

MAGNA INTERNATIONAL INC
Form SC 13D/A
September 26, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D/A

(Amendment No. 5)

Under The Securities Exchange Act of 1934

MAGNA INTERNATIONAL INC.

(Name of Issuer)

CLASS A SUBORDINATE VOTING SHARES

(Title of Class of Securities)

559222 401

(CUSIP Number)

Brian Colburn

Executive Vice President and Secretary

Magna International Inc.

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337 Magna Drive

Aurora, Ontario L4G 7K1

(905) 726-2462

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

with a copy to:

Kenneth G. Alberstadt

Akerman Senterfitt LLP

335 Madison Avenue, Suite 2600

New York, New York 10017

(212) 880-3817

September 20, 2007

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 559222 401

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

FRANK STRONACH

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions) BK, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Austria

7. Sole Voting Power

NUMBER OF

SHARES

301,364

8. Shared Voting Power

BENEFICIALLY

OWNED BY

EACH

26,917,188

9. Sole Dispositive Power

REPORTING

PERSON

WITH

301,364

10. Shared Dispositive Power

26,917,188

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

27,218,552

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

X

13. Percent of Class Represented by Amount in Row (11)

23.0%

14. Type of Reporting Person (See Instructions)

IN

SCHEDULE 13D

CUSIP No. 559222 401

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

STRONACH TRUST

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions) BK, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Ontario, Canada

7. Sole Voting Power

NUMBER OF

0

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

26,917,188

EACH

9. Sole Dispositive Power

REPORTING

PERSON

0

10. Shared Dispositive Power

WITH

26,917,188

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

26,917,188

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

X

13. Percent of Class Represented by Amount in Row (11)

22.7%

14. Type of Reporting Person (See Instructions)

OO

SCHEDULE 13D

CUSIP No. 559222 401

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

445327 ONTARIO LIMITED

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See Instructions) BK, OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Ontario, Canada

7. Sole Voting Power

NUMBER OF

0

SHARES

8. Shared Voting Power

BENEFICIALLY

OWNED BY

26,917,188

EACH

9. Sole Dispositive Power

REPORTING

PERSON

0

10. Shared Dispositive Power

WITH

26,917,188

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11. Aggregate Amount Beneficially Owned by Each Reporting Person

26,917,188

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

X

13. Percent of Class Represented by Amount in Row (11)

22.7%

14. Type of Reporting Person (See Instructions)

CO

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This Amendment No. 5 (this Amendment) amends the Statement on Schedule 13D (the Statement) filed by Frank Stronach (FS) on September 5, 2003, as previously amended, with respect to the Class A Subordinate Voting Shares (the Class A Shares) of Magna International Inc. (the Company). This Amendment is being filed to report the consummation on September 20, 2007 (the Closing Date) of a previously announced plan of arrangement (the Plan of Arrangement) and approximately \$1.54 billion strategic investment in the Company by Open Joint Stock Company Russian Machines (RM) through a series of newly formed entities owned by RM, 445327 Ontario Limited (445327) and each of Donald J. Walker, Siegfried Wolf, Vincent J. Galifi, Jeffrey O. Palmer and Peter Koob (the Principals).

The Class A Shares reported on the cover pages to this Amendment exclude Class A Shares, including Class A Shares subject to options, beneficially owned by the Principals in their individual capacities.

Item 5. INTEREST IN SECURITIES OF THE ISSUER.

The information set forth on the cover pages to this Amendment and the disclosure contained under Item 6 below is incorporated herein by reference.

FS holds directly 53,338 Class A Shares issued upon exercise of the Option (as defined in Amendment No. 4 to the Statement), which Option is no longer outstanding. FS is a partner of Stronach & Co. (S&Co.), an entity that provides consulting services to certain subsidiaries of the Company. S&Co. holds 248,026 Class A Shares issued upon exercise of options previously held by S&Co., which options are no longer outstanding. Each reporting person may be deemed to beneficially own all Class A Shares (including Class A Shares issuable upon conversion of Class B Shares) that are or may be deemed to be beneficially owned by Newco, which may be deemed to include 5,493,619 Class A Shares held by the Company's U.S. and Canadian profit sharing plans and 91,740 Class A Shares held by 865714 Ontario Inc., an entity that was incorporated to provide a continuing separate vehicle for the acquisition of capital stock of the Company and the sale thereof to members of Company management.

The filing of this Amendment shall not be construed as an admission that any reporting person beneficially owns any Class A Shares that are not held directly by such person. Without limitation of the foregoing, the reporting persons disclaim beneficial ownership of Class A Shares that are or may be deemed to be beneficially owned by Newco, and FS disclaims beneficial ownership of Class A Shares that are or may be deemed to be beneficially owned by S&Co., for purposes other than U.S. securities law purposes.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

On September 20, 2007, pursuant to the Plan of Arrangement, M Unicar Inc. (Newco) acquired indirect ownership and control of:

726,829 Class B Shares of the Company held by 447 Holdings Inc. (447), a direct wholly owned subsidiary of Newco (the Class B Holdings)

605,000 Class A Shares held among five wholly owned subsidiaries of 2143453 Ontario Inc. (Newco I.5), a company controlled by Newco (the Newco I.5 Class A Holdings)

20 million Class A Shares held by 2143455 Ontario Inc. (Newco II), a company indirectly controlled by Newco (the Newco II Class A Holdings) and, together with the Newco I.5 Class A Holdings, the Class A Holdings).

The Plan of Arrangement involved the following principal steps:

Capitalization of Newcos

445327 through its wholly owned subsidiary, 446 Holdings Inc. (446), transferred the Class B Holdings indirectly to Newco in exchange for equity securities of Newco representing an approximate 53% voting interest and a 42% dividend entitlement.

The Principals (through a series of transactions among their personal holding companies, a newly formed holding company owned indirectly by the Principals (Principals Holdco), Newco and Newco I.5) transferred the Newco I.5 Class A Holdings to wholly owned subsidiaries of Newco I.5 in exchange for Principals Holdco receiving equity securities of Newco and its subsidiaries representing an

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approximate 11% voting interest and a 16% dividend entitlement.

RM Sub subscribed for equity securities of Newco, carrying an approximate 36% voting interest and a 42% dividend entitlement, for aggregate cash proceeds of \$76,830,000, being the amount required to fund the acquisition by Newco II of one million Class A Shares under the Plan of Arrangement (Newco II was funded through back-to-back share subscriptions, first, by Newco in Newco I.5 and, second, by Newco I.5 in Newco II, in each case in the amount of \$76,830,000).

RM Sub loaned \$1,459,770,000 to Newco II pursuant to a non-interest bearing note (being the amount required to fund the acquisition by Newco II of 19 million Class A Shares under the Plan of Arrangement) secured by a pledge by Newco II to RM Sub of the Newco II Class A Holdings (the Newco II Loan Note).

Private Placement

Newco II subscribed for the Newco II Class A Holdings at a price of \$76.83 per share. The aggregate subscription proceeds received by the Company from the private placement were \$1,536,600,000.

Class B Share Acquisition and Class B Share Vote Reduction

The Company purchased for cancellation a total of 217,400 Class B Shares (being all the then outstanding Class B Shares other than those indirectly controlled by the Stronach Trust prior to the Plan of Arrangement, which are now held indirectly by Newco) at a price per Class B Share of Cdn.\$114.00 in cash for an aggregate purchase price of approximately Cdn.\$24.8 million; and the number of votes per share attached to the Class B Shares were reduced from 500 votes to 300 votes per Class B Share.

Board of Directors of the Company

Four directors, in addition to the Company's nine existing directors, were appointed pursuant to the Plan of Arrangement. Each of Ms Belinda Stronach, Lady Barbara Thomas Judge, Mr. Gregory C. Wilkins and Mr. James D. Wolfensohn was appointed to the Board pursuant to the Plan of Arrangement to hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed.

Transaction Agreements

Newco's ownership and control of the Class B Holdings and the Class A Holdings are subject to certain agreements entered into in connection with the transactions effected by the Plan of Arrangement. The following is a summary of certain of the material terms of those agreements, complete copies of which are filed as exhibits hereto.

Investors Agreement

The Investors Agreement was entered into by 446 and RM Sub on September 20, 2007 and provides for, among other things, the business and management of Newco, the composition of the board of directors of Newco and the voting of the Class B Holdings and Class A Holdings held indirectly by Newco to effect the agreed composition of the Company's board of directors.

The board of directors of Newco consists of two nominees of 446 (currently Frank Stronach and Belinda Stronach), two nominees of RM Sub (currently Oleg V. Deripaska and Gulzhan Moldazhanova) and Messrs. Donald J. Walker and Siegfried Wolf, the Company's current co-CEOs.

Under the Investors Agreement, 446 and RM Sub agreed to cause Newco to vote the Class A Holdings and Class B Holdings held indirectly by it to ensure that the Company's board of directors consists of: (a) six nominees of 446, one of whom will be appointed chairman of the

Company's board of directors, provided that at least four such nominees are independent, (b) six nominees of RM Sub, provided that at least four such nominees are independent and (c) subject to certain exceptions, Messrs. Donald J. Walker and Siegfried Wolf, the Company's current co-CEOs.

The Investors Agreement prohibits 446 and RM Sub (and certain of their respective affiliates, associates and joint actors) from acquiring additional Class A Shares and Class B Shares, except in certain circumstances, including pursuant to the exercise of options or with the prior approval of the directors of Newco.

Newco II Shareholders Agreement

The Newco II Shareholders Agreement was entered into on September 20, 2007 among 446, RM Sub, Principals Holdco, Newco, Newco I.5 and Newco II and provides for, among other things, the business and management of Newco I.5 and Newco II, the composition of their respective boards of directors and the voting of the Class A Holdings held, directly and indirectly, by Newco I.5 and Newco II.

The boards of directors of Newco I.5 and Newco II are the same the board of directors for Newco.

The Newco II Shareholders Agreement provides that Newco I.5 and Newco II will vote the Class A Holdings held, directly and indirectly, by them in the same manner as described above under the description of the Investors Agreement.

The Newco II Shareholders Agreement prohibits the transfer of any shares of Newco I.5 or Newco II, except in limited circumstances.

Exit Agreement

The Exit Agreement was entered into on September 20, 2007 among 446, RM Sub, RM, 445327, Newco I.5 and Newco II and provides for, among other things, the exit of RM Sub from its investment in Newco and Newco II (the Newco Group) under certain circumstances. The Exit Agreement also provides RM Sub with the right to pledge the 20 million Class A Shares owned by Newco II to secure a loan made to RM Sub (the RM Loan) which was loaned to Newco II to fund the acquisition by Newco II of the Newco II Class A Holdings.

The Exit Agreement provides three ways for RM Sub to exit from its investment in the Newco Group, subject to various conditions: (a) at the election of RM Sub after September 20, 2009 (or, under certain circumstances, prior to that date), (b) at the election of 446 after September 20, 2010 (or, under certain circumstances, prior to that date) (an exit in the case of (a) or (b), a Sale Transaction) or (c) upon the realization on the RM Loan (a Realization Sale).

In the case of a Sale Transaction either RM Sub or 446 may elect to effect Tuck transactions whereby through a series of transactions the shares of Newco II are exchanged for 20 million newly-issued Class A Shares and the Newco II Class A Holdings are cancelled (the Tuck Transactions). BNP Paribas, S.A., the lender under the RM Loan (RM's Lender), may also elect to effect Tuck Transactions in connection with a Realization Sale. The Tuck Transactions are intended to facilitate an efficient exit by RM Sub from its investment in Newco and Newco II.

Exchange Agreement

The Exit Agreement was entered into on September 20, 2007 among 446, RM Sub, RM, 445327, Newco I.5 and Newco II and provides for the Tuck Transactions to be effected pursuant to the Exit Agreement, as described above.

Principals Agreement

The Principals Agreement was entered into on September 20, 2007 among each of the Principals, their individual and common holding companies, Principals Holdco, Newco I.5 and Newco and provides for, among other things, restrictions on transfer, acquisition of additional Class A Shares, the exit of a Principal from his indirect relationship with Newco, 446 and RM Sub under certain circumstances and a reduction in dividend entitlement in certain circumstances.

In the event that a Principal is no longer employed by the Company or an affiliate of the Company (including as a result of death or permanent disability), the Principal or his estate or legal representative will have the right to cause the disposition of that portion of the Newco I.5 Class A Holdings contributed by the Principal indirectly to Newco. The Principals Agreement provides certain mechanisms for facilitating the exit of a Principal. In the event of that the Tuck Transactions occur pursuant to the Exchange Agreement, the parties to the Principals Agreement will complete the transactions contemplated by the Principals Exchange Agreement.

If, prior to September 20, 2013, a Principal resigns from his employment with the Company or an affiliate of the Company, but has not exited as described above, the portion of the dividends to which he would have otherwise been entitled in each of the six years following September 20, 2007 which exceeds the dividends received directly or indirectly by Newco and Newco I.5 from that portion of the Newco I.5 Class A Holdings contributed by the Principal indirectly to Newco will be reduced in accordance with a formula set out in the Principals Agreement.

The Principals Agreement restricts each Principal from transferring directly or indirectly his shares in Newco. Each Principal is also prohibited from acquiring additional Class A Shares except in certain circumstances, including pursuant to an employee, officer or director equity compensation arrangement of the Company.

Item 7. MATERIAL TO BE FILED AS EXHIBITS.

- Exhibit A Joint Filing Agreement
- Exhibit B Newco II Loan Note
- Exhibit C Investors Agreement
- Exhibit D Newco II Unanimous Shareholders Agreement
- Exhibit E Exit Agreement
- Exhibit F Exchange Agreement
- Exhibit G Principals Agreement
- Exhibit H Shareholder Undertaking
- Exhibit I 446 Option Agreement
- Exhibit J Press Release dated September 20, 2007

SIGNATURE

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated as of September 24, 2007

/s/ FRANK STRONACH

Frank Stronach

THE STRONACH TRUST

By: /s/ FRANK STRONACH

Name: Frank Stronach

Title: Trustee

445327 ONTARIO LIMITED

By: /s/ BELINDA STRONACH

Name: Belinda Stronach

Title: President

JOINT FILING AGREEMENT

The undersigned hereby agree jointly to prepare and file with regulatory authorities a Statement on Schedule 13D/A reporting a material change in facts and hereby affirm that such Statement on Schedule 13D/A is being filed on behalf of each of the undersigned in accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934. This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated: September 24, 2007

/s/ FRANK STRONACH
Frank Stronach

STRONACH TRUST

By: /s/ FRANK STRONACH
Name: Frank Stronach

Title: Trustee

445327 ONTARIO LIMITED

By: /s/ BELINDA STRONACH
Name: Belinda Stronach

Title: President

NEWCO II LOAN NOTE

Principal amount in Canadian dollars
as set forth below

Toronto, Canada
September 20, 2007

Section 1. Payment of Principal; Non-Interest Bearing Note

2143455 Ontario Inc., a corporation existing under the laws of the province of Ontario (*Newco II*), promises to pay to the order of Veleron Holding B.V., a company existing under the laws of The Netherlands, its successors or its permitted assigns (the *Lender* or *RM Sub*), in lawful money of Canada in immediately available funds, the aggregate principal amount equal to the lesser of (a) Cdn\$1,481,228,619 and (b) the value of 19,000,000 Class A Subordinate Voting Shares (*Magna Class A Shares*) of Magna International Inc. (*Magna*) (calculated using the Exchange Price). This Note shall not bear interest. On September 20, 2027 (the *Maturity Date*), the entire principal amount of this Note shall be due and payable.

The entire principal amount of this Note shall be fully payable upon a demand by the Lender at any time made in connection with or following any acceleration of the maturity of the RM Loan or in the event the RM Loan is not paid in full at maturity. Receipt by Newco II of notice specifying an event of default or demand for payment in full under the RM Loan shall be deemed a demand by the Lender hereunder. Any such demand shall state whether or not RM s Lender will agree to effectuate the Exchange. If such demand states that RM s Lender will not agree to effectuate the Exchange, the demand must specify that payment of this Note is due on the date of such demand. If the demand states that RM s Lender will agree to effectuate the Exchange, this Note shall be converted in accordance with Section 3 immediately prior to the Exchange. The Lender s only recourse for payment of this Note (including any amounts payable under Section 11(e)) is the collateral pledged under the Pledge Agreement.

Any demand for payment that states that RM s Lender will agree to effectuate the Exchange may be revoked by the Lender at any time prior to the Exchange.

This Note may not be prepaid in whole or in part prior to the Payment Date.

Notwithstanding sections 4 and 5 of the *Limitations Act, 2002* (Ontario), a claim may be brought under this Note at any time within 10 years from the date of this Note provided that a demand for payment of the principal amount hereof has been made in accordance with the provisions of this Section 1.

Section 2. Certain Payment Provisions

Principal shall be payable on the Payment Date in immediately available funds at the offices of RM Sub at Haaksbergweg 31, Suite 4, 1101 BP Amsterdam, The Netherlands, Attention: General Director. If the Payment Date is not a Business Day, then the Payment Date shall be deemed to be the next succeeding Business Day.

Section 3. Conversion

The Lender shall convert all but not less than all the entire outstanding principal amount of this Note into 1,000 Special Shares of Newco II (the Newco II Special Shares) in connection with, and immediately prior to, the occurrence of any Exchange. The effective date for the conversion (the Conversion Date) shall be the Exchange Date.

Certificates evidencing the Newco II Special Shares issued on conversion of this Note shall be delivered on the Conversion Date. Newco II shall deliver to the Lender, or to such person or persons as are designated by the Lender, a certificate or certificates representing the Newco II Special Shares into which this Note is converted in such name or names as are specified by the Lender. Such conversion shall be deemed to have been effected at the opening of business on the Conversion Date, so that the person entitled to receive such Newco II Special Shares shall be treated for all purposes as having become the record holder of such Newco II Special Shares at the time of Exchange.

Section 4. Security Interest

This Note shall at all times be secured by a first priority perfected security interest in 20,000,000 Magna Class A Shares in accordance with the Pledge Agreement.

Section 5. Transfers

Subject to this Section 5, upon 20 Business Days prior written notice to Newco II of the particulars of the proposed Transfer, the Lender is entitled to Transfer its interest in this Note to any of (a) Mr. Oleg Deripaska or any member of his immediate family or any of their lineal descendants, (b) one or more trusts for the benefit of an individual described in clause (a) or (c) an entity, directly or indirectly, majority controlled by any of the foregoing (each of the foregoing, a Permitted Transferee). No proposed Transfer of an interest in this Note is effective until the Permitted Transferee executes and delivers a written agreement in form and substance satisfactory to Newco II, acting reasonably, agreeing to be bound by the Transaction Agreements. Notwithstanding the foregoing, this Note may be pledged to RM s Lender to secure the RM Loan, and in accordance with the RM Loan and its related security documents and subject to the provisions contained in the Exit Agreement, the Exchange Agreement, the Pledge Agreement and the Undertaking, such pledge may be realized upon by RM s Lender or its collateral agent. This Section 5 shall not apply to any Transfer of this Note in connection with consummation of a Triggering Event.

Section 6. Unregistered Note

This Note, and the Newco II Special Shares issuable upon conversion hereof, have not been registered under the securities laws of any jurisdiction and may not be reoffered, sold, transferred, pledged or otherwise disposed of except pursuant to registration under the applicable securities laws or an exemption therefrom.

Section 7. Successors

All the terms and conditions contained in this Note shall be binding upon and be enforceable against the successors of Newco II.

Section 8. Notices

(i) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person or transmitted by facsimile or similar means of recorded electronic communication (with receipt confirmed) as follows:

(a) if to Newco II at:
2143455 Ontario Inc.

c/o Magna International Inc.

337 Magna Drive

Aurora, Ontario

Canada L4G 7K1

Attention: Belinda Stronach
Facsimile: (905) 726-7494

with a copy to:

Magna International Inc.

337 Magna Drive

Aurora, Ontario

Canada L4G 7K1

Attention: Corporate Secretary
Facsimile: (905) 726-7164

and to:

Stikeman Elliott LLP

5300 Commerce Court West

199 Bay Street

Toronto, Ontario

Canada M5L 1B9

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Attention: Edward J. Waitzer
Facsimile: (416) 947-0866

and to:

Miller Thomson LLP

Suite 2500, 20 Queen Street West

P.O. Box 27

Attention: John M. Campbell
Facsimile: (416) 595-8695

and to:

Osler, Hoskin & Harcourt LLP

1 First Canadian Place

66th Floor, 100 King Street West

Toronto, Ontario

Canada M5X 1B8

Attention: Jean M. Fraser
Facsimile: (416) 862-6666

(b) if to RM Sub at:
Veleron Holding B.V.

Haaksbergweg 31

Suite 4

1101 BP Amsterdam

The Netherlands

Facsimile: 31 20 650 9061
with a copy to:

Open Joint Stock Company Russian Machines

Registration #1047701003778

3 Kapranov Lane

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123242 Moscow

Russia

Attention: General Director

Facsimile: 7 495 705 5792

and to:

Bennett Jones LLP

3400 One First Canadian Place

P.O. Box 130

Toronto, Ontario

Canada M5X 1A4

Attention: Alan Bell
Facsimile: (416) 863-1716

and to:

Cravath, Swaine & Moore LLP

Worldwide Plaza

825 Eighth Avenue

New York, NY 10019-7475

Attention: Mark Greene
Richard Hall
Facsimile: (212) 474-3700

- (ii) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day).

Section 9. Arbitration

Any controversy or dispute arising out of or relating to this Note, including its negotiation, validity, existence, breach, termination, construction or application, or the rights, duties or obligations of Newco II, shall be referred to and finally resolved by arbitration to be administered by the London Court of International Arbitration (LCIA) in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Note. The seat of the arbitration shall be London, England and the proceedings shall be conducted in the English language before a panel composed of three (3) arbitrators. Each party shall appoint one arbitrator and the two (2) appointed arbitrators shall appoint a chair. Should the two (2) arbitrators fail to agree upon a chair within 15 days of their appointment, either party may apply to the LCIA for the appointment of the third arbitrator.

Notwithstanding anything to the contrary in the UNCITRAL Arbitration Rules, each party shall have the right to conduct an oral discovery of a representative of the party opposite.

Nothing in this Section 9 shall preclude Newco II or the Lender from seeking injunctive relief from a court of competent jurisdiction when deemed necessary by such court to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute.

Section 10. Definitions

446 means 446 Holdings Inc., a corporation existing under the Act, and its successors;

Act means the *Business Corporations Act* (Ontario) and the regulations under the Act, all as amended, re-enacted or replaced from time to time;

Applicable Laws has the meaning assigned to it in the Exit Agreement;

Business Day means any day of the year, other than a Saturday, Sunday or day observed as a statutory holiday in Toronto, Ontario, New York, New York or Moscow, Russia;

Exchange has the meaning assigned to it in the Exchange Agreement;

Exchange Agreement means the exchange agreement dated the date hereof among Magna International Inc., 446, RM, RM Sub, 445327 Ontario Limited, Newco I.5 and Newco II;

Exchange Date has the meaning assigned to it in the Exchange Agreement;

Exchange Price means the volume weighted average trading price per Magna Class A Share on the NYSE for the ten NYSE trading days ending on the NYSE trading day immediately prior to the Realization Date, converted to Canadian dollars at the Bank of Canada noon spot rate on the Business Day immediately prior to the Realization Date; provided, however, that if the Magna Class A Shares are no longer traded on the NYSE on the Realization Date, the Exchange Price means the volume weighted average trading price in Canadian dollars per Magna Class A Share on the TSX for the ten TSX trading days ending on the TSX trading day immediately prior to the Realization Date. At maturity of the Note, the terms Realization Date used in this definition shall be replaced by Maturity Date ;

Exchange Time has the meaning assigned to it in the Exchange Agreement;

Exit Agreement means the exit agreement dated the date hereof among 445327 Ontario Limited, 446, RM, RM Sub, Newco, Newco I.5 and Newco II;

Governmental Entity has the meaning assigned to it in the Exit Agreement;

Investors Agreement means the investors agreement dated the date hereof between RM Sub and 446;

Newco means M Unicar Inc., a corporation existing under the Act, and its successors;

Newco I.5 means 2143453 Ontario Inc., a corporation existing under the Act, and its successors;

Newco II means 2143455 Ontario Inc., a corporation existing under the Act, and its successors;

Newco II Unanimous Shareholders Agreement means the Newco II unanimous shareholders agreement dated the date hereof among 446, the Lender, Principals Holdco, Newco, Newco I.5 and Newco II;

NYSE means the New York Stock Exchange, and its successors;

Payment Date means the earlier of (i) the Maturity Date and (ii) the date a demand for payment of this Note is made in accordance with Section 1, if such demand states that RM's Lender will not agree to effectuate the Exchange;

Pledge Agreement means the pledge agreement dated the date hereof between Newco II and the Lender;

Principals Holdco means MPMAG Holdings Inc., a corporation existing under the Act, and its successors;

Realization Date has the meaning assigned to it in the Exit Agreement;

Registration Rights Agreement means the registration rights agreement dated the date hereof among Magna International Inc., RM Sub, Newco I.5, Newco II and RM's Lender;

Realization Event has the meaning assigned to it in the Exit Agreement;

RM means Open Joint Stock Company Russian Machines, a company existing under the laws of Russia, and its successors;

RM Loan means the financing (including any refinancing, extension or renewal thereof) provided to RM and/or RM Sub for all or part of the US\$1,536,000,000 used by RM Sub to capitalize Newco and Newco II, in accordance with the plan of arrangement of Magna International Inc. effected on the date hereof;

RM's Lender means the lender or syndicate of lenders, from time to time, providing the portion of the RM Loan that is secured by the collateral pledged under the Pledge Agreement;

Sale Transaction has the meaning assigned to it in the Exit Agreement;

Transaction Agreements means this Note, the Exit Agreement, the Exchange Agreement, the Investors Agreement, the Newco II Unanimous Shareholders Agreement, the Pledge Agreement and the Registration Rights Agreement;

Transfer has the meaning assigned to it in the Exit Agreement;

Triggering Event means (a) a Sale Transaction, or (b) a Realization Event in which RM's Lender agrees to facilitate an Exchange, each in accordance with the terms of the Exit Agreement;

TSX means the Toronto Stock Exchange, and its successors; and

Undertaking means the undertaking executed by RM's Lender in favour of 446 pursuant to Section 2.2(6) of the Pledge Agreement.

Section 11. Miscellaneous

- (a) **Waiver of Notice.** Except as expressly required herein, Newco II hereby waives presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note and assents to any extension or postponement of the time of payment or any other indulgence.
- (b) **Amendments.** No amendment, supplement, restatement, modification, waiver or termination of this Note or any provision hereof shall be binding or effective unless it is in writing and signed by each party hereto and unless and until it is consented to in writing by RM's Lender or the authorized agent for RM's Lender from time to time, such consent not to be unreasonably withheld, conditioned or delayed. Newco II and the Lender acknowledge and agree that the execution and delivery of this Note by BNP Paribas shall confer on RM's Lender the benefit of and the right to enforce the preceding sentence when there is an amount outstanding under the RM Loan that is secured by the collateral pledged under the Pledge Agreement and RM's Lender hereby agrees that such execution and delivery shall confer on RM's Lender no other benefit or right under this Note. The Lender and BNP Paribas represent and warrant to Newco II that, on the date hereof, BNP Paribas is RM's Lender.
- (c) **Remedies Cumulative.** No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder, or under any law now or hereafter existing or in equity or by statute or otherwise.
- (d) **Remedies Not Waived.** No delay or omission on the part of the Lender in exercising any right hereunder shall operate as a waiver of such right or of any other right of the Lender, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion. Acceptance by the Lender of any partial payment hereunder shall represent payment on account and not a waiver of any right to payment hereunder.
- (e) **Costs.** Newco II agrees to pay to the Lender the amount of any and all expenses, including the fees and expenses of the Lender's counsel on a full indemnity basis and of any experts and agents, that the Lender may reasonably incur in

connection with (i) the collection on this Note, (ii) the exercise or enforcement of any of the rights of the Lender hereunder, under the Pledge Agreement or under Applicable Laws or (iii) the failure by Newco II to perform or observe any of the provisions hereof. The expenses of the Lender shall include the expenses of any nominee of the Lender designated by the Lender to enforce any rights of the Lender under the Pledge Agreement.

- (f) Governing Law. This Note shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of Newco II and the Lender shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province. Subject to Section 9, each of Newco II and the Lender unconditionally submits to the exclusive jurisdiction of the courts of the Province of Ontario.
- (g) Anti-dilution. References to numbers of Magna Class A Shares will be subject to appropriate adjustment for stock splits, stock dividends, reverse stock splits, share consolidations and similar events occurring after the date hereof.
- (h) Currency Adjustment. If, for the purposes of obtaining judgment in any court or resolution in arbitration proceedings, it is necessary to convert a sum due hereunder or under the Pledge Agreement in one currency into another currency, the rate of exchange used shall be the Bank of Canada noon spot rate on the Business Day immediately preceding that on which final judgment or resolution is given.
- (i) Severability. If any term or other provision of this Note is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Note shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Note so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.
- (j) Survival. All agreements, contained in this Note shall survive the delivery hereof.
- (k) No Cross-up. If Newco II is required under Applicable Law to withhold amounts from the payment of principal or any other amount required to be paid under this Note, Newco II shall not be obliged to make any increased payment of principal or other amount or to pay any additional amount.

- (l) Termination of Obligations. Effective at the Exchange Time, Newco II shall cease to have any obligations under this Note, including any obligations with respect to any breach of this Note by Newco II prior to the Exchange Time.

IN WITNESS WHEREOF Newco II has caused this Note to be duly executed as of the date hereof.

2143455 ONTARIO INC.

By: /s/ FRANK STRONACH
Name: Frank Stronach
Title:

By:
Name:
Title:

ACKNOWLEDGED:

VELERON HOLDING B.V.

By: /s/ MIKHAIL GURFINKEL
Name: Mikhail Gurfinkel
Title: Attorney-in-fact

ACKNOWLEDGED AND AGREED FOR THE PURPOSES OF SECTION 11(b) ONLY:

BNP PARIBAS S.A.

By: /s/ VIGNER JACQUES
/s/ OLIVIER OSTY
Name: Vigner Jacques
Oliver Osty
Title:

446 HOLDINGS INC.

and

VELERON HOLDING B.V.

INVESTORS AGREEMENT

September 20, 2007

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INVESTORS AGREEMENT

Investors Agreement dated September 20, 2007 between 446 Holdings Inc. (**446**) and Veleron Holding B.V. (**RM Sub**).

RECITALS:

- (a) 446 is the registered and beneficial owner of 42,000 Class B Shares of Newco;
- (b) RM Sub is the registered and beneficial owner of 42,000 Class C Common Shares of Newco;
- (c) Newco is the registered and beneficial owner of 84,800 Voting Preferred Shares and 84,800 Class B Common Shares of Newco I.5;
and
- (d) the Investors have entered into this Agreement to establish, among other things, rights and obligations arising out of, or in connection with, the ownership of Newco Shares.

In consideration of the above recitals, and the agreements of the Investors contained in this Agreement and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Investors agree as follows:

ARTICLE 1

INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

446 means 446 Holdings Inc., a corporation existing under the Act, and its successors.

446 Call Option means the right of 446 to purchase from 447 in certain circumstances all, but not less than all, of the Magna Class B Shares owned by 447 on the terms and conditions set out in the 446 Call Option Agreement.

446 Call Option Agreement means the Magna Class B Share option agreement dated the date hereof among 446, 447 and Newco.

446 Magna Nominees has the meaning specified in Section 4.2(a).

447 means 447 Holdings Inc., a corporation existing under the Act.

Act means the *Business Corporations Act* (Ontario).

Agreement means this agreement and all schedules attached to it as amended, modified, restated, replaced or supplemented from time to time.

affiliate has the meaning ascribed to such term from time to time in the *Securities Act* (Ontario).

Applicable Laws means all applicable federal, provincial, state, municipal and local statutes, laws, by-laws, regulations, ordinances, orders, enactment, directives and rules and all injunctions, decisions, directives, judgments and orders of any Governmental Entity having jurisdiction in respect of a particular matter and all amendments thereto which have the force of law.

associate has the meaning ascribed to such term from time to time in the *Securities Act* (Ontario) for purposes of Part XX of the *Securities Act* (Ontario).

Business Day means any day of the year, other than a Saturday, Sunday or day observed as a statutory holiday in Toronto, Ontario, New York, New York or Moscow, Russia.

Class B Shareholder Nominees means those directors of Newco which the holders of a majority in aggregate voting power of the shares of Newco resolve are the Class B Shareholder Nominees.

Class C Shareholder Nominees means those directors of Newco which the holders of a majority in aggregate voting power of the shares of Newco resolve are the Class C Shareholder Nominees.

Collateral has the meaning assigned to it in the Exit Agreement.

Contract means any agreement, contract, lease, licence, permit, franchise, purchase order, commitment, engagement, option, indenture, mortgage, deed, instrument or other legally binding obligation, whether written, oral or implied.

Directors means the Persons who are elected or appointed as directors of Newco in accordance with this Agreement.

Dispute has the meaning specified in Section 8.1.

Exchange Agreement means the exchange agreement dated the date hereof among Magna, RM, 446, RM Sub, 445327 Ontario Limited, Newco I.5 and Newco II.

Exit Agreement means the exit agreement dated the date hereof among Newco, Newco I.5, Newco II, 445327 Ontario Limited, 446, RM and RM Sub.

Exit Notice has the meaning ascribed to such term in the Exit Agreement.

Governmental Entity means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitrator or arbitral body, commission, board, bureau or agency, domestic or foreign, including the Ontario Securities Commission, the Autorité des marchés financiers du Québec and the United States Securities and Exchange Commission, (ii) self-regulatory organization or stock exchange, including the Toronto Stock Exchange and the New York Stock Exchange, (iii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

Investor means each of 446 and RM Sub and any Permitted Transferee to whom it has Transferred Newco Shares in accordance with the terms of this Agreement.

Lien means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, deemed trust, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable notice filing under the law of any other jurisdiction or any option, warrant, right or privilege capable of becoming a Transfer).

Magna means Magna International Inc., a corporation existing under the laws of the Province of Ontario, and its successors.

Magna Class A Shares means the class A subordinate voting shares in the capital of Magna, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events, and, where the context requires, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Magna, (iii) any securities of Magna which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares, and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any class A subordinate voting shares in the capital of Magna or any of the other above securities.

Magna Class B Shares means the class B shares in the capital of Magna, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events, and, where the context requires, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Magna, (iii) any securities of Magna which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares, and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any class B shares in the capital of Magna.

Magna Corporate Constitution means the Corporate Constitution which forms part of the articles of arrangement of Magna.

Magna Directors has the meaning specified in Section 4.2(1).

Magna Group means Magna and its Subsidiaries, taken as a whole.

Magna Shares means, collectively, the Magna Class A Shares and the Magna Class B Shares.

Newco means M Unicar Inc., a corporation existing under the Act, and its successors.

Newco I.5 means 2143453 Ontario Inc., a corporation existing under the Act, and its successors.

Newco II means 2143455 Ontario Inc., a corporation existing under the Act, and its successors.

Newco II Loan means the loan provided by RM Sub to Newco II on the date hereof and evidenced by the Newco II Loan Note.

Newco II Loan Note means the promissory note dated the date hereof issued to RM Sub by Newco II to evidence the Newco II Loan, including the ancillary agreements relating to the security therefor.

Newco II Unanimous Shareholders Agreement means the Newco II unanimous shareholders agreement dated the date hereof among 446, RM Sub, Principals Holdco, Newco, Newco I.5 and Newco II.

Newco Shares means the Class A Shares, Class B Shares and Class C Common Shares of Newco, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events and where the context permits, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Newco, (iii) any securities of Newco which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any Class A Shares, Class B Shares or Class C Common Shares in the capital of Newco or any of the other above securities.

Option Pledge Agreement means the pledge agreement dated the date hereof between 446 and 447.

Permitted Transferee means:

- (a) in the case of 446, Mr. Frank Stronach or any member of his immediate family or any of their lineal descendants; and in the case of RM Sub, Mr. Oleg Deripaska or any member of his immediate family or any of their lineal descendants;

(b) one or more trusts for the benefit of one or more of the individuals described in paragraph (a); or

(c) an entity, directly or indirectly, majority controlled by any of the foregoing.

Person includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, heir, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.

Pledge means the pledge agreement dated the date hereof between Newco II and RM Sub.

PPSA means the *Personal Property Security Act* (Ontario).

Principals Holdco means MPMAG Holdings Inc., a corporation existing under the Act, and its successors.

Realization Event has the meaning specified in the Exit Agreement.

Registration Rights Agreement means the registration rights agreement dated the date hereof among Magna, RM Sub, Newco I.5, Newco II and RM's Lender.

RM means Open Joint Stock Company Russian Machines, a company existing under the laws of Russia, and its successors.

RM's Lender means the lender or syndicate of lenders, from time to time, providing any portion of the RM Loan that is secured by the Collateral.

RM Loan has the meaning specified in the Exit Agreement.

RM Sub means Veleron Holding B.V., a company existing under the laws of The Netherlands, and its successors.

RM Sub Magna Nominees has the meaning specified in Section 4.2(b).

Section 116 Event means the resignations of directors contemplated by Sections 3.1(8) and 3.1(9) of the Exit Agreement following either such section becoming applicable.

Subsidiary means, in respect of an Investor, a subsidiary (as that term is defined in the Act as now in effect) of that Investor or any Person in which such Investor has a direct or indirect controlling interest or a joint-controlling interest, and shall be deemed to include any partnership or joint venture in which such Investor has a direct or indirect interest of more than 50 percent.

Taxes means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in (i) or this (ii); (iii) any liability for the payment of any amounts of the type described in (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

Transaction Agreement means the transaction agreement dated May 10, 2007 among Magna, RM, RM Sub, 445327 Ontario Limited, the Stronach Trust and the individuals named therein.

Transaction Agreements means this Agreement, the Exit Agreement, the Exchange Agreement, the Newco II Unanimous Shareholders Agreement, the Newco II Loan, the Pledge and the Registration Rights Agreement.

Transfer means any (i) transfer, sale, assignment, exchange, gift, donation, mortgage, pledge, charge, encumbrance, grant of security interest or other disposition of securities where possession, legal title, beneficial ownership or the economic risk

or return associated with such securities passes directly or indirectly from one Person to another or to the same Person in a different legal capacity, whether or not for value, whether or not voluntary and however occurring, or (ii) agreement, undertaking or commitment to effect any of the foregoing and **Transferred** and **Transferring** shall be construed accordingly.

Section 1.2 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number also include the plural and *vice versa*.

Section 1.3 Sections and Headings.

The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for reference purposes only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, a Section, a Schedule or an Exhibit refers to the specified Article or Section of, or Schedule or Exhibit to, this Agreement.

Section 1.4 Currency.

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States funds.

Section 1.5 Certain Phrases.

In this Agreement, (i) the words **including** , **includes** and **include** mean **including (or includes or include) without limitation** , and (ii) the words **the aggregate of** , **the total of** , **the sum of** , or a phrase of similar meaning means **the aggregate (or total or sum), without duplication, of** .

Section 1.6 Statutory References.

A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

ARTICLE 2

IMPLEMENTATION OF AGREEMENT AND TERM

Section 2.1 Actions in Accordance with Agreement.

Each Investor shall vote its Newco Shares to give effect to this Agreement, whether at a meeting of the shareholders of Newco or by written resolution of the shareholders of Newco, and shall take all other actions and proceedings as may be required to give effect to this Agreement.

Section 2.2 Conflicts.

In the event of any conflict between the provisions of this Agreement and the provisions of Newco's articles or by-laws, as between the Investors, this Agreement shall prevail.

Section 2.3 Term of Agreement.

This Agreement terminates on the earliest to occur of the date on which:

- (a) one Investor owns all of the issued and outstanding Newco Class B Shares and Newco Class C Common Shares in compliance with this Agreement;
- (b) either of the Investors no longer holds any of the issued and outstanding Newco Shares;
- (c) this Agreement is terminated by written agreement between both of the Investors; and
- (d) Newco is dissolved pursuant to the Act (provided that if Newco is dissolved and is subsequently revived pursuant to the Act, the dissolution shall be deemed not to have occurred for the purpose of this Section).

Section 2.4 Agreement to be Bound.

In order for a Transfer of Newco Shares to a Permitted Transferee to be effective, each Permitted Transferee who acquires Newco Shares from an Investor must concurrently with becoming a shareholder of Newco execute and deliver to the other Investor a counterpart copy of this Agreement or a written agreement in form and substance satisfactory to the other Investor, acting reasonably, agreeing to be bound by each of the Transaction Agreements to which such Transferring Investor is a party.

Section 2.5 Permitted Transfers.

Each of the Investors hereby (i) consents to a Transfer of Newco Shares made in accordance with this Agreement and (ii) agrees that such consent satisfies the requirement for any consent to any such transfer of Newco Shares required under Newco's articles of incorporation or by-laws and that no further consent is required for any such Transfer.

ARTICLE 3

BUSINESS AND MANAGEMENT OF NEWCO

Section 3.1 Business of Newco.

The sole business of Newco is to acquire and hold securities of Newco I.5 and, directly and indirectly, Magna Shares, to distribute funds pursuant to Newco's distribution policy, whether such funds are received by Newco as a result of holding securities of Newco I.5, Magna Shares or otherwise, and to enter into and perform its obligations under those of the Transaction Agreements to which it is a party.

Section 3.2 Distributions.

Each Investor shall cause Newco to establish a distribution policy for Newco which shall include the prompt distribution by Newco (by way of dividend or return of capital) to the shareholders of Newco in accordance with its articles of incorporation and by-laws of all distributions and other income received by Newco from Magna, Newco I.5 or otherwise, less amounts required to satisfy Newco's expenses and other liabilities, including by way of reserves provided by the Directors for that purpose.

Section 3.3 Approval of the Investors.

- (1) Until a Section 116 Event, each Investor shall cause Newco to refrain from making any decision about, taking action on or implementing any matter, other than performing its obligations under the terms of the Transaction Agreements to which Newco is a party and any other agreement entered into by Newco in compliance with the terms hereof and paying distributions to its shareholders in accordance with Section 3.2, without receiving the prior written approval of each of the Investors. Without limiting the generality of the foregoing, each Investor shall ensure that Newco does not amend its articles of incorporation or by-laws, issue any shares or buy or sell any Magna Shares or Newco I.5 shares, other than in connection with performing its obligations under the terms of the Transaction Agreements and any other agreement entered into by Newco in compliance with the terms hereof, without receiving the prior written approval of each of the Investors.
- (2) Unless the prior written approval of each of the Investors is received, until a Section 116 Event, each of the Investors shall cause Newco to vote its shares of Newco I.5 and its Magna Shares for the election or removal of Newco I.5 directors pursuant to the terms of the Newco II Unanimous Shareholders Agreement and the election or removal of Magna Directors pursuant to the terms of this Agreement.

ARTICLE 4

DIRECTORS AND SHAREHOLDERS

Section 4.1 Directors of Newco.

- (1) Subject to this Section 4.1, until a Section 116 Event, each Investor shall cause Newco to have six Directors at and after the date of this Agreement.
- (2) Until a Section 116 Event, the Directors shall consist of:
 - (a) two nominees of 446, one of whom shall be appointed chairman of the board of directors of Newco;
 - (b) two nominees of RM Sub; and
 - (c) subject to Section 4.1(5) and Section 4.1(6), each of Donald J. Walker and Siegfried Wolf.
- (3) 446 and RM Sub shall advise Newco in writing as to which Directors are the Class B Shareholder Nominees and as to which Directors are the Class C Shareholder Nominees.
- (4) At least one of the Directors nominated by 446 shall be a resident Canadian within the meaning of the Act.
- (5) Notwithstanding Section 4.1(2), in the event that either of Donald J. Walker or Siegfried Wolf ceases to serve as a Director, then, unless each of the Investors otherwise agrees in writing, each of the Investors shall cause Newco to have four Directors, being two nominees of 446 and two nominees of RM Sub.
- (6) In the event that either Donald J. Walker or Siegfried Wolf resigns or is dismissed as an executive officer of Magna, unless each of the Investors otherwise agrees in writing, such person may continue to serve as a Director of Newco.
- (7) If:
 - (a) a nominee Director of an Investor resigns or is removed as a Director of Newco, or
 - (b) if an Investor wishes to remove either or both of its nominee Directors as a Director of Newco, for any reason, each of the Investors shall take such actions and proceedings as may be required to, in the case of (b) remove such nominee Director, and to fill any vacancy by the election or appointment of a Director nominated by the Investor whose

nominee resigned or was removed. If a replacement Director is not elected or appointed within 10 days of the nominee Director resigning or being removed because such Investor has failed to nominate a replacement, the Directors then in office are entitled to transact business and exercise all of the powers and functions of the Directors.

Section 4.2 Appointment of Directors of Magna and Voting of Magna Shares.

- (1) Until a Section 116 Event, each of the Investors shall cause Newco to vote its Magna Shares to ensure that the board of directors of Magna consists of:
 - (a) six nominees of 446 (the **446 Magna Nominees**), one of whom shall be appointed chairman of the board of directors of Magna, provided that at least four of such nominees must be independent for the purposes of Magna's Board Charter, and two of such nominees must be independent within the meaning of Multilateral Instrument 52-110 *Audit Committees* (or any successor instrument) and under any applicable rules of any stock exchange upon which the Magna Shares are listed;
 - (b) six nominees of RM Sub (the **RM Sub Magna Nominees**), provided that at least four of such nominees must be independent for the purposes of Magna's Board Charter, and two of such nominees must be independent within the meaning of Multilateral Instrument 52-110 *Audit Committees* (or any successor instrument) and under any applicable rules of any stock exchange upon which the Magna Shares are listed; and
 - (c) subject to Section 4.2(2), each of Donald J. Walker and Siegfried Wolf (collectively, the **Magna Directors**).
- (2) Notwithstanding Section 4.2(1), in the event that the employment of either Donald J. Walker or Siegfried Wolf as an executive officer of Magna is terminated by Magna, or he is requested by Magna to resign as an executive officer of Magna, unless each of the Investors agrees in writing, each of the Investors shall cause Newco to vote its Magna Shares to remove him as a Magna Director.
- (3) Until a Section 116 Event, each of the Investors shall consult with the other to ensure that the requisite number of Magna Directors nominated by the Investors pursuant to Section 4.2(1) will be resident Canadians within the meaning of the Act; provided that in the event that the Investors are unable to agree upon which of the Magna Directors nominated by them will be resident Canadians within the meaning of the Act then (i) 446 shall ensure that at least three of the 446 Magna Nominees who are independent are resident Canadians and (ii) RM Sub shall ensure that at least two of the RM Sub Magna Nominees who are independent are resident Canadians.

Section 4.3 No Voting Trust.

Each Investor agrees that neither it nor any of its affiliates shall enter into any voting trust or similar agreement or arrangement with Principals Holdco or any direct or indirect shareholder of Principals Holdco with respect to its holdings of shares of Newco.

Section 4.4 Restrictions on Acquiring Additional Magna Shares.

- (1) Subject to Section 4.4(2), each Investor (and any of its affiliates, associates and Persons acting jointly or in concert with such Investor, other than any such affiliate, associate or Person who is, or is purchasing on behalf of, a publicly traded entity or profit-sharing plan for the benefit of employees of such entity) is prohibited from acquiring any additional Magna Shares.

- (2) Notwithstanding Section 4.4(1), an Investor or its affiliates, associates, and Persons acting jointly or in concert with such Investor may:
 - (a) exercise any options to purchase Magna Shares granted to such Person by Magna;

 - (b) purchase additional Magna Shares with the prior approval of the Directors, as evidenced by a resolution passed by a majority of the votes cast at a meeting of the Directors, or an instrument signed by a majority of the Directors;

 - (c) purchase additional Magna Class A Shares, provided that such Magna Class A Shares when added to the Magna Class A Shares then held by Newco, the Investors, Principals Holdco and each of their affiliates and shareholders of their affiliates (after giving effect to the exercise of any options or rights to acquire Magna Class A Shares held by them) would not exceed 20 percent in aggregate of the issued and outstanding Magna Class A Shares; or

 - (d) in the case of 446, acquire Magna Class B Shares pursuant to the 446 Call Option Agreement or the Option Pledge Agreement.

- (3) Each Investor shall (i) notify the other Investor in writing of the particulars of any proposed trade of securities of Magna to be effected by it, its affiliates, its associates or any Person acting jointly or in concert with it (other than any such affiliate, associate or Person who is, or is purchasing on behalf of, a publicly traded entity or profit-sharing plan for the benefit of employees of

such entity), including the number of Magna Shares that would be held by such parties after such trade, at least one Business Day prior to any such trade; and (ii) provide the other Investor by the fifteenth day of the end of each calendar quarter in which any such Person has acquired or disposed of any Magna Shares with a report of the number of Magna Shares held by such Investor, its affiliates, its associates or any Person acting jointly or in concert with it.

ARTICLE 5

RESTRICTIONS ON TRANSFER

Section 5.1 Restrictions on Transfer by Investors.

(1) The following legend shall appear on all security certificates of Newco held by either Investor:

The shares represented by this certificate are subject to an Investors Agreement dated September 20, 2007 between 446 Holdings Inc. and Veleron Holding B.V., as may be amended from time to time, and such shares may not be pledged, sold or otherwise transferred except in accordance with the terms of that agreement. Any transfer made in contravention of such restrictions is null and void. A copy of the agreement is on file at the registered office of the Corporation and available for inspection on request and without charge.

(2) No Investor may Transfer any Newco Shares except as expressly permitted by this Agreement or the Exit Agreement.

(3) Any purported Transfer of Newco Shares in violation of this Agreement is void. Each of the Investors shall take such action as is required to prevent Newco from recording any such purported transfer on the share registers of Newco maintained for the Newco Shares.

(4) From the date of any purported Transfer by an Investor of Newco Shares in violation of this Agreement, all rights of such Investor set out in this Agreement are suspended and inoperative until the purported Transfer is rescinded. This remedy is in addition to and not in lieu of any other remedies that may be available to an Investor.

Section 5.2 Permitted Transfers by Investors.

(1) Subject to this Section 5.2, upon twenty Business Days, prior written notice to the other Investor of the particulars of the proposed Transfer, an Investor is entitled to Transfer Newco Shares to any of its Permitted Transferees.

- (2) No proposed Transfer of any Newco Shares is effective until the Permitted Transferee complies with Section 2.4.

- (3) Notwithstanding any other provision of this Agreement, an Investor is prohibited from Transferring Newco Shares in a transaction that results in Newco becoming liable as a resident contributor to a non-resident trust for the purposes of the *Income Tax Act* (Canada).

Section 5.3 Encumbering of Newco Shares.

- (1) Subject to Section 5.3(2), no Investor may grant a Lien on or otherwise encumber any of its Newco Shares in any way whatsoever without the prior written consent of the other Investor, which consent may be withheld in the unfettered discretion of such Investor.

- (2) RM Sub may pledge its Newco Shares to secure the RM Loan, which pledge may permit transfers to RM's Lender of Magna Class A Shares held by Newco II on the occurrence of a Realization Event, provided that the agreements evidencing the RM Loan and related security arrangements comply with the restrictions governing the RM Loan contained in the Exit Agreement.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of the Investors.

Each Investor represents and warrants as follows and acknowledges and confirms that each other Investor is relying on such representations and warranties in entering into this Agreement:

- (a) **Existence.** It is a corporation validly existing under the Applicable Laws of its jurisdiction of incorporation and has all necessary corporate power and authority to carry on its business as now conducted, to own or lease and operate its assets and to execute, deliver and perform its obligations under this Agreement.

- (b) **Authority and Enforceability.** It has taken all necessary corporate action to authorise the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered and is a legal, binding obligation, enforceable against it by the other Investor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (c) **No Violation.** The execution, delivery and performance of this Agreement does not, and will not, result in a breach or violation of any of the provisions of or constitute a default under, or conflict with or cause the acceleration of any obligation or that of a Subsidiary under (i) a material Contract to which it is a party, (ii) any provision of its articles, by-laws or resolutions of its board of directors (or any committee thereof) or shareholders, (iii) any judgment, decree, order or award of any Governmental Entity having jurisdiction over it or (iv) any Applicable Law. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained or made, as the case may be, in connection with the execution and delivery of this Agreement.
- (d) **Title to Newco Shares.** The Newco Shares described in the recitals as being owned by it are owned by the Investor as the registered and beneficial owner with good title, free and clear of all Liens, other than those restrictions on transfer, if any, contained in the articles of Newco and in the case of RM Sub, other than Liens created by the RM Loan in accordance with Section 5.3.

Section 6.2 Representations and Warranties of 446 With Respect to 447.

446 represents and warrants as follows and acknowledges and confirms that RM Sub is relying on such representations and warranties in entering into this Agreement:

- (a) **Existence.** 447 is a corporation validly existing under the Act and has all necessary corporate power and authority to carry on its business as now conducted, and to own or lease and operate its assets.
- (b) **Title to Magna Class B Shares.** 447 is the beneficial owner of 726,829 Magna Class B Shares with good title, free and clear of all Liens, other than the 446 Call Option and the related security for the performance of such call option.
- (c) **Obligations and Liabilities.** 447 has no obligations or liabilities of any nature or kind whatsoever (whether actual or contingent) including indebtedness to any Person, any liabilities in respect of Taxes of any nature or kind whatsoever, or in respect of any judgments, orders, fines, penalties, awards or decrees of any court, tribunal or governmental, administrative or regulatory department, commission, board, bureau, agency or instrumentality, domestic or foreign, other than the 446 Call Option and the related security for the performance of such call option.

- (d) **Share Capital.** The issued share capital of 447 consists of 100 common shares of 447. Except for such shares, there are no shares of capital stock or other equity securities of 447 reserved for issuance or outstanding. There are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contractual or otherwise) obligating 447 to issue or sell any shares of 447 or securities or obligations of any kind convertible into or exchangeable for any shares or other securities of 447 of any nature or kind whatsoever.

Section 6.3 Survival.

The representations, warranties and covenants of the Investors contained in this Article 6 survive the execution and delivery of this Agreement and continue in full force and effect with respect to each Investor until it ceases to be bound by the provisions of this Agreement.

ARTICLE 7

COVENANTS OF 446 AND RM SUB

Section 7.1 Covenants of 446.

In addition to the other undertakings herein contained, 446 hereby covenants to RM Sub that, without the prior approval of RM Sub, 446 shall (i) engage in no business or activity other than complying with its obligations under the Transaction Agreements to which it is a party and (ii) own no assets other than the 42,000 Class B Shares of Newco and cash.

Section 7.2 Covenants of RM Sub.

In addition to the other undertakings herein contained, RM Sub hereby covenants to 446 that, without the prior approval of 446, RM Sub shall (i) engage in no business or activity other than complying with its obligations under the Transaction Agreements to which it is a party and with respect to the RM Loan and (ii) own no assets other than the 42,000 Class C Common Shares of Newco, the Class A Shares of Newco II, its interest in the Newco II Loan and cash.

ARTICLE 8

ARBITRATION

Section 8.1 Settling Disputes.

Any controversy or dispute arising out of or relating to this Agreement, including its negotiation, validity, existence, breach, termination, construction or application, or the rights, duties or obligations of the Investors, shall be referred to and finally resolved by arbitration to be administered by the London Court of International Arbitration (LCIA) in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. The seat of the arbitration shall be London, England and the proceedings shall be conducted in the English language before a panel composed of three (3) arbitrators. Each of the Investors shall appoint one arbitrator and the two (2) appointed arbitrators shall appoint a chair. Should the two (2) arbitrators fail to agree upon a chair within 15 days of their appointment, either of the Investors may apply to the LCIA for the appointment of the third arbitrator.

Section 8.2 Right to Oral Discovery.

Notwithstanding anything to the contrary in the UNCITRAL Arbitration Rules, each Investor shall have the right to conduct an oral discovery of a representative of the other Investor.

Section 8.3 Injunctive Relief.

Nothing in this Article 8 shall preclude one of the Investors from seeking injunctive relief from a court of competent jurisdiction when deemed necessary by such court to preserve the *status quo* or to prevent irreparable injury pending resolution by arbitration of the actual dispute.

ARTICLE 9

MISCELLANEOUS

Section 9.1 Notices.

- (i) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person or transmitted by facsimile or similar means of recorded electronic communication (with receipt confirmed) as follows:

(a) to 446 at:

446 Holdings Inc.
c/o Miller Thomson LLP
40 King Street West
Suite 5800
Toronto, Ontario
Canada M5H 3S1

Attention: John Campbell
Facsimile: (416) 595-8695

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
Canada M5L 1B9

Attention: Edward J. Waitzer
Facsimile: (416) 947-0866

(b) to RM Sub at:

Veleron Holding B.V.
Haaksbergweg 31
Suite 4
1101 BP Amsterdam
The Netherlands

Facsimile: 31 20 650 9061

with a copy to:

Open Joint Stock Company Russian Machines
Registration #1047701003778
3 Kapranov Lane
123242 Moscow
Russia

Attention: General Director
Facsimile: 7 495 705 5792

and to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
Canada M5X 1A4

Attention: Alan Bell
Facsimile: (416) 863-1716

and to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019-7475

Attention: Mark Greene and Richard Hall
Facsimile: (212) 474-3700

(ii) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day).

An Investor may change its address for service and may add copy to parties from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Investor at its changed address. Any element of an Investor's address that is not specifically changed in a notice will be assumed not to be changed.

Section 9.2 Time of the Essence.

Time is of the essence in this Agreement.

Section 9.3 Announcements.

No public release or announcement concerning the transactions contemplated by this Agreement shall be issued by an Investor without the approval of the other Investor (which consent shall not be unreasonably withheld), except as such release or announcement may be required by Applicable Laws, in which case the Investor required to make the release or announcement shall allow the other Investor reasonable time to comment on such announcement in advance of such issuance.

Section 9.4 Third Party Beneficiaries.

The Investors intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Investors. No Person, other than the Investors, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Investors reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not an Investor, without notice to or consent of that Person.

Section 9.5 No Agency or Partnership.

Nothing contained in this Agreement makes or constitutes an Investor, or any of its directors, officers or employees, the representative, agent, principal, partner, joint venturer, employer or employee of the other Investor.

Section 9.6 Expenses.

Except as otherwise expressly provided in this Agreement, each Investor will pay for its own costs and expenses incurred in connection with this Agreement and the transactions contemplated by it. The fees and expenses referred to in this Section are those which are incurred in connection with the negotiation, preparation, execution and performance of this Agreement, and the transactions contemplated by this Agreement, including the fees and expenses of legal counsel, investment advisers and accountants.

Section 9.7 Amendments and Waivers.

No amendment or waiver of any provision of this Agreement shall be binding on any Investor unless consented to in writing by that Investor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

Section 9.8 Entire Agreement.

This Agreement, together with the Transaction Agreement and the agreements contemplated therein to which the Investors are party, constitute the entire agreement between the Investors with respect to the transactions contemplated hereby and thereby and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Investors. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Investors in connection with the subject matter of this Agreement, the Transaction Agreement or any of the agreements contemplated therein, except as specifically set forth in this Agreement, the Transaction Agreement or in the agreements contemplated therein. The Investors have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement, the Transaction Agreement or the agreements contemplated therein.

Section 9.9 Successors and Assigns.

This Agreement shall enure to the benefit of and shall be binding on, and enforceable by, the Investors and, where the context so permits, their respective successors and permitted assigns. No Investor may assign any of its rights or obligations hereunder without the prior written consent of the other Investor, except that RM Sub shall assign its rights and obligations hereunder to any Person to whom it transfers the RM Sub Securities (as defined in the Exit Agreement).

Section 9.10 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Investor. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Investors shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Investors as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 9.11 Governing Law.

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Investors shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province. Subject to Article 8, each Investor unconditionally submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 9.12 Counterparts.

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together will be deemed to constitute one and the same instrument. The Investors may rely on copies of this Agreement which are delivered by facsimile as if such copies were originals.

IN WITNESS WHEREOF the Investors have executed this Investors Agreement.

446 HOLDINGS INC.

By: /s/ BELINDA STRONACH
Authorized Signing Officer

By:
Authorized Signing Officer

VELERON HOLDING B.V.

By: /s/ MIKHAIL GURFINKEL
Authorized Signing Officer

By:
Authorized Signing Officer

446 HOLDINGS INC.

and

VELERON HOLDING B.V.

as Investors

and

MPMAG HOLDINGS INC.

as Principals Holdco

and

M UNICAR INC.

as Newco

and

2143453 ONTARIO INC.

as Newco I.5

and

2143455 ONTARIO INC.

as Newco II

NEWCO II UNANIMOUS SHAREHOLDERS AGREEMENT

September 20, 2007

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ARTICLE 9

RELEASE BY PRINCIPALS HOLDCO OF NEWCO II

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NEWCO II UNANIMOUS SHAREHOLDERS AGREEMENT

Newco II Unanimous Shareholders Agreement dated September 20, 2007 among 446 Holdings Inc. (**446**), Veleron Holding B.V. (**RM Sub**), MPMAG Holdings Inc. (**Principals Holdco**), M Unicar Inc. (**Newco**), 2143453 Ontario Inc. (**Newco I.5**) and 2143455 Ontario Inc. (**Newco II**)

RECITALS:

- (a) Newco is the registered and beneficial owner of 84,800 Voting Preferred Shares and 84,800 Class B Common Shares of Newco I.5;
- (b) Newco I.5 is the registered and beneficial owner of 100 Class B Common Shares and 1,000,000 Non-Voting Preferred Shares of Newco II;
- (c) 446 is the registered and beneficial owner of 42,000 Class B Shares of Newco;
- (d) RM Sub is the registered and beneficial owner of 42,000 Class C Common Shares of Newco and 100 Class A Common Shares of Newco II, and has made the Newco II Loan to Newco II;
- (e) Principals Holdco is the registered and beneficial owner of 15,200 Class A-1 Common Shares and 15,200 Class A Preferred Shares of Newco I.5; and
- (f) the Parties have entered into this Agreement to establish, among other things, rights and obligations arising out of, or in connection with, the ownership of shares of Newco I.5 and Newco II.

In consideration of the above recitals, the agreements of the Parties contained in this Agreement and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

446 means 446 Holdings Inc., a corporation existing under Act, and its successors.

446 Magna Nominees has the meaning specified in Section 4.2(1)(a).

Act means the *Business Corporations Act* (Ontario).

Agreement means this agreement and all schedules attached to it as amended, modified, restated, replaced or supplemented from time to time.

affiliate has the meaning ascribed to such term from time to time in the *Securities Act* (Ontario).

Applicable Laws means all applicable federal, provincial, state, municipal and local statutes, laws, by-laws, regulations, ordinances, orders, enactment, directives and rules and all injunctions, decisions, directives, judgments and orders of any Governmental Entity having jurisdiction in respect of a particular matter and all amendments thereto which have the force of law.

Business Day means any day of the year, other than a Saturday, Sunday or day observed as a statutory holiday in Toronto, Ontario, New York, New York, or Moscow, Russia.

Collateral has the meaning assigned to it in the Exit Agreement.

Contract means any agreement, contract, lease, licence, permit, franchise, purchase order, commitment, engagement, option, indenture, mortgage, deed, instrument or other legally binding obligation, whether written, oral or implied.

Directors means the Persons who are elected or appointed as directors of, as the context requires, Newco I.5 or Newco II, in accordance with this Agreement.

Exchange Agreement means the exchange agreement dated the date hereof among Magna, 446, RM, RM Sub, 445327 Ontario Limited, Newco I.5 and Newco II.

Exchange Time has the meaning specified in the Exchange Agreement.

Exit Agreement means the exit agreement dated the date hereof among Newco, Newco I.5, Newco II, 445327 Ontario Limited, 446, RM and RM Sub.

Governmental Entity means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitrator or arbitral body, commission, board, bureau or agency, domestic or foreign, including the Ontario Securities Commission, the Autorité des marchés financiers du

Québec and the United States Securities and Exchange Commission, (ii) self-regulatory organization or stock exchange, including the Toronto Stock Exchange and the New York Stock Exchange, (iii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

GKP Holdco means GKP Holdings Inc., a corporation existing under the Act, and its successors.

Independent means directors of Magna who are independent within the meaning of Multilateral Instrument 52-110 *Audit Committees* (or any successor instrument) and under any applicable rules of any stock exchange upon which the Magna Shares are listed.

Investor means each of 446 and RM Sub and any Permitted Transferee to whom RM Sub has Transferred Newco II non-voting common shares in accordance with the terms of this Agreement.

Investors Agreement means the Investors Agreement dated the date hereof between 446 and RM Sub.

Lien means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, deemed trust, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable notice filing under the law of any other jurisdiction or any option, warrant, right or privilege capable of becoming a Transfer).

Magna means Magna International Inc., a corporation existing under the Act, and its successors.

Magna Class A Shares means the class A subordinate voting shares in the capital of Magna, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events, and, where the context requires, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Magna, (iii) any securities of Magna which are received

by any one or more Persons as a stock dividend or distribution on or in respect of such shares, and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any class A subordinate voting shares in the capital of Magna or any of the other above securities.

Magna Class B Shares means the class B shares in the capital of Magna, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events, and, where the context requires, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Magna, (iii) any securities of Magna which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares, and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any class B shares in the capital of Magna.

Magna Corporate Constitution means the Corporate Constitution which forms part of the articles of arrangement of Magna.

Magna Directors has the meaning specified in Section 4.2(1).

Magna Group means Magna and its Subsidiaries, taken as a whole.

Magna Shares means, collectively, the Magna Class A Shares and the Magna Class B Shares.

Newco means M Unicar Inc., a corporation existing under the Act, and its successors.

Newco I.5 means 2143453 Ontario Inc., a corporation existing under the Act, and its successors.

Newco I.5 Shares means the Voting Preferred Shares and Class A-1 Common Shares of Newco I.5, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events and, where the context permits, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Newco I.5, (iii) any securities of Newco I.5 which are received by any one or more Persons as a stock dividend or

distribution on or in respect of such shares and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any Voting Preferred Shares or Class A-1 Common Shares in the capital of Newco I.5 or any of the other above securities.

Newco II means 2143455 Ontario Inc., a corporation existing under the Act, and its successors.

Newco II Loan means the loan provided by RM Sub to Newco II on the date hereof and evidenced by the Newco II Loan Note.

Newco II Loan Note means the promissory note dated the date hereof issued to RM Sub by Newco II to evidence the Newco II Loan, including the ancillary agreements relating to the security therefor.

Newco II Shares means the Non-Voting Preferred Shares, Non-Voting Common Shares, Voting Common Shares and Special Shares of Newco II, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events and, where the context permits, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Newco II, (iii) any securities of Newco II which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares, and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any Non-Voting Preferred Shares, Non-Voting Common Shares, Voting Common Shares or Special Shares in the capital of Newco II or any of the other above securities.

Newco Shares means the Class A Shares, Class B Shares and Class C Common Shares of Newco, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events and, where the context permits, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Newco, (iii) any securities of Newco which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any Class A Shares, Class B Shares or Class C Common Shares in the capital of Newco or any of the other above securities.

Out of the Ordinary Course Transaction means, in respect of the Magna Group, a commitment or agreement to: (i) incur or assume any indebtedness for borrowed money in excess of \$500 million in the aggregate or guarantee any indebtedness in excess of \$500 million in the aggregate (other than the debt of any Person acquired, directly or indirectly, by Magna if such debt is not guaranteed by Magna); (ii) acquire (by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner) any business or any corporation, partnership, association or other business organization or division thereof, or otherwise acquire any assets, having a purchase price in excess of \$250 million, in a single transaction or series of related transactions; (iii) divest any business or any corporation, partnership, association or other business organization or division of the Magna Group, or otherwise sell any assets of the Magna Group, for a purchase price in excess of \$250 million, in a single transaction or series of related transactions; (iv) invest in or acquire any non-automotive businesses in excess of \$20 million per year in the aggregate; (v) except for transactions referred to in paragraph (vi), enter into or amend any oral or written contract or related party transaction with any of Frank Stronach, 445327 Ontario Limited or the Stronach Trust or any of their respective affiliates, unless any such transaction or proposed transaction has been publicly disclosed by Magna or otherwise disclosed to RM Sub by Magna prior to May 10, 2007; (vi) enter into any transactions in respect of real property or any amendments thereto with MI Developments Inc. or its Subsidiaries unless any such transaction or amendment has been approved by a majority of the Independent directors or by a committee of Independent directors of Magna; or (vii) issue treasury shares in the capital of Magna having an issue price in excess of \$100 million, in the aggregate, other than shares issued by Magna pursuant to the terms of outstanding options, convertible debt or other securities of Magna that are convertible into, or exchangeable or exercisable for shares of Magna.

Parties means Newco II, Newco I.5, Newco, Principals Holdco, 446 and RM Sub.

Permitted Transferee means:

- (a) in the case of 446, Mr. Frank Stronach or any member of his immediate family or any of their lineal descendants; and in the case of RM Sub, Mr. Oleg Deripaska or any member of his immediate family or any of their lineal descendants;

(b) one or more trusts for the benefit of one or more of the individuals described in paragraph (a); or

(c) an entity, directly or indirectly, majority controlled by any of the foregoing.

Person includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, heir, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.

Pledge means the pledge agreement dated the date hereof between Newco II and RM Sub.

PPSA means the *Personal Property Security Act* (Ontario).

Principals Agreement means the principals agreement dated the date hereof among Donald J. Walker, Siegfried Wolf, Vincent J. Galifi, Peter Koob, Jeffrey O. Palmer, GKP Holdco, Principals Holdco, Newco and Newco I.5.

Principals Holdco means MPMAG Holdings Inc., a corporation existing under the Act, and its successors.

Realization Event has the meaning specified in the Exit Agreement.

Registration Rights Agreement means the registration rights agreement dated the date hereof among Magna, RM Sub, Newco I.5, Newco II and RM's Lender.

RM's Lender means the lender or syndicate of lenders, from time to time, providing any portion of the RM Loan that is secured by the Collateral.

RM Loan has the meaning specified in the Exit Agreement.

RM Sub means Veleron Holding B.V., a company existing under the laws of The Netherlands, and its successors.

RM Sub Magna Nominees has the meaning specified in Section 4.2(1)(b).

Section 116 Event means the resignations of directors contemplated by Sections 3.1(8) and 3.1(9) of the Exit Agreement following either such section becoming applicable.

Subsidiary means, in respect of an Investor, a subsidiary (as that term is defined in the Act as now in effect) of that Investor or any Person in which such Investor has a direct or indirect controlling interest or a joint-controlling interest, and shall be deemed to include any partnership or joint venture in which such Investor has a direct or indirect interest of more than 50 percent.

Transaction Agreement means the transaction agreement dated May 10, 2007 among Magna, RM, RM Sub, 445327 Ontario Limited, the Stronach Trust and the individuals named therein.

Transaction Agreements means this Agreement, the Exit Agreement, the Exchange Agreement, the Investors Agreement, the Newco II Loan, the Pledge, the Principals Agreement and the Registration Rights Agreement.

Transfer means any (i) transfer, sale, assignment, exchange, gift, donation, mortgage, pledge, charge, encumbrance, grant of security interest or other disposition of securities where possession, legal title, beneficial ownership or the economic risk or return associated with such securities passes directly or indirectly from one Person to another or to the same Person in a different legal capacity, whether or not for value, whether or not voluntary and however occurring, or (ii) agreement, undertaking or commitment to effect any of the foregoing and **Transferred** shall be construed accordingly.

Section 1.2 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number also include the plural and *vice versa*.

Section 1.3 Sections and Headings.

The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for reference purposes only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, a Section, a Schedule or an Exhibit refers to the specified Article or Section of, or Schedule or Exhibit to, this Agreement.

Section 1.4 Currency.

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States funds.

Section 1.5 Certain Phrases.

In this Agreement, (i) the words **including** , **includes** and **include** mean **including (or includes or include) without limitation** , and (ii) the words **the aggregate of** , **the total of** , **the sum of** , or a phrase of similar meaning means **the aggregate (or total or sum), without duplication, of** .

Section 1.6 Statutory References.

A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

ARTICLE 2

IMPLEMENTATION OF AGREEMENT AND TERM

Section 2.1 Actions in Accordance with Agreement.

- (a) Each Investor shall vote its Newco Shares to cause Newco to fulfill its obligations under this Agreement, whether at a meeting of the shareholders of Newco or by written resolution of the shareholders of Newco, and shall take all other actions and proceedings as may be required to give effect to this Agreement.
- (b) Each of Newco and Principals Holdco shall vote its Newco I.5 Shares to give effect to this Agreement, whether at a meeting of the shareholders of Newco I.5 or by written resolution of the shareholders of Newco I.5, and shall take all other actions and proceedings as may be required to give effect to this Agreement.
- (c) Each of Newco I.5 and RM Sub shall vote its Newco II Shares to give effect to this Agreement, whether at a meeting of shareholders of Newco II or by written resolution of shareholders of Newco II, and shall take all other actions and proceedings as may be required to give effect to this Agreement.
- (d) Each of Newco I.5 and Newco II shall vote its Magna Shares held directly or indirectly to give effect to this Agreement and shall take all other actions and proceedings as may be required to give effect to this Agreement.

Section 2.2 Conflicts.

In the event of any conflict between the provisions of this Agreement and the provisions of Newco I.5's or Newco II's articles or by-laws, this Agreement will prevail. Each of the Investors, Principals Holdco, Newco I.5 and Newco shall take such actions and proceedings as may be required to amend Newco I.5's or Newco II's articles and by-laws to resolve any conflicts in favour of this Agreement.

Section 2.3 Newco I.5 and Newco II Consent.

Each of Newco I.5 and Newco II consents to this Agreement and is governed by its terms.

Section 2.4 Share Certificates.

In addition to any legends required by Applicable Laws, all certificates representing shares in the capital of Newco I.5 or Newco II must bear the following legend:

The shares represented by this certificate are subject to the Newco II Unanimous Shareholders Agreement dated September 20, 2007 among the Corporation and its shareholders, as may be amended from time to time, and such shares may not be pledged, sold or otherwise transferred except in accordance with the terms of that agreement. Any transfer made in contravention of such restrictions is null and void. A copy of the agreement is on file at the registered office of the Corporation and available for inspection on request and without charge.

Section 2.5 Term of Agreement.

- (1) This Agreement terminates on the earlier to occur of the date on which:
 - (a) the Investors Agreement is terminated in accordance with its terms; or
 - (b) this Agreement is terminated by written agreement among all of the Parties.
- (2) Effective at the Exchange Time, Newco II shall cease to have any rights or obligations under this Agreement, including any obligations with respect to any breach of this Agreement by Newco II prior to the Exchange Time.

Section 2.6 Agreement to be Bound.

In order for a Transfer by RM Sub to a Permitted Transferee to be effective, the Permitted Transferee who acquires Newco II Shares from RM Sub must concurrently with becoming a shareholder of Newco II execute and deliver to the Parties a counterpart copy of this Agreement or a written agreement in form and substance satisfactory to the Parties, acting reasonably, agreeing to be bound by the Transaction Agreements to which RM Sub is a party.

Section 2.7 Deemed Consent under Articles.

Each of the Parties hereby (i) consents to a Transfer of Newco II Shares made in accordance with this Agreement and (ii) agrees that such consent satisfies the requirement for any consent to any such Transfer of Newco II Shares required under Newco II's articles of incorporation or by-laws and that no further consent is required for any such Transfer.

ARTICLE 3

BUSINESS AND MANAGEMENT OF NEWCO I.5 AND NEWCO II

Section 3.1 Business of Newco I.5 and Newco II.

The sole business of Newco I.5 and Newco II is to, directly or indirectly, acquire and hold Magna Shares, to distribute funds pursuant to Newco I.5's and Newco II's distribution policy, whether such funds are received by Newco I.5 or Newco II as a result of holding Magna Shares or otherwise, and to enter and perform its obligations under those of the Transaction Agreements to which it is a party.

Section 3.2 Distributions.

Each of the Newco I.5 board of directors and the Newco II board of directors shall establish a distribution policy for Newco I.5 and Newco II, respectively, which shall include the prompt distribution by Newco I.5 and Newco II (by way of dividend or return of capital) to their shareholders in accordance with their articles of incorporation and by-laws of all distributions and other income received by Newco I.5 and Newco II from Magna or otherwise, less amounts required to satisfy Newco I.5's and Newco II's expenses and other liabilities, including by way of reserves provided by the Directors for that purpose.

Section 3.3 Approval of the Investors.

- (1) Without receiving the prior written approval of each of the Investors, until a Section 116 Event, neither Newco I.5 nor Newco II shall make any decision about, take action on or implement any matter, other than performing its obligations under the terms of the Transaction Agreements to which it is a party and any other agreement entered into by it in compliance with the terms hereof, and paying dividends to its shareholders in accordance with the articles and by-laws. Without limiting the generality of the foregoing, neither Newco I.5 nor Newco II shall amend its articles of incorporation or its by-laws, issue any shares, redeem or retract any of their shares or any shares of the other, or buy or sell any Magna Shares, other than in connection with performing its obligations under the terms of the Transaction Agreements to which it is a party and any other agreement entered into by it in compliance with the terms hereof, without receiving the prior written approval of each of the Investors.

- (2) Unless the prior written approval of each of the Investors is received, until a Section 116 Event, each of Newco I.5 and Newco II shall vote its Magna Shares held directly or indirectly for the election or removal of Magna Directors pursuant to the terms of this Agreement.

Section 3.4 Maintenance

Each of Newco I.5 and Newco II shall maintain its existence during the entire term of this Agreement.

ARTICLE 4

DIRECTORS AND SHAREHOLDERS

Section 4.1 Directors of Newco I.5 and Newco II.

- (1) Subject to this Section 4.1, until a Section 116 Event, each of Newco I.5 and Newco II shall have six Directors, which number shall be adjusted if the number of Directors of Newco changes so that the number of Directors of Newco I.5 and Newco II shall always be the same as the number of directors of Newco.
- (2) Until a Section 116 Event, the Directors shall be the same as the directors of Newco.
- (3) 446 shall advise each of Newco I.5 and Newco II in writing as to which Directors of Newco I.5 and Newco II, respectively, are the Class B Shareholder Nominees (who shall be the directors of Newco who are the Class B Shareholder Nominees (as defined in the by-laws of Newco)). RM Sub shall advise each of Newco I.5 and Newco II in writing as to which Directors of Newco I.5 and Newco II, respectively, are the Class C Shareholder Nominees (who shall be the directors of Newco who are the Class C Shareholder Nominees (as defined in the by-laws of Newco)).
- (4) If a nominee Director of an Investor resigns or is removed as a director of Newco, the Investor shall cause such individual to resign as a Director of Newco I.5 and Newco II.
- (5) If an Investor wishes to remove either of its nominee Directors as a director of Newco, such Investor shall also remove such individual as a Director of Newco I.5 and Newco II.

- (6) If a replacement director of Newco I.5 and Newco II is not elected or appointed within 10 days of the nominee director of Newco I.5 and Newco II resigning or being removed because such Investor has failed to nominate a replacement, the Directors then in office are entitled to transact business and exercise all of the powers and functions of the Directors.

Section 4.2 Appointment of Directors of Magna and Voting of Magna Shares.

- (1) Until a Section 116 Event, each of Newco I.5 and Newco II shall vote its Magna Shares held directly or indirectly to cause the board of directors of Magna to consist of:
- (a) six nominees of 446 (the **446 Magna Nominees**), one of whom shall be appointed the chairman of the board of directors of Magna, provided that at least four of such nominees must be Independent;
 - (b) six nominees of RM Sub (the **RM Sub Magna Nominees**), provided that at least four of such nominees must be Independent; and
 - (c) Donald J. Walker and Siegfried Wolf (collectively, the **Magna Directors**). Notwithstanding the foregoing, in the event that the employment of either Donald J. Walker or Siegfried Wolf as an executive officer of Magna is terminated by Magna, or he is requested by Magna to resign as an executive officer of Magna, unless each of the Investors agrees in writing, Newco II shall vote its Magna Shares to remove him as a Magna Director.

- (2) If:

- (a) a nominee Magna Director resigns or is removed as a Magna Director; or
- (b) 446 or RM Sub wishes to remove one of its nominee Magna Directors, for any reason prior to a Section 116 Event, each of Newco I.5 and Newco II shall vote its Magna Shares held directly or indirectly to cause the board of directors of Magna to, in the case of (b), remove such nominee Magna Director, and to fill any vacancy by the election or appointment of an individual nominated by the Investor whose nominee resigned or was removed.

- (3) Until a Section 116 Event, each of the Investors shall consult with the other to ensure that the requisite number of Magna Directors nominated by the Investors pursuant to Section 4.2(1) will be resident Canadians within the

meaning of the Act; provided that in the event that the Investors are unable to agree upon which of the Magna Directors nominated by them will be resident Canadians within the meaning of the Act then (i) 446 shall ensure that at least three of the 446 Magna Nominees who are Independent are resident Canadians and (ii) RM Sub shall ensure that at least two of the RM Sub Magna Nominees who are Independent are resident Canadians .

- (4) Until a Section 116 Event, each of Newco I.5 and Newco II shall vote its Magna Shares, held directly or indirectly, to cause Magna to, as soon as practicable, adopt and maintain governance guidelines, which shall form part of the procedure of the board of directors of Magna, to the effect that:
- (a) each Magna Director must declare his or her interest and abstain from voting on all matters where there is an actual or perceived conflict of interest involving him or her, including in the case of Magna Directors who are direct or indirect shareholders of Principals Holdco:
 - (i) the appointment of Magna Directors to committees of the Magna board of directors; and
 - (ii) with respect to any matter where any 446 Magna Nominee or RM Sub Magna Nominee who is not Independent has declared an interest and is abstaining from voting; and
 - (b) the approval of any Out of the Ordinary Course Transaction will require the approval of at least two-thirds of the Magna Directors voting in respect of such transaction.
- (5) Until a Section 116 Event, each of Newco I.5 and Newco II shall vote its Magna Shares held directly or indirectly:
- (a) against any resolution that would have the effect of detracting from the culture, business philosophies and operating principles that have been the cornerstone of Magna's success, including in particular the Magna Corporate Constitution and the employee profit sharing and employee charter principles contained therein; and
 - (b) in favour of any resolution that may be required to reaffirm or otherwise maintain in force such culture, philosophies and principles in all fundamental respects.

Section 4.3 Indemnification.

Each of Newco I.5 and Newco II shall indemnify its Directors to the fullest extent permitted by the Act. Nothing in this Agreement limits the right of any Director to claim indemnity apart from the provisions of this Agreement, if the Director is entitled to such indemnity.

ARTICLE 5

RESTRICTIONS ON TRANSFER

Section 5.1 Restrictions on Transfer by Investors.

- (1) No shareholder of Newco I.5 or Newco II may Transfer any Newco I.5 Shares or Newco II Shares, including by way of retraction of retractable shares, except as expressly permitted by this Agreement, the Principals Agreement or the Exit Agreement.
- (2) Any purported Transfer of Newco I.5 Shares or Newco II Shares in violation of this Agreement is void. Each of the Parties shall take such action as is required to prevent Newco I.5 or Newco II from recording such a purported transfer on the share register of Newco I.5 or Newco II maintained for the Newco I.5 Shares or Newco II Shares.
- (3) From the date of any purported Transfer by a shareholder of Newco II Shares in violation of this Agreement, all rights of such shareholder set out in this Agreement are suspended and inoperative until the purported Transfer is rescinded. This remedy is in addition to and not in lieu of any other remedies that may be available to a Party.

Section 5.2 Permitted Transfers by Investors.

- (1) Subject to this Section 5.2, upon twenty Business Days prior written notice to each of the other Parties of the particulars of the proposed Transfer, RM Sub is entitled to Transfer its Newco II Shares and its interest in the Newco II Loan to any of its Permitted Transferees.
- (2) No proposed Transfer of any Newco II Shares or an interest in the Newco II Loan is effective until the Permitted Transferee complies with Section 2.6.
- (3) Notwithstanding any other provision of this Agreement, RM Sub is prohibited from Transferring Newco II Shares in a transaction that results in Newco II becoming liable as a resident contributor to a non-resident trust for the purposes of the *Income Tax Act* (Canada).

Section 5.3 Encumbering of Newco II Shares or Newco II Loan.

- (1) Newco is prohibited from granting a Lien on or otherwise encumbering any of its Newco I.5 Shares in any way whatsoever without the prior written consent of each of the Investors, which consent may be withheld in the unfettered discretion of each such Investor.

- (2) Newco I.5 is prohibited from granting a Lien on or otherwise encumbering any of its Newco II Shares in any way whatsoever without the prior written consent of each of the Investors, which consent may be withheld in the unfettered discretion of each such Investor.

- (3) Subject to Section 5.3(4), RM Sub is prohibited from granting a Lien on or otherwise encumbering any of its Newco II Shares or interest in the Newco II Loan in any way whatsoever without the prior written consent of 446, which consent may be withheld in the unfettered discretion of 446.

- (4) RM Sub may pledge its Newco II Shares and interest in the Newco II Loan to secure the RM Loan, which pledge may permit transfers to RM's Lender of Magna Class A Shares held by Newco II on the occurrence of a Realization Event, provided that the agreements evidencing the RM Loan and related security arrangements comply with the restrictions governing the RM Loan contained in the Exit Agreement.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

Section 6.1 Representations and Warranties of the Investors.

Each Investor represents and warrants as follows and acknowledges and confirms that each other Investor is relying on such representations and warranties in entering into this Agreement:

- (a) **Existence.** It is a corporation validly existing under the Applicable Laws of its jurisdiction of incorporation and has all necessary corporate power and authority to carry on its business as now conducted, to own or lease and operate its assets and to execute, deliver and perform its obligations under this Agreement.

- (b) **Authority and Enforceability.** It has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered and is a legal, binding obligation, enforceable against it by the other Investor in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (c) **No Violation.** The execution, delivery and performance of this Agreement does not, and will not, result in a breach or violation of any of the provisions of or constitute a default under, or conflict with or cause the acceleration of any obligation or that of a Subsidiary under (i) a material Contract to which it is a party, (ii) any provision of its articles, by-laws or resolutions of its board of directors (or any committee thereof) or shareholders, (iii) any judgment, decree, order or award of any Governmental Entity having jurisdiction over it or (iv) any Applicable Law. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained or made, as the case may be, in connection with the execution and delivery of this Agreement.
- (d) **Title to Shares.** The Newco Shares, Newco II Shares and interest in the Newco II Loan described in the recitals as being owned or held by it are owned or held by the Investor as the registered and beneficial owner with good title, free and clear of all Liens, other than those restrictions on transfer, if any, contained in the articles of incorporation of Newco II, in the case of RM Sub, other than Liens created by the RM Loan in accordance with Section 5.3.

Section 6.2 Survival.

The representations, warranties and covenants of the Parties contained in this Article survive the execution and delivery of this Agreement and continue in full force and effect with respect to each Party until it ceases to be bound by the provisions of this Agreement.

ARTICLE 7

ARBITRATION

Section 7.1 Settling Disputes.

Any controversy or dispute arising out of or relating to this Agreement, including its negotiation, validity, existence, breach, termination, construction or application, or the rights, duties or obligations of any Party to this Agreement, shall be referred to and finally resolved by arbitration to be administered by the London Court of International Arbitration (LCIA) in accordance with the UNCITRAL Arbitration Rules in effect on the date of this Agreement. The seat of the arbitration shall be London, England and the proceedings shall be conducted in the English language before a panel composed of three (3) arbitrators. Each of the Investors shall appoint one arbitrator and the two (2) appointed arbitrators shall appoint a chair. Should the two (2) arbitrators fail to agree upon a chair within 15 days of their appointment, either of the Investors may apply to the LCIA for the appointment of the third arbitrator.

Section 7.2 Right to Oral Discovery.

Notwithstanding anything to the contrary in the UNCITRAL Arbitration Rules, each Party shall have the right to conduct an oral discovery of a representative of the other Parties to the arbitration.

Section 7.3 Injunctive Relief.

Nothing in this Article 7 shall preclude one of the Parties to this Agreement from seeking injunctive relief from a court of competent jurisdiction when deemed necessary by such court to preserve the *status quo* or to prevent irreparable injury pending resolution by arbitration of the actual dispute.

ARTICLE 8

MISCELLANEOUS

Section 8.1 Principals Agreement.

Without the approval of each of the Investors, Newco shall promptly enforce its rights under the Principals Agreement and shall not amend the Principals Agreement nor waive any obligations of any other parties to the Principals Agreement.

Section 8.2 Notices.

- (i) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person or transmitted by facsimile or similar means of recorded electronic communication (with receipt confirmed) as follows:

(a) to 446 at:

446 Holdings Inc.
c/o Miller Thomson LLP
40 King Street West
Suite 5800
Toronto, Ontario
Canada M5H 3S1

Attention: John Campbell
Facsimile: (416) 595-8695

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
Canada M5L 1B9

Attention: Edward J. Waitzer
Facsimile: (416) 947-0866

(b) to RM Sub at:

Veleron Holding B.V.
Haaksbergweg 31
Suite 4
1101 BP Amsterdam
The Netherlands

Facsimile: 31 20 650 9061

with a copy to:

Open Joint Stock Company Russian Machines
Registration #1047701003778
3 Kapranov Lane
123242 Moscow
Russia

Attention: General Director
Facsimile: 7 495 705 5792

and to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
Canada M5X 1A4

Attention: Alan Bell
Facsimile: (416) 863-1716

and to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019-7475

Attention: Mark Greene and Richard Hall
Facsimile: (212) 474-3700

(c) if to Newco at:

M Unicar Inc.
c/o Magna International Inc.
337 Magna Drive
Aurora, Ontario
Canada L4G 7K1

Attention: Belinda Stronach
Facsimile: (905) 726-7494

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
Canada M5L 1B9

Attention: Edward J. Waitzer
Facsimile: (416) 947-0866

and to:

Miller Thomson LLP

40 King Street West

Suite 5800

Toronto, Ontario

Canada M5H 3S1

Attention: John Campbell

Facsimile: (416) 595-8695

(d) to Newco I.5 at:

2143453 Ontario Inc.

c/o Magna International Inc.

337 Magna Drive

Aurora, Ontario

Canada L4G 7K1

Attention: Belinda Stronach

Facsimile: (905) 726-7494

with a copy to:

Stikeman Elliott LLP

5300 Commerce Court West

199 Bay Street

Toronto, Ontario

Canada M5L 1B9

Attention: Edward J. Waitzer

Facsimile: (416) 947-0866

and to:

Miller Thomson LLP

40 King Street West

Suite 5800

Toronto, Ontario

Canada M5H 3S1

Attention: John Campbell

Facsimile: (416) 595-8695

(e) to Newco II at:

2143455 Ontario Inc.
c/o Magna International Inc.
337 Magna Drive
Aurora, Ontario
Canada L4G 7K1

Attention: Belinda Stronach
Facsimile: (905) 726-7494

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
Canada M5L 1B9

Attention: Edward J. Waitzer
Facsimile: (416) 947-0866

and to:

Miller Thomson LLP
40 King Street West
Suite 5800
Toronto, Ontario
Canada M5H 3S1

Attention: John Campbell
Facsimile: (416) 595-8695

(ii) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day, on the next following Business Day).

A Party may change its address for service and may add copy to parties from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to such Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed.

Section 8.3 Time of the Essence.

Time is of the essence in this Agreement.

Section 8.4 Announcements.

No public release or announcement concerning the transactions contemplated by this Agreement shall be issued by a Party without the approval of the other Parties (which consent shall not be unreasonably withheld), except as such release or announcement may be required by Applicable Laws, in which case the Party required to make the release or announcement shall allow the other Parties reasonable time to comment on such announcement in advance of such issuance.

Section 8.5 Third Party Beneficiaries.

The Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties. No Person, other than the Parties, is entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person.

Section 8.6 No Agency or Partnership.

Nothing contained in this Agreement makes or constitutes any Party, or any of its directors, officers or employees, the representative, agent, principal, partner, joint venturer, employer or employee of any other Party.

Section 8.7 Expenses.

Except as otherwise expressly provided in this Agreement, each Party will pay for its own costs and expenses incurred in connection with this Agreement and the transactions contemplated by it. The fees and expenses referred to in this Section are those which are incurred in connection with the negotiation, preparation, execution and performance of this Agreement, and the transactions contemplated by this Agreement, including the fees and expenses of legal counsel, investment advisers and accountants.

Section 8.8 Amendments and Waivers.

No amendment or waiver of any provision of this Agreement shall be binding on any Party unless consented to in writing by that Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver unless otherwise expressly provided.

Section 8.9 Entire Agreement.

This Agreement, together with the Transaction Agreement and the agreements contemplated therein to which the Parties are party, constitute the entire agreement between the Parties with respect to the transactions contemplated hereby and thereby and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties or certain of them in connection with the subject matter of this Agreement, the Transaction Agreement or any of the agreements contemplated therein, except as specifically set forth in this Agreement, the Transaction Agreement or in the agreements contemplated therein. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement, the Transaction Agreement or the agreements contemplated therein.

Section 8.10 Successors and Assigns.

This Agreement shall ensure to the benefit of and shall be binding on, and enforceable by, the Parties and, where the context so permits, their respective successors and permitted assigns. No Party may assign any of its rights or obligations hereunder without the prior written consent of the other Parties, except that RM Sub shall assign its rights and obligations hereunder to any Permitted Transferee to whom it Transfers the RM Sub Securities (as defined in the Exit Agreement) in accordance with Section 2.6.

Section 8.11 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.12 Governing Law.

This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province. Subject to Article 7, each Party unconditionally submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 8.13 Counterparts.

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together will be deemed to constitute one and the same instrument. The Parties may rely on copies of this Agreement which are delivered by facsimile as if such copies were originals.

ARTICLE 9

RELEASE BY PRINCIPALS HOLDCO OF NEWCO II

Section 9.1 Release by Principals Holdco of Newco II

Effective at the Exchange Time, Principals Holdco hereby grants to Newco II a full and final release from any and all liabilities and obligations of any nature or kind whatsoever (whether accrued, absolute, contingent, unasserted or otherwise) owed by Newco II to Principals Holdco and arising on or before, or related to any matter occurring on or before, the Exchange Time. Effective at the Exchange Time, Principals Holdco agrees that Newco II shall cease to have any rights (other than pursuant to this Article 9) or any obligation with respect to any breach of this Agreement by Newco II prior to the Exchange Time.

IN WITNESS WHEREOF the Parties have executed this Agreement.

446 HOLDINGS INC.

By: /s/ BELINDA STRONACH
Authorized Signing Officer

By:
Authorized Signing Officer

VELERON HOLDING B.V.

By: /s/ MIKHAIL GURFINKEL
Authorized Signing Officer

By:
Authorized Signing Officer

M UNICAR INC.

By: /s/ FRANK STRONACH
Authorized Signing Officer

By:
Authorized Signing Officer

2143453 ONTARIO INC.

By: /s/ FRANK STRONACH
Authorized Signing Officer

By:
Authorized Signing Officer

MPMAG HOLDINGS INC.

By: /s/ DONALD J. WALKER
Authorized Signing Officer

By:
Authorized Signing Officer

2143455 ONTARIO INC.

By: /s/ FRANK STRONACH
Authorized Signing Officer

By:
Authorized Signing Officer

446 HOLDINGS INC.

and

VELERON HOLDING B.V.

as Investors

and

M UNICAR INC.

as Newco

and

OPEN JOINT STOCK COMPANY RUSSIAN MACHINES

as RM

and

445327 ONTARIO LIMITED

as 445

and

2143453 ONTARIO INC.

as Newco I.5

and

2143455 ONTARIO INC.

as Newco II

EXIT AGREEMENT

September 20 , 2007

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ARTICLE 8

RELEASE AND TERMINATION OF OBLIGATIONS

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EXIT AGREEMENT

Exit Agreement dated September 20, 2007 among 446 Holdings Inc. (**446**), Veleron Holding B.V. (**RM Sub**), Open Joint Stock Company Russian Machines (**RM**), 445327 Ontario Limited (**445**), M Unicar Inc. (**Newco**), 2143453 Ontario Inc. (**Newco I.5**) and 2143455 Ontario Inc. (**Newco II**).

RECITALS:

- (a) Newco is the registered and beneficial owner of 84,800 Class B Common Shares and 84,800 Voting Preferred Shares of Newco I.5;
- (b) Newco I.5 is the registered and beneficial owner of 100 Class B Common Shares and 1,000,000 Non-Voting Preferred Shares of Newco II;
- (c) 446 is the registered and beneficial owner of 42,000 Class B Shares of Newco;
- (d) RM Sub is the registered and beneficial owner of 42,000 Class C Common Shares of Newco and 100 Class A Common Shares of Newco II and has made the Newco II Loan to Newco II; and
- (e) the Parties have entered into this Agreement to establish, among other things, rights and obligations arising out of, or in connection with, the ownership of shares of Newco and Newco II.

In consideration of the above recitals, and the agreements of the Parties contained in this Agreement and other good and valuable consideration (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1

INTERPRETATION

Section 1.1 Defined Terms.

As used in this Agreement, the following terms have the following meanings:

445 means 445327 Ontario Limited, a corporation existing under the Act, and its successors.

446 means 446 Holdings Inc., a corporation existing under the Act, and its successors.

Act means the *Business Corporations Act* (Ontario).

Aggregate Investment Gain means the amount, if any, by which the Market Value on the End Date of 20,000,000 Magna Class A Shares exceeds the RM Investment Amount. The Aggregate Investment Gain can never be less than zero.

Aggregate Tax Liability means the aggregate, as calculated by Newco II's auditors, of (a) the Taxes which would be incurred by Newco II if (i) on the End Date, Newco II disposed of 20,000,000 Magna Class A Shares for proceeds of disposition equal to the Market Value on such date of such shares (such proceeds converted from U.S. dollars to Canadian dollars as at the End Date); (ii) for its taxation year in which the End Date occurred, Newco II had no income other than the capital gain, if any, from such disposition; (iii) Newco II was, throughout the taxation year in which the End Date occurred, a Canadian-controlled private corporation; (iv) Newco II had paid a taxable dividend (the Taxable Dividend) in such taxation year in the minimum amount required for Newco II to be entitled to receive a refund (the Dividend Refund) of all of its refundable dividend tax on hand generated as a consequence of the capital gain, if any, described in (ii) above; (v) the taxation year of Newco II ended immediately after payment of the Taxable Dividend; (vi) Newco II was taxable in respect of such disposition at the federal and Ontario corporate tax rates applicable on the End Date (including any applicable surtaxes) to a corporation that is a Canadian-controlled private corporation; (vii) in computing its Taxes in respect of such disposition, Newco II deducted the full amount of the Dividend Refund; and (viii) Newco II claimed no losses, deductions or credits in calculating its income, taxable income or Taxes other than the Dividend Refund and any losses, deductions and credits arising as a result of the transactions, arrangements, events, activities and undertakings of Newco II pursuant to and in accordance with the Transaction Agreements; and (b) the Taxes which would be payable by an individual who is a natural person resident in the Province of Ontario if (i) the individual had received the Taxable Dividend; (ii) the Taxable Dividend was an eligible dividend; (iii) the federal and Ontario tax rates applicable to the individual in respect of the Taxable Dividend were the highest marginal federal and Ontario tax rates (including any applicable surtaxes); and (iv) there were no deductions made or credits taken in calculating the Taxes of the individual other than the dividend tax credit arising as a result of the Taxable Dividend. The Aggregate Tax Liability can never be less than zero.

Agreement means this agreement as amended, modified, restated, replaced or supplemented from time to time.

Applicable Laws means all applicable federal, provincial, state, municipal and local statutes, laws, by-laws, regulations, ordinances, orders, enactment, directives and rules and all injunctions, decisions, directives, judgments and orders of any Governmental Entity having jurisdiction in respect of a particular matter and all amendments thereto and which have the force of law.

Authorization means, with respect to a Person, any order, relief, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity, including and securities regulatory authority, having jurisdiction over the Person.

Business Day means any day of the year, other than a Saturday, Sunday or day observed as a statutory holiday in Toronto, Ontario, New York, New York or Moscow, Russia.

Calculated Amount has the meaning specified in Section 2.1(3)(b)(vi).

Claim has the meaning specified in Section 3.8(3).

Class C Common Shares Value means the lesser of (a) CDN\$77,959,401 and (b) the Market Value on the End Date of 1,000,000 Magna Class A Shares (converted from U.S. dollars to Canadian dollars as at the End Date).

Closing Date has the meaning specified in Section 2.5.

Collateral has the meaning specified in Section 2.1(1).

Comfort Letter has the meaning specified in Section 3.1(7)(b).

Early Realization Adjustment means:

- (a) the amount, if any, by which 58 percent of the aggregate of all dividends and other distributions payable on, or in respect of, 20,000,000 Magna Class A Shares with respect to record dates occurring during the time period from and including the Realization Date to and including the Second Anniversary exceeds all dividends or other distributions actually payable on, or in respect of, the relevant Escrowed Shares during that time period, plus
- (b) the Market Value as at the Second Anniversary of the Magna Class A Shares, if any, that Newco, Newco I.5 and/or Newco II would have retained out of the 20,000,000 Magna Class A Shares initially held by Newco II if: (i) there had not been a Realization Event, (ii) 20,000,000 Magna Class A Shares had been held by Newco II to and including the Second

Anniversary and (iii) (A) if the transactions contemplated by the Exchange Agreement were completed in connection with the Realization Event, the transactions described in Section 2.3(1) had been completed based on the Second Anniversary being the End Date as a result of an Exit Notice given by RM Sub pursuant to Section 2.2(1)(a), or (B) if the transactions contemplated by the Exchange Agreement were not completed in connection with the Realization Event, the transactions described in Section 2.3(2) had been completed based on the Second Anniversary being the End Date as a result of an Exit Notice given by RM Sub pursuant to Section 2.2(1)(a) and, in the case of this clause (iii), RM Sub had elected to receive Magna Class A Shares in accordance with Section 2.3(3)(a), plus

(c) the amount, if any, by which (i)(x) the Aggregate Tax Liability calculated as if the End Date were on the Second Anniversary, multiplied by (y) the number of relevant Escrowed Shares and divided by (z) 20,000,000 Magna Class A Shares, exceeds (ii) 75 percent of the Tuck Tax Liability calculated as if the Realization Date were on the Second Anniversary and calculated as if the Tuck Transactions were effected on the Second Anniversary, plus

(d) the Realization Taxes, if any.

Early Realization Limit has the meaning specified in Section 2.1(3)(b)(iii).

End Date means, in the case of a Realization, the Realization Date and, in the case of a Sale Transaction, the Closing Date.

Escrowed Shares means the No Tuck (d) Escrowed Shares, the No Tuck (e) Escrowed Shares, the No Tuck (f) Escrowed Shares, the Tuck (iv) Escrowed Shares or the Tuck (v) Escrowed Shares, as the case may be.

Exchange has the meaning assigned to it in the Exchange Agreement.

Exchange Agreement means the exchange agreement dated the date hereof among Magna, RM, RM Sub, 445, 446, Newco I.5 and Newco II.

Exchange Date has the meaning assigned to it in the Exchange Agreement.

Exit Notice has the meaning specified in Section 2.2(3).

GKP Holdco means GKP Holdings Inc., a corporation existing under the Act, and its successors.

Governmental Entity means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitrator or arbitral body, commission, board, bureau or agency, domestic or foreign, including the Ontario Securities Commission, the Autorité des marchés financiers du Québec and the United States Securities and Exchange Commission, (ii) self-regulatory organization or stock exchange, including the TSX and the NYSE, (iii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iv) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

Imputed Number has the meaning specified in Section 3.7(1).

Indemnified Party has the meaning specified in Section 3.8(3).

Indemnified Percentage has the meaning specified in Section 3.8(2).

Indemnifying Party has the meaning specified in Section 3.8(3).

Insolvency Event means any event in which an Investor: (i) is dissolved; (ii) becomes insolvent or fails or is unable or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for the winding-up or liquidation of such Investor, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for the winding-up or liquidation of such Investor or (B) is not dismissed, discharged, stayed or restrained in each case within 60 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up or liquidation; (vi) seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; or (vii) any event occurs with respect to such Investor which, under the Applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vi) (inclusive).

Investor means each of 446, RM Sub or any Permitted Transferee.

Investors Agreement means the investors agreement dated the date hereof between 446 and RM Sub.

Liabilities has the meaning specified in Section 3.8(1).

Lien means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, deemed trust, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the PPSA or comparable notice filing under the law of any other jurisdiction or any option, warrant, right or privilege capable of becoming a Transfer).

Loan Documentation means the executed agreements evidencing the RM Loan, including all ancillary agreements and documents relating to the security therefor.

Magna means Magna International Inc., a corporation existing under the Act, and its successors.

Magna Material Change means any material change (as that term is defined in the *Securities Act* (Ontario)) of Magna.

Magna Class A Shares means the class A subordinate voting shares in the capital of Magna, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events, and, where the context requires, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Magna, (iii) any securities of Magna which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any shares of Magna or any of the other above securities.

Market Value on any particular date means the volume weighted average trading price per Magna Class A Share on the NYSE for the ten NYSE trading days ending on the NYSE trading day immediately prior to such date; provided, however, that if the Magna Class A Shares are no longer traded on the NYSE on such date, Market Value means the volume weighted average trading price per Magna Class A Share on the TSX for the ten TSX trading days ending on the TSX trading day immediately prior to such date, converted from Canadian dollars into U.S. dollars as at such date.

Material Adverse Effect means any matter, event or occurrence that prevents or would reasonably be expected to prevent or significantly delay the ability of a Party to perform its obligations under this Agreement.

Minister has the meaning specified in Section 3.1(7)(a).

Newco means M Unicar Inc., a corporation existing under the Act, and its successors.

Newco I.5 means 2143453 Ontario Inc., a corporation existing under the Act, and its successors.

Newco II means 2143455 Ontario Inc., a corporation existing under the Act, and its successors.

Newco II Loan means the loan provided by RM Sub to Newco II on the date hereof and evidenced by the Newco II Loan Note.

Newco II Loan Note means the promissory note dated the date hereof issued to RM Sub by Newco II to evidence the Newco II Loan, including the ancillary agreements and documents relating to the security therefor.

Newco II Unanimous Shareholders Agreement means the Newco II unanimous shareholders agreement dated the date hereof among 446, RM Sub, Principals Holdco, Newco, Newco I.5 and Newco II.

Newco Purchaser means 446 or such other Person as 446 may designate from time to time by giving written notice to the other Parties.

Newco Shares means the Class A Shares, Class B Shares and Class C Common Shares of Newco, appropriately adjusted for stock splits, stock dividends, reverse stock splits, share consolidations and similar events, and, where the context requires, includes: (i) any securities into which such shares may be converted, reclassified, redesignated, subdivided, consolidated or otherwise changed, (ii) any securities received by the holders of such shares as a result of any merger, amalgamation, reorganization, arrangement or other similar transaction involving Newco, (iii) any securities of Newco which are received by any one or more Persons as a stock dividend or distribution on or in respect of such shares and (iv) any security, other instrument or right that is exercisable, exchangeable or convertible into, or evidences the right to acquire, any Class A Shares, Class B Shares or Class C Common Shares in the capital of Newco or any of the other above securities.

No Tuck Calculated Amount has the meaning specified in Section 2.1(5)(g).

No Tuck (d) Escrowed Shares has the meaning specified in Section 2.1(5)(d).

No Tuck (e) Escrowed Shares has the meaning specified in Section 2.1(5)(e)(iii).

No Tuck (f) Escrowed Shares has the meaning specified in Section 2.1(5)(f).

No Tuck Settlement Date has the meaning specified in Section 2.1(5)(h).

Notice has the meaning specified in Section 7.1.

NYSE means the New York Stock Exchange, and its successors.

Parties means Newco, Newco I.5, Newco II, 445, 446, RM and RM Sub.

Payment Date has the meaning assigned to it in the Newco II Loan Note.

Permitted Transferee has the meaning specified in the Investors Agreement.

Person includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, heir, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status.

Pledge Agreement means the pledge agreement dated the date hereof between Newco II and RM Sub.

PPSA means the *Personal Property Security Act* (Ontario).

Principals means each of Donald J. Walker, Siegfried Wolf, Vincent J. Galifi, Peter Koob and Jeffrey O. Palmer.

Principals Agreement means the principals agreement dated the date hereof among the Principals, GKP Holdco, Principals Holdco, Newco and Newco I.5.

Principals Holdco means MPMAG Holdings Inc., a corporation existing under the Act, and its successors.

Purchase Price has the meaning specified in Section 3.1(7)(a).

Realization Date means, with respect to a Realization Event, (a) if an Exchange is effected in connection with such Realization Event, the Exchange Date and (b) if an Exchange is not effected in connection with such Realization Event, the Payment Date.

Realization Event means any demand for repayment of the Newco II Loan that is made prior to September 20, 2027, or any event that occurs prior to such date that is deemed by the terms of the Newco II Loan Note to be such a demand.

Realization Proceeds means the gross proceeds derived from the disposition of Magna Class A Shares by RM's Lender following a Realization Event as set out in this Agreement.

Realization Taxes means any Taxes incurred or expected to be incurred, as determined by Newco's auditor, by Newco II, Newco I.5 or Newco Purchaser, as the case may be, in connection with (A) the disposition of Magna Class A Shares by RM's Lender in accordance with terms of this Agreement and (B) the disposition or expected disposition of Magna Class A Shares by Newco II, Newco I.5 or Newco Purchaser, as the case may be, in connection with Section 2.1(7).

Reasonable Selling Expenses means all reasonable underwriting fees and selling commissions actually paid by RM's Lender to arm's length third parties in connection with the disposition of Magna Class A Shares by RM's Lender following a Realization Event, to a maximum of 3% of the gross proceeds of such dispositions, but only to the extent that reasonable supporting documentation for such fees and commissions have been provided to Newco Purchaser.

Registration Rights Agreement means the registration rights agreement dated the date hereof among Magna, RM Sub, Newco I.5, Newco II and RM's Lender.

Remittance Date has the meaning specified in Section 3.1(7)(b)(v).

Replacement LC has the meaning specified in Section 3.1(7)(b).

RM Investment Amount means \$1,536,600,000.

RM Lender's Magna Class A Shares means:

- (a) in the case of any Realization Event to which Section 2.1(3)(b) is applicable, the Magna Class A Shares received by RM Sub pursuant to Section 2.1(3)(b) and the Exchange Agreement and thereafter either disposed of by RM's Lender as realization of the Collateral or retained by RM Sub or RM's Lender pursuant to Section 2.1(3)(b)(v); and

(b) in the case of any Realization Event to which Section 2.1(5) is applicable, the Magna Class A Shares either disposed of by RM s Lender in realization of the Collateral or retained by RM Sub or RM s Lender pursuant to Section 2.1(5)(e).

RM Loan has the meaning specified in Section 2.1(1).

RM Sub means Veleron Holding B.V., a company existing under the laws of The Netherlands, and its successors and Permitted Transferees.

RM Sub Securities means the Newco Class C Common Shares, Newco II Class A Common Shares and interest in the Newco II Loan and the Newco II Loan Note (or any Newco II Special Shares issued on conversion of the Newco II Loan Note) owned by RM Sub.

RM s Lender means the lender or syndicate of lenders, from time to time, providing any portion of the RM Loan that is secured by the Collateral.

Sale Transaction has the meaning specified in Section 2.5.

Second Anniversary means September 20, 2009.

Section 116(2) Certificate has the meaning specified in Section 3.1(7)(a).

Section 116(4) Certificate has the meaning specified in Section 3.1(7)(b)(iii)(B).

Section 2.1 Sale has the meaning specified in Section 2.5.

Settlement Date has the meaning specified in Section 2.1(3)(b)(vii).

Shareholder Undertaking means the agreement dated the date hereof among Frank Stronach, Oleg Deripaska, the Stronach Trust and Basic Element Ltd.

Stikeman has the meaning specified in Section 3.1(7)(b).

Sub (3)(a) Collateral Shares has the meaning specified in Section 2.1(3)(a)(iii).

Sub (3)(b)(ii) Collateral Shares has the meaning specified in Section 2.1(3)(b)(iii).

Sub (3)(b)(ii)(A) Collateral Shares has the meaning specified in Section 2.1(3)(b)(ii)(A).

Sub (3)(b)(ii)(B) Collateral Shares has the meaning specified in Section 2.1(3)(b)(ii)(B).

Sub (4) Collateral Shares has the meaning specified in Section 2.1(4)(b).

Sub (4) Incremental Tax Liability means the aggregate, as calculated by Newco II's auditors, of (a) the Aggregate Tax Liability computed in establishing the number of Sub (4) Collateral Shares under Section 2.1(4)(b), recalculated as if the proceeds of disposition per Magna Class A Share for such calculation had been equal to the average proceeds of disposition per Magna Class A Share realized by RM's Lender in disposing of the Sub (4) Collateral Shares (rather than the Market Value on the Realization Date), minus (b) the Aggregate Tax Liability, as calculated in establishing the number of Sub (4) Collateral Shares under Section 2.1(4)(b). The Sub (4) Incremental Tax Liability can never be less than zero.

Sub (4) Settlement Date has the meaning specified in Section 2.1(4)(c).

Sub (5) Realization End Date has the meaning specified in Section 2.1(5)(b).

Suspension Period has the meaning assigned to it in the Registration Rights Agreement.

Tax Act has the meaning specified in Section 3.1(7)(a).

Taxable RM Sub Securities has the meaning specified in Section 3.1(7)(a).

Taxes means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers

compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in (i) or this (ii); (iii) any liability for the payment of any amounts of the type described in (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

Third Anniversary means September 20, 2010.

Time of Closing means (a) in the case of a Sale Transaction, 10:00 a.m. (Toronto time) on the Closing Date or such later or earlier time on the Closing Date as those Parties to a Sale Transaction may agree in writing or (b) in the case of a Realization Event, 10:00 a.m. (Toronto time) on the Realization Date or such later or earlier time on the Realization Date as those parties to the purchase and sale of RM Sub Securities pursuant to Section 2.1 may agree in writing.

Trading Day means a day on which there is trading of Magna Class A Shares on either the TSX or the NYSE, other than any day on which RM's Lender does not sell or cause the sale of any of the RM's Lender Magna Class A Shares and there is a Blackout Period or a Suspension Period (as both terms are defined in the Registration Rights Agreement) in effect following the receipt by Magna of a Request Notice (as such term is defined in the Registration Rights Agreement).

Transaction Agreement means the transaction agreement dated May 10, 2007 among Magna, RM, RM Sub, 445, the Stronach Trust and the Principals.

Transaction Agreements means this Agreement, the Exchange Agreement, the Investors Agreement, the Newco II Unanimous Shareholders Agreement, the Newco II Loan Note, the Pledge Agreement and the Registration Rights Agreement.

Transfer means any (i) transfer, sale, assignment, exchange, gift, donation, mortgage, pledge, charge, encumbrance, grant of security interest or other disposition of securities where possession, legal title, beneficial ownership or the economic risk or return associated with such securities passes directly or indirectly from one Person to another or to the same Person in a different

legal capacity, whether or not for value, whether or not voluntary and however occurring, or (ii) agreement, undertaking or commitment to effect any of the foregoing and **Transferred** shall be construed accordingly.

TSX means the Toronto Stock Exchange, and its successors.

Tuck (iv) Escrowed Shares has the meaning specified in Section 2.1(3)(b)(iv).

Tuck (v) Escrowed Shares has the meaning specified in Section 2.1(3)(b)(v).

Tuck Tax Liability means the aggregate, as calculated by Newco I.5's auditors, of (a) the Taxes which would be incurred by Newco I.5 if (i) all of the Magna Class A Shares received by Newco I.5 after giving effect to the Tuck Transactions were disposed of on the relevant End Date for proceeds of disposition equal to the Market Value on such date of such shares (such proceeds converted from U.S. dollars to Canadian dollars as at the End Date); (ii) for its taxation year in which the End Date occurred, Newco I.5 had no income other than the capital gain, if any, from such disposition; (iii) Newco I.5 was, throughout the taxation year in which the End Date occurred, a Canadian-controlled private corporation; (iv) Newco I.5 had paid a taxable dividend (the **Taxable Dividend**) in such taxation year in the minimum amount required for Newco I.5 to be entitled to receive a refund (the **Dividend Refund**) of all of its refundable dividend tax on hand generated as a consequence of the capital gain, if any, described in (ii) above; (v) the taxation year of Newco I.5 ended immediately after payment of the Taxable Dividend; (vi) Newco I.5 was taxable in respect of such disposition at the federal and Ontario corporate tax rates applicable on the End Date (including any applicable surtaxes) to a corporation that is a Canadian-controlled private corporation; (vii) in computing its Taxes in respect of such disposition, Newco I.5 deducted the full amount of the Dividend Refund; and (viii) Newco I.5 claimed no losses, deductions or credits in calculating its income, taxable income or Taxes other than the Dividend Refund and any losses, deductions and credits arising as a result of the transactions, arrangements, events, activities and undertakings of Newco I.5 pursuant to and in accordance with the Transaction Agreements; and (b) the Taxes which would be payable by an individual who is a natural person resident in the Province of Ontario if (i) the individual had received the Taxable Dividend; (ii) the Taxable Dividend was an eligible dividend; (iii) the federal and Ontario tax rates applicable to the individual in respect of the Taxable Dividend were the highest marginal federal and Ontario tax rates (including any applicable surtaxes); and (iv) there were no deductions made or credits taken in calculating the Taxes of the individual other than the dividend tax credit arising as a result of the Taxable Dividend. The Tuck Tax Liability can never be less than zero.

Tuck Transactions means the Exchange and the other transactions contemplated by the Exchange Agreement.

Withheld Amount has the meaning specified in Section 3.1(7)(b).

Section 1.2 Gender and Number.

Any reference in this Agreement to gender includes all genders. Words importing the singular number also include the plural and *vice versa*.

Section 1.3 Divisions and Headings.

The division of this Agreement into Articles and Sections, the insertion of headings and the inclusion of a table of contents are for reference purposes only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article or a Section refers to the specified Article or Section of this Agreement.

Section 1.4 Currency.

Unless otherwise indicated, all dollar amounts in this Agreement are expressed in United States funds. Any amount that is expressed in this Agreement to be converted from Canadian dollars to U.S. dollars as at any date shall be converted to U.S. dollars at the Bank of Canada noon spot rate on the Business Day immediately preceding such date. Any amount that is expressed in this Agreement to be converted from U.S. dollars to Canadian dollars as at any date shall be converted to Canadian dollars at the Bank of Canada noon spot rate on the Business Day immediately preceding such date.

Section 1.5 Certain Phrases, etc.

In this Agreement, (i) the words **including**, **includes** and **include** mean **including (or includes or include) without limitation**, and (ii) the words **the aggregate of**, **the total of**, **the sum of**, or a phrase of similar meaning means **the aggregate (or total or sum), without duplication, of**. The expressions **Article**, **Section** and other subdivision followed by a number mean the specified Article, Section or other subdivision of this Agreement.

Section 1.6 Statutory References.

A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supercedes any such statute or any such regulation or rule.

ARTICLE 2

ENCUMBERING SECURITIES AND EXIT TRANSACTIONS

Section 2.1 Encumbering of Securities.

- (1) RM Sub is permitted to pledge its Newco Class C Common Shares and Newco II Class A Common Shares, the Newco II Loan Note, the Special Shares of Newco II issued to RM Sub on the conversion of the Newco II Loan Note and any Magna Class A Shares pledged to RM Sub as security for the Newco II Loan or any Magna Class A Shares otherwise receivable by RM Sub, or by Newco I.5 in the case of Section 2.1(3)(b), pursuant to the terms of this Agreement or the Exchange Agreement, to assign by way of security the rights and obligations of RM Sub under this Agreement and the Exchange Agreement and to grant a security interest in cash or near-cash equivalents (collectively, the **Collateral**) to secure the financing (including any refinancing, extension or renewal thereof) provided to RM and/or RM Sub for all or part of the RM Investment Amount to be used by RM Sub to capitalize Newco and Newco II by way of the acquisition of the RM Sub Securities in accordance with the Plan of Arrangement (such financing, refinancing, extension or renewal being the **RM Loan**), provided that:
 - (a) the Collateral is held, either for RM's Lender's own account or as collateral agent, by CIBC Mellon Trust Company or a financial institution qualified to conduct business as a bank or trust company under the Applicable Laws of Canada or the United States of America and having (together with its controlling shareholder, provided that such controlling shareholder is also a bank, bank holding company or trust company under the Applicable Laws of Canada or the United States of America) total assets of at least \$5,000,000,000;
 - (b) the Loan Documentation specifies that:
 - (i) other than to the extent required to realize on any of the Collateral in a manner that complies with this Agreement, RM's Lender shall not have any claim against Newco, Newco I.5, Newco II or any of their assets and under no circumstances shall RM's Lender be entitled to exercise any rights of RM Sub under the Investors Agreement or the Newco II Unanimous Shareholders Agreement;

- (ii) until the Second Anniversary, the total amount secured by the Collateral shall not exceed 80 percent of the RM Investment Amount, plus Reasonable Selling Expenses;
 - (iii) following the Second Anniversary, the total amount secured by the Collateral shall not exceed the RM Investment Amount; and
 - (iv) the Magna Class A Shares pledged as security for the Newco II Loan shall be certificated and remain registered in the name of Newco II until a Realization Event, and prior to any Realization Event:
 - (A) Newco II shall be entitled to receive all cash dividends or other cash distributions on, or in respect of, such Magna Class A Shares, free and clear of Liens, created by the Loan Documentation; and
 - (B) Newco II shall be entitled to vote such Magna Class A Shares;
 - (c) RM's Lender executes an undertaking in favour of 446 and Newco II acknowledging that the interest of RM's Lender in the Collateral is subject to, and that RM's Lender agrees to comply with, the provisions of the Loan Documentation that correspond to this Section 2.1;
 - (d) RM Sub shall send to Newco and Newco II any notices of default received from RM's Lender under the RM Loan, promptly after receipt of any such notices, and keep Newco and Newco II updated, on a timely basis, on further developments related to such defaults and the consequences thereof; and
 - (e) RM Sub shall not agree to any amendment of the Loan Documentation, or the entry into of further Loan Documentation, that is inconsistent with this Section 2.1.
- (2) [Intentionally omitted]

- (3) If a Realization Event occurs and RM's Lender agrees to effect the Tuck Transactions, then:
- (a) if the Exchange Date occurs on or after the Second Anniversary:
- (i) the Parties shall effect the Tuck Transactions in accordance with the terms of the Exchange Agreement;
 - (ii) on the Exchange Date, Newco Purchaser shall hereby acquire from RM Sub, and RM Sub shall hereby sell to Newco Purchaser, the Newco Class C Common Shares held by RM Sub, free and clear of Liens, for a purchase price equal to the greater of (x) zero and (y) (A) the Class C Common Shares Value, minus (B) 25 percent of the Tuck Tax Liability, if any (all amounts in this clause (ii) calculated in Canadian dollars and then converted from Canadian dollars to U.S. dollars as at the Exchange Date);
 - (iii) the purchase price for the Newco Class C Common Shares shall be paid and satisfied on the Exchange Date by the transfer by Newco Purchaser to, or at the direction of, RM Sub of that number of Magna Class A Shares with a Market Value on the Exchange Date equal to the purchase price for the Newco Class C Common Shares (the Magna Class A Shares received by RM Sub pursuant to clause (i) above and this clause (iii) being the **Sub (3)(a) Collateral Shares**); and
 - (iv) the Parties acknowledge that RM's Lender shall be entitled to realize only on the Sub (3)(a) Collateral Shares in accordance with the Loan Documentation; and
- (b) if the Exchange Date occurs prior to the Second Anniversary:
- (i) the Parties shall effect the Tuck Transactions in accordance with the terms of the Exchange Agreement, and Newco I.5 hereby agrees that any Magna Class A Shares received by it pursuant to the terms of the Exchange Agreement shall form part of the Collateral;
 - (ii) on the Exchange Date,
 - (A) RM Sub shall deliver to RM's Lender the Magna Class A Shares received by RM Sub pursuant to clause (i) above (being the **Sub (3)(b)(ii)(A) Collateral Shares**);

- (B) Newco I.5 shall deliver to RM's Lender the Magna Class A Shares received by Newco I.5 pursuant to clause (i) above (being the **Sub (3)(b)(ii)(B) Collateral Shares**); and
- (C) Newco Purchaser shall hereby acquire from RM Sub, and RM Sub shall hereby sell to Newco Purchaser, the Newco Class C Common Shares, free and clear of Liens, and RM Sub's interest in the Sub (3)(b)(ii)(A) Collateral Shares for the consideration calculated in accordance with clause (vi) below and payable in accordance with clause (vii) below, subject, in the case of the Sub 3(b)(ii)(A) Collateral Shares, to the prior Lien in favour of RM's Lender;
- (iii) the Parties acknowledge that RM's Lender shall be entitled to realize on the Sub (3)(b)(ii)(A) Collateral Shares and the Sub(3)(b)(ii)(B) Collateral Shares (collectively, the **Sub (3)(b)(ii) Collateral Shares**) in accordance with the Loan Documentation and clause (ix) below until the earlier to occur of (x) RM's Lender receiving Realization Proceeds equal to the **Early Realization Limit**, being the lesser of (1) 80 percent of the RM Investment Amount plus Reasonable Selling Expenses and (2) the total amount secured by the Collateral and (y) a period of 60 Trading Days has passed following the Realization Event;
- (iv) if the earlier to occur in clause (iii) above is RM's Lender receiving Realization Proceeds equal to the Early Realization Limit, RM Sub and RM's Lender shall deliver to Newco Purchaser for Newco Purchaser to hold in trust until final allocation thereof in accordance with clauses (vi) and (vii) below the Sub (3)(b)(ii) Collateral Shares not previously disposed of by RM's Lender, free and clear of Liens (other than the trust mentioned above) (such shares, the **Tuck (iv) Escrowed Shares**);
- (v) if the earlier to occur in clause (iii) above is the 60-Trading Day period, RM Sub and RM's Lender shall deliver to Newco Purchaser for Newco Purchaser to hold in trust until final allocation thereof in accordance with clauses (vi) and (vii) below the Sub (3)(b)(ii) Collateral Shares not previously disposed of by RM's Lender less a number of Magna Class A Shares with a Market Value (as of the end of the 60-Trading Day period) equal to the Early Realization Limit minus the Realization Proceeds to RM's