting arrangements that support the basis of the various UK tax filings and are designed to ensure

compliance with new tax laws and requirements. All tax related processes are maintained by the UK Senior Tax Manager and controls have been implemented for key tax risk areas. These processes and controls are tested and reviewed regularly, and improvements are implemented if any weaknesses are identified.

When significant business transactions occur, such as acquisitions and/or disposals of companies or business lines, the Magna tax group needs to be able to respond appropriately in order to identify and manage the tax risks arising from such transactions. While such events cannot always be predicted or anticipated, the Magna tax group maintains ongoing communication with Magna's operating groups to ensure timely identification of the tax issues and tax obligations related to transactions. Approval from the Vice-President, Taxation, and the CFO is required before implementing any significant business transaction.

The Magna UK sub-group and its tax risks

The management of the Magna UK sub-group's tax affairs is a complex process impacted by many functional areas and different operating groups. Due to the complexity, there may be risks of errors or omissions within those processes, which may result in errors in tax returns. It is not reasonably possible to completely eliminate these tax risks. The Magna UK sub-group's approach towards the required level of control(s) over tax processes, is aimed at minimizing the likelihood of occurrence of errors and ensuring the impact of any tax risk is not material. HMRC's Business Risk Review in 2024 granted the Magna UK sub-group moderate risk status for a 1-year period and this rating will be reassessed by HMRC during 2025. One of the primary objectives of the Magna UK sub-group is to achieve a risk status of low. To achieve this objective, the Magna UK sub-group follows several key practices:

- 1) Timely submission of UK tax returns;
- 2) Payment of the appropriate amount of tax by the due dates;
- 3) Maintaining robust and accurate tax accounting procedures that comply with the SAO measure;
- 4) Providing adequate resources, support, and training for all departments involved in tax processes; and
- 5) Ensuring that all tax filing positions are supported with appropriate documentary evidence.

The Magna UK sub-group's attitude to tax planning

Magna maintains a Code of Conduct and Ethics (the "Code of Conduct"), which applies to all employees, officers, directors, and those acting on Magna's behalf. Magna expects all employees to read and understand the Code of Conduct and to always act in an ethical and honest way and in accordance with applicable law. In line with the principles outlined in the Code of Conduct, Magna, including the Magna UK sub-group, will not engage in artificial transactions where the sole purpose of the transaction is to reduce UK taxes. Tax planning will be undertaken when it aligns with the business and commercial objectives of a transaction and complies with relevant UK tax legislation. Tax is one of many factors considered when making business decisions to achieve targets and a balanced tax position. The Magna UK sub-group aims for certainty on the tax positions it takes. Where the tax law is unclear or subject to interpretation, external tax advice is routinely sought, as appropriate, to ensure that the Magna UK sub-group's tax position is robust and supportable.

Working with HMRC

Since 2010, the Magna UK sub-group has had an HMRC Customer Compliance Manager (“CCM”) acting as a liaison and communication point for the Magna UK sub-group. Every year, the Magna UK sub-group’s Senior Tax Manager meets with the CCM for an update on current business initiatives and to discuss the business risk review that the CCM has carried out. We expect that any enquiries will be handled in a courteous, timely and professional manner. The Magna UK sub-group aims to be open, honest, and transparent in its dealings with HMRC and the annual meeting is part of the process of working collaboratively with HMRC. Our expectation is that we will seek to resolve issues in real time and before returns are filed, whenever possible. Where appropriate, the Magna UK sub-group will seek pre-transaction clearance from HMRC, to minimise the risk of challenge and avoid unnecessary disputes. When a disagreement arises, it is our intention to work with HMRC to resolve the issue by agreement.

Appendix 1

The Magna UK sub-group comprises the following companies:

Magna International Holding (UK) Ltd

Magna Exteriors (Banbury) Ltd

Magna Exteriors (Liverpool) Ltd

Stadco Automotive Ltd

Acertec UK Ltd

Acertec Engineering Ltd

Stadco Ltd