

**IMPORTANT WARNING, PLEASE READ IT!**

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**PUBLIC PURCHASE OFFER OF  
LINAMAR CORPORATION AS BIDDER**

**FOR ALL REGISTERED ORDINARY VOTING SHARES OF  
LINAMAR HUNGARY NYILVÁNOSAN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG**

Budapest, 26 March 2007

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**THE OFFER HAS BEEN APPROVED BY THE RESOLUTION NO. E-III/26.068-1/2007 OF THE HUNGARIAN FINANCIAL SUPERVISORY AUTHORITY**

This Offer, its annexes and related documentation shall not be made, delivered or communicated in any form (postal or in electronic form, or distribution by any means of telecommunication) and shall not be disseminated or published, directly or indirectly, in the Republic of Ireland, USA, Australia or Japan, and in any other country in which such dissemination or publication of this Offer, its annexes and related documentation would constitute a violation of the requirements of the applicable Regulation. This Offer is made and is to be construed exclusively in accordance with Hungarian law, and will not be subject to any filing with, or approval by, any foreign regulatory authority, including, without limitation under the US Securities Exchange Act of 1934, as amended.

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**Definitions**

In addition to the terms defined elsewhere in this Offer, for the purposes of this Offer (including its annexes) the terms set out below shall have the following meaning:

**Acceptance Manual:** The document providing instructions with respect to the Acceptance of the Offer and the proper completion of the Shareholder Declaration, and is attached as Annex 2 of the Offer.

**Acceptance of the Offer:** Transferring the Shares to the Blocked Securities-Sub Account by way of a Valid Share Transfer.

**Acceptance Period:** The period commencing on the Commencement Day and terminating at 6 p.m. CET on the Closing Day, except if the Acceptance Period is extended by the HFSA upon a request, in accordance with section 70(5) of the Capital Markets Act.

**Accepting Shareholder:** A Shareholder, who by way of a Valid Share Transfer concludes a Share Purchase Agreement with the Offeror in respect of all or a part of his Shares.

**Blocked Securities Sub-Account:** The sub-account of the securities account held by the Trading Agent at KELER, account number: 0035/8, blocked in favour of the Accepting Shareholders who transferred their Shares to such sub-account until (i) the title to such shares passes to the Offeror on the Closing Day in accordance with the terms and conditions of this Offer, or (ii) the termination of the Offer in accordance with the terms and conditions of this Offer. The Trading Agent will not dispose of the Shares transferred to the Blocked Securities Sub-Account otherwise as provided for in the Offer.

**Business Report:** The report on the business operations of the Offeror in accordance with section 69(4) of the Capital Markets Act, and with the contents as set forth by annex 8 of the Capital Markets Act.

**Capital Gain:** The difference between (i) the Offer Price and (ii) the aggregate of the original acquisition price and other related costs paid by the Accepting Shareholder in relation to his or her Shares.

**Capital Markets Act:** Act CXX of 2001 on the Capital Market.

**Certificate of coverage:** Kereskedelmi és Hitelbank issued a certificate of coverage in favor of the Offeror for an amount of HUF 10,658,247,600 (ten billion six hundred fifty-eight million two hundred forty-seven thousand six hundred) that was deposited by the Offeror with Kereskedelmi és Hitelbank to secure the Offeror's payment obligation under the Offer. The Offeror filed this certificate of coverage with the HFSA along with the application for the approval of the Offer.

**CET:** Central European Time (Greenwich Mean Time plus 1 hour), the local time in Hungary.

**Civil Code:** Act IV of 1959 on the Civil Code of the Republic of Hungary.

**Closing Day:** The Tuesday falling on the ninth week following the Commencement Day on which day the Acceptance Period will end at 6 p.m. CET.

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**Commencement Day:** The 9 a.m. CET on the second day following the publication of the Offer (or the latest publication if the Offer was published on the Publication Sites at different times) as approved by the HFSA.

**Company:** Linamar Hungary Autóipari és Gépgyártó Nyilvánosan Működő Részvénytársaság (registered seat: 5900 Orosháza, Csorvási út 27. ; registration number: Cg. 04-10-001384).

**Court Deposit:** An escrow account of the court, provided for by the Decree of the Ministry of Justice No. 27/2003 (VII.2.) on the court deposit and Section 287 of the Civil Code, to which the Offeror has the right to transfer the Offer Price that it is required to pay to those Accepting Shareholders, who have not provided to the Trading Agent within 6 months following the Closing Day a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer, and where the Offer Price so transferred will subsequently be held for such Accepting Shareholders until the competent court in accordance with applicable Hungarian law adopts a resolution on the release of the Offer Price upon the request of the relevant Accepting Shareholder.

**Coverage:** An amount of HUF 10,658,247,600 (ten billion six hundred fifty-eight million two hundred forty-seven thousand six hundred) deposited with Kereskedelmi és Hitelbank to secure the Offeror's payment obligation under the Offer.

**Escrow Account:** A separated sub-account of the Offeror maintained at the Trading Agent where the Offer Price due to Accepting Shareholders who effected a Valid Share Transfer, but who have not submitted within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer, is paid and held for such Accepting Shareholders until the earlier of (i) receipt by the Trading Agent of a Sufficiently Completed Shareholder Declaration, (ii) the transfer to Court Deposit of the Offer Price due to such Accepting Shareholders or (iii) the elapsing of the right to claim the Offer Price due to passing of time (as set out in more detail in section 2.3 of the Offer).

**Group:** The Company together with its subsidiaries.

**Health Care Contribution Act:** Act LXVI of 1998 on Health Care Contribution (as amended with effect up to the Closing Day).

**HFSA:** Hungarian Financial Supervisory Authority (registered address: H-1013 Budapest, Krisztina krt. 39.).

**Kereskedelmi és Hitelbank:** Kereskedelmi és Hitelbank Nyrt. (1051 Budapest, Vigadó tér 1., company registration number: Cg: 01-10-041043)

**KELER:** the Central Depository and Clearing House (Budapest) Rt. (1075 Budapest, Asbóth u. 9-11.).

**Location for Acceptance:** Any of the addresses listed in Annex 4 of the Offer.

**Offer:** The mandatory public purchase offer made by the Offeror to all Shareholders for the purchase, by cash payment, of all Shares in the Company, pursuant to section 82(3) of Act No. L of 2001 on the amendment of the laws on financial matters and pursuant to Section 68 of the Capital Markets Act.

**Offer Price:** The price payable as consideration for the Shares by the Offeror, which is HUF 3,003 (three thousand and three Forint) per Share.

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**Offeror:** Linamar Corporation (registered seat: 287 Speedvale Ave. W., Guelph, Ontario, Canada N1H 1C5, company registration number: Cg. 1455907).

**Official Translation:** the Hungarian translation prepared by the Hungarian Office of Translations and Attestations (52 Bajza u., H-1062 Budapest, Hungary).

**Operation Plan:** The summary prepared by the Offeror on the planned operations of the Company in accordance with section 69(4) of the Capital Markets Act, and with the contents as set forth by annex 8 of the Capital Markets Act.

**Parties Acting in Concert:** Is defined in Section 1.1 of the Offer.

**Personal Income Tax Act:** Act CXVII of 1995 on the Personal Income Tax.

**Power of Attorney:** A power of attorney, granted by a Shareholder authorising a proxy to act on his behalf with respect to the Offer.

**Publication Sites:** The website of the Company ([www.linamar.hu](http://www.linamar.hu)), the website of the Trading Agent ([www.erstebroker.hu](http://www.erstebroker.hu)) and the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)).

**Regulation:** Legislation, market practice or regulation.

**Share(s):** All and each voting registered ordinary share(s) issued by the Company, which are not owned by the Offeror, i.e.: 3,789,200 dematerialised ordinary, registered shares, each with a nominal value of HUF 100,- The shares in the Company are listed on the Budapest Stock Exchange (ISIN ID number: HU0000074851).

**Share Purchase Agreement:** The share purchase agreement coming into existence between the Offeror and each Accepting Shareholder at 6 p.m. CET on the Closing Day with respect to all Shares transferred to the Blocked Securities Sub-Account by way of a Valid Share Transfer in accordance with the requirements set out in the Offer.

**Shareholder:** A holder of any of the Shares other than the Offeror.

**Shareholder Declaration:** The declaration of an Accepting Shareholder being in the form as set out in Annex 1 of the Offer and containing certain important data of the Accepting Shareholder relevant for the payment of the Offer Price.

**Sufficiently Completed Shareholder Declaration:** A Shareholder Declaration containing at least:

- a) In the case of a Hungarian tax resident:
  - (i) The birth name, name/company name, the address/registered seat, the place and date of birth, sex, mother's name, citizenship (if applicable), and the tax number of the Accepting Shareholder;
  - (ii) the Hungarian bank account number/or the Hungarian client account number to which the Accepting Shareholder would like to have the Offer Price transferred; and
  - (iii) the signature of the Accepting Shareholder or its proxy (as the case may be).

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- b) In the case of a foreign tax resident:
- (i) The birth name, name/company name, the address/registered seat and the place and date of birth, sex, mother's name, citizenship (if applicable) of the Accepting Shareholder;
  - (ii) the Hungarian bank account number/or the Hungarian client account number to which the Accepting Shareholder would like to have the Offer Price transferred;
  - (iii) the declaration and certificates pursuant to point 5 of the Shareholder Declaration; and
  - (iii) the signature of the Accepting Shareholder or its proxy (as the case may be).

**Trading Agent:** Erste Befektetési Zrt. (registered seat: 1138 Budapest, Népfürdő utca 24-26., 8.em., company registration number: Cg. 01-10-041373), an investment service provider holding a licence in accordance with section 81(2)(e) of the Capital Markets Act (licence number: 75.005/19/2002).

**Valid Share Transfer:** Any transfer of Shares to the Blocked Securities Sub-Account, provided that the identity of the Accepting Shareholder having initiated such transfer is apparent from (i) the transfer instructions or messages accompanying the transfer or (ii) a corresponding Shareholder Declaration, provided the given Shareholder Declaration may be matched with a given share transfer.

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**Introduction**

This Offer is made in compliance with sections Section 68 and 65 to 78 of the Capital Markets Act and Section 82 subsection 3 of Act No. L. of 2001 on the amendment of laws on financial matters and is expressly made subject to the following restriction:

This Offer, its annexes and related documentation shall not be made, delivered or communicated in any form (postal or in electronic form, or distribution by any means of telecommunication) and shall not be disseminated or published, directly or indirectly, in the Republic of Ireland, USA, Australia or Japan, and in any other country in which such dissemination or publication of this Offer, its annexes and related documentation would constitute a violation of the requirements of the applicable Regulation. This Offer is made and is to be construed exclusively in accordance with Hungarian law, and will not be subject to any filing with, or approval by, any foreign regulatory authority, including, without limitation under the US Securities Exchange Act of 1934, as amended.

**Summary of the Offer**

**Offeror:** Linamar Corporation (registered seat: 287 Speedvale Ave. W., Guelph, Ontario, Canada N1H 1C5, company number: 1455907).

**Trading Agent:** Erste Befektetési Zrt. (registered seat: 1138 Budapest, Népfürdő utca 24-26., 8.em., registration number: Cg. 01-10-041373).

**Subject of the Offer:** All the Shares of the Company, which are not owned by the Offeror.

**Offer Price:** The price payable for the Shares in the Company, which is HUF 3,003 (three thousand three Forint) per Share.

**Certificate of coverage:** Kereskedelmi és Hitelbank issued a certificate of coverage in favor of the Offeror for an amount of HUF 10,658,247,600 (ten billion six hundred fifty-eight million two hundred forty-seven thousand six hundred) that was deposited by the Offeror with the Kereskedelmi és Hitelbank to secure the Offeror's payment obligation under the Offer. The Offeror filed this certificate of coverage with the HFSA along with the application for the approval of the Offer.

**Acceptance Period:** The period commencing on the Commencement Day, and terminating at 6 p.m. CET on the Closing Day, except if the Acceptance Period is extended by the HFSA upon a request in accordance with section 70(5) of the Capital Markets Act. All Shareholders may accept the Offer within the Acceptance Period, in the manner described in section 2.10 of the Offer.

**Acceptance of the Offer:** The Acceptance of the Offer shall be deemed as valid if the Shares with respect to which the Offer is accepted have been transferred to the Blocked Securities Sub-Account by way of a Valid Share Transfer during the Acceptance Period. The Share Purchase Agreement will come into existence between the Offeror and the Accepting Shareholder on the Closing Day.

**Representations and warranties of the Accepting Shareholder:** Section 3 of the Offer includes important representations and warranties made for the benefit of the Offeror by the Accepting Shareholder as part of the Share Purchase Agreement. Shareholders are advised to carefully read the provisions of section 3 of the Offer.

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**Payment of the Offer Price:** The Offer Price shall be paid by the Offeror with the assistance of the Trading Agent no later than 5 (five) business days after (and not including) the Closing Day by wire transfer (i) to the account held in Hungary specified in the Shareholder Declaration, provided that such specified account is a bank account of the Accepting Shareholder or his/her client account with an investment service provider or (ii), with respect to Accepting Shareholders who have not submitted within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer, to the Escrow Account. Any amounts of Offer Price paid to the Escrow Account are subject to the provisions and limitations set out in section 2.3 of the Offer.

**Reporting:** The Offeror and the Trading Agent shall report the result of the Offer to the HFSA no later than 2 (two) days after (and not including) the Closing Day, and simultaneously shall publish such result on the Publication Site(s).

**Operation Plan, Business Report:** The Operation Plan and the Business Report are available for inspection until the Closing Day at the registered seat of the Trading Agent (1138 Budapest, Népfürdő utca 24-26.) on every working day during business hours.

**Other information:** In the case of any questions or queries related to the Offer please contact:

Garamszegi Tamás

Mailing address: 1138 Budapest, Népfürdő utca 24-26, floor no. 8

Phone number: +36 1 235 5125

Fax number: +36 1 235 5190

E-mail: [tamas.garamszegi@erstebroker.hu](mailto:tamas.garamszegi@erstebroker.hu)

Opening hours for clients: CET 10 a.m. to 4 p.m.

**The Publication Sites of the Offer:** The website of the Company ([www.linamar.hu](http://www.linamar.hu)), the website of the Trading Agent ([www.erstebroker.hu](http://www.erstebroker.hu)) and the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)).

This summary is for information purposes only, for easier understanding of the Offer and may not serve as a substitute for the careful study of the Offer and the Shareholder Declaration.

This Offer relates to all the Shares of the Company. This Offer is a Public Purchase Offer, made pursuant to sections 65-78 of the Capital Markets Act to all Shareholders of the Company.

The date of this Offer is: 26 March 2007.

**This Offer has been approved by the HFSA.**

The Offeror will initiate the publication of the Offer, as approved by the HFSA on the Publication Sites immediately after receipt of the approval of the HFSA.

Apart from the HFSA's approval, which is required for this Offer, there is no need to obtain a competition clearance.

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**1. DESCRIPTION OF THE OFFEROR AND THE PARTIES ACTING IN CONCERT, THE COMPANY AND THE TRADING AGENT**

**1.1 The Offeror and the Parties Acting in Concert**

Company name: Linamar Corporation  
Registered seat: 287 Speedvale Ave. W., Guelph, Ontario, Canada N1H 1C5  
Company number: 1455907  
Share capital indicated in the articles: Company is entitled to issue unlimited number of ordinary shares. The number of the issued shares are 69,838,276.

a) Background

Linamar Corporation holds 4,790,800 ordinary shares representing approximately 55.83% of the Company's registered share capital and approximately 55.83% of votes at the Company's general meeting.

Mr. Frank Hasenfratz and Ms. Linda (Newton) Hasenfratz and Linamar Holdings Inc. (seat: 287 Speedvale Ave. W., Guelph, Ontario, Canada N1H 1C5, company registration number: 1644001) are parties acting in concert with the Offeror.

Mr. Hasenfratz is Chairman of the Board of the Company and Ms. Hasenfratz is a Director of the Company; they own respectively 365,000 (4.25%) and 97,000 (1.13%) of the outstanding shares of the Company. In addition, Mr. Hasenfratz is Chairman of the Board of the Offeror and Ms. Hasenfratz is a Director and Chief Executive Officer of the Offeror. Mr. Hasenfratz directly or indirectly exercises control over 14,856,300 (21.27%) shares of the Offeror; Ms. Hasenfratz owns 2,648,490 (3.79%) shares of the Offeror.

Linamar Holdings Inc., a wholly owned subsidiary of the Offeror, holds 240,000 (2.797%) shares of the Company.

The shareholding of the close relatives, in accordance with the Civil Code, of Mr. Frank Hasenfratz in the Company is included in Annex 5.

Linamar Holdings Inc. made a declaration based on Section 69 subsection 8 of the Capital Markets Act, which has been filed with the Hungarian Financial Supervisory Authority and pursuant to which they will not accept the offer, nor will they enter into an agreement thereon, and that they will not alienate their shares during the Acceptance Period and during the two years following the Closing Day.

The members of the Linamar Group collectively qualify as "**Parties Acting in Concert**" within the meaning of Section 5(1) point 137 and 65/A(4) of the Capital Markets Act.

A detailed list on the members of Linamar Group is attached to the Business Report and which is available for inspection until the Closing Day at Locations for Acceptance as set out in Annex 4 on every working day during business hours.

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**1.2 The Company**

Company name: Linamar Hungary Nyilvánosan Működő Részvénytársaság  
Registered seat: 5900 Orosháza, Csorvási út 27.  
Registration number: Cg. 04-10-001384  
Tax number: 10732346-2-04  
Registered share capital: HUF 858,000,000

The Company is a company limited by shares incorporated and domiciled in the Republic of Hungary on December 31, 1991. The Company manufactures and distributes precision-machined components and assemblies for the automotive and other industries and general machinery and agricultural harvesting equipment.

The registered share capital of the Company consists of 8,580,000 registered dematerialised ordinary shares with a nominal value of HUF 100 each. All issued shares are voting shares.

**1.3 The relationship between the Company, on the one part, and the Offeror, on the other part**

The Company is a subsidiary of Linamar Corporation (the Offeror), a company incorporated in Ontario, Canada. Linamar Corporation has remained the majority shareholder of the Company after the Company's shares were listed on the Budapest Stock Exchange. Linamar Corporation owns slightly more than 55% of the shares of the Company.

**1.4 The Trading Agent**

The Offeror has engaged Erste Befektetési Zrt. as Trading Agent to implement the Offer pursuant to section 69(2)(f) of the Capital Markets Act:

Company name: Erste Befektetési Zrt.  
Registered seat: 1138 Budapest, Népfürdő utca 24-26. floor no. 8.  
Registration number: Cg. 01-10-041373  
Tax number: 103616966-2-41  
Share capital: HUF 2,000,000,000

**2. TERMS AND CONDITIONS OF THE OFFER**

**2.1 Offer and Acceptance Period**

The Offeror hereby makes a public purchase offer to all Shareholders for all Shares, subject to the terms and conditions set out in this Offer. The Acceptance Period shall be the period commencing on the Commencement Day and terminating at 6 p.m. CET on the Closing Day, except if the Acceptance Period is extended by the HFSA upon a request, in accordance with

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section 70(5) of the Capital Markets Act.

## **2.2 Offer Price**

The Offer Price payable for the Shares of the Company is HUF 3,003 (three thousand and three) per Share.

The Offer Price has been determined by taking into account the following circumstances.

The shares of the Company are traded on the regulated market of the Budapest Stock Exchange.

Considering this,

a) the average stock exchange price weighted by the volume of trade on the Budapest Stock Exchange during the 180 day period preceding the date on which the present Offer is submitted to the HFSA, with regard to Section 72 (2)-(4) is HUF 2,516.4603 that is two thousand five hundred sixteen point four thousand six hundred and three ten thousandths Hungarian Forints.

b) the highest price contracted for the transfer of the Company's Share by the Offeror and affiliated persons within the 180 day period preceding the date when the bid was submitted. No such transaction has taken place.

c) the average price per Share weighted by the volume of traded Shares on the Budapest Stock Exchange during the 360 day period preceding the date on which the Offer was submitted to the HFSA for approval, with regard to Section 72 (2)-(4) of Capital Markets Act, is HUF 2.184,7166 that is two thousand one hundred eighty-four point seven thousand one hundred and sixty-six ten thousandths Hungarian Forints.

d) the aggregate of the contracted call price and the fee of a purchase or repurchase option exercised by the Offeror and affiliated persons within the 180 day period preceding the date when the bid was submitted. No such transaction has taken place;

e) the aggregate of the contracted call price and the fee of a purchase or repurchase option fixed in an agreement by the Offeror and affiliated persons concluded within the 180 day period preceding the date when the bid was submitted. No such transaction was taken place.

f) the consideration received for exercising the voting rights fixed in an agreement by the Offeror and affiliated persons concluded within the 180 day period preceding the date when the bid was submitted. No such transaction has taken place.

Based on the above, the Offer Price of HUF 3,003 (three thousand and three) per Share is higher than the highest price rendered to be taken into account with respect to the factors listed in Section 72 (1)-(4) of the Capital Markets Act.

The Offer Price was determined in compliance with Section 72 of the Capital Markets Act. No other circumstances had to be taken into consideration according to the Capital Markets Act, and no other circumstances have been taken into account when determining the Offer Price.

The Offer Price will be paid fully in money.

## **2.3 Payment terms**

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The Offer Price will be paid by the Offeror with the assistance of the Trading Agent (subject to a possible deduction of income tax and other amounts as required by law) no later than 5 (five) business days after (and not including) the Closing Day by wire transfer to the account held in Hungary specified in the Shareholder Declaration, provided that such specified account can either be a bank account of the Accepting Shareholder or a client account of the Accepting Shareholder with an investment service provider.

Pursuant to the terms of this Offer the Offer Price will be paid by the Offeror, with the assistance of the Trading Agent, for all Shares in respect of which a Share Purchase Agreement was concluded. In the event that the Offer is terminated in accordance with section 4 of the Offer, the Offeror will return the Shares to the Accepting Shareholders, with the assistance of the Trading Agent.

**Payment of the Offer Price is possible only to a Hungarian account kept at a Hungarian credit institution or an investment enterprise.**

**Payment of the Offer Price to a non-Hungarian account is not possible.**

**Those Shareholders who desire to accept the Offer but do not have a Hungarian bank account or a client account with a Hungarian securities account manager are requested to open one of the aforementioned types of account in order to receive the Offer Price.**

**Accepting Shareholders wishing to exchange payments of Offer Price received by them from HUF into foreign currency are responsible for arranging for such conversion.**

The costs of the paying bank shall be borne by the Offeror, and the costs and fees of the receiving bank shall be borne by the Accepting Shareholder.

**Shareholders are asked to note the following consequences of a failure to submit within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer:**

The Offer Price due to Accepting Shareholders who effected a Valid Share Transfer but who have not submitted within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer will be paid by the Offeror with the assistance of the Trading Agent to the Escrow Account no later than 5 (five) business days after (and not including) the Closing Day. Any amounts so paid to the Escrow Account will be paid by the Offeror with the assistance of the Trading Agent to the relevant Accepting Shareholders after receipt by the Trading Agent of a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer.

Should an Accepting Shareholder whose Offer Price has been paid to the Escrow Account fail to provide the Trading Agent with a Sufficiently Completed Shareholder Declaration within 6 months following the Closing Day, the Offeror has the right to transfer the Offer Price in respect of the relevant Accepting Shareholder from the Escrow Account to Court Deposit. In the case of such a transfer to Court Deposit, the right of the Accepting Shareholder to claim the Offer Price cannot be enforced against the Offeror and the Accepting Shareholder is restricted to claiming the Offer Price solely from Court Deposit.

In the event the Accepting Shareholder has provided the Trading Agent with a duly signed copy of the Shareholder Declaration, which however does not fulfil the criteria of a Sufficiently

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Completed Shareholder Declaration, the right to claim the Offer Price cannot be enforced against the Offeror if one year has passed since the Closing Day. In all other cases, the right to claim the Offer Price cannot be enforced against the Offeror in accordance with applicable Hungarian law if five years have passed since the Closing Day.

**2.4 Reporting of the result of the Offer**

The Offeror and the Trading Agent shall report the result of the Offer to the HFSA no later than 2 (two) days after (but not including) the Closing Day in accordance with section 76 (1) of the Capital Markets Act, and shall simultaneously publish such result in the Publication Site(s) in accordance with the rules relating to the publication of the Offer.

**2.5 Coverage**

As a Coverage, the Offeror deposited an amount of HUF 10,658,247,600 (ten billion six hundred fifty-eight million two hundred forty-seven thousand six hundred) with Kereskedelmi és Hitelbank to secure the Offeror's payment obligation under the Offer.

Kereskedelmi és Hitelbank issued a certificate of coverage for an amount of HUF 10,658,247,600 (ten billion six hundred fifty-eight million two hundred forty-seven thousand six hundred) that was deposited by the Offeror with Kereskedelmi és Hitelbank to secure the Offeror's payment obligation under the Offer. The Offeror filed this certificate of coverage with the HFSA along with the application for the approval of the Offer.

The Trading Agent, through the Offeror will utilize the Coverage to make the appropriate payment to each Accepting Shareholder or, with respect to Accepting Shareholders who have not submitted within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer, to make the appropriate payment to the Escrow Account.

**2.6 Deadline for payment**

Pursuant to section 74(6) of the Capital Markets Act the Offeror shall pay the consideration for the Shares within 5 (five) business days following the Closing Day.

Pursuant to section 74(8) of the Capital Markets Act the Offeror will pay default interest if the Offer Price is paid by the Offeror on a date later than the 5<sup>th</sup> (fifth) business day following the Closing Day.

Default interest will be determined pursuant to section 301 or 301/A of the Civil Code (as applicable).

For the avoidance of doubt, amounts on the Escrow Account and on Court Deposit will not bear interest from the date of their payment into the Escrow Account or the Court Deposit, respectively.

**2.7 Right of rescission of the Accepting Shareholder**

In case the consideration is not paid to the Accepting Shareholder (or, with respect to Accepting Shareholders who have not submitted within the Acceptance Period a completed copy of the Shareholder Declaration in accordance with section 2.10 of the Offer, in case the consideration is not paid to the Escrow Account) within 30 (thirty) days from the 5<sup>th</sup> (fifth)

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business day following the Closing Day, the Accepting Shareholder may rescind the Share Purchase Agreement.

If the right of rescission is exercised by an Accepting Shareholder, the Offeror shall report this fact to the HFSA within 2 (two) days from becoming aware of such fact.

The Acceptance of the Offer may not otherwise be withdrawn.

The HFSA, irrespective of the payment of the default interest and the exercise of the Accepting Shareholder's right to rescind the Share Purchase Agreement, has the right to impose sanctions provided for by the Capital Markets Act, if the provisions regarding the payment of the price have been violated.

## **2.8 Taxation issues related to the Offer Price**

The following is a general discussion of certain Hungarian tax consequences of the Acceptance of the Offer. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to accept the Offer, and, in particular, does not consider any specific facts or circumstances that may apply to a particular Accepting Shareholder. This summary is based on the laws of Hungary currently in force and as applied on the date of this Offer unapproved by the HFSA, which are subject to change, possibly with retroactive effect.

**The Shareholders are advised to consult their own tax advisors as to the tax consequences of the Acceptance of the Offer.**

Hungarian taxation considerations

- (i) If the Accepting Shareholder is an individual

The Trading Agent will have to deduct taxes, contributions and other charges from the Offer Price as provided for by, and all Accepting Shareholders will have to comply with, the laws effective on the date of payment to the Accepting Shareholders.

In general, the Capital Gain is subject to personal income tax. Pursuant to section 67 of the Personal Income Tax Act, the Trading Agent will deduct a 25% personal income tax from the Capital Gain of the Accepting Shareholder originating from the sale of his Shares. For this purpose it is required that the Shareholder provides information in the Shareholder Declaration on the original purchase price of the Shares and on the amount of the related costs. The taxation of Capital Gain may be affected by reciprocity agreements and international agreements concluded by the Republic of Hungary on the avoidance of double taxation of income and capital.

In case the Offer is accepted by an individual, the document(s) certifying the original purchase price of the Shares and the other costs related to the Shares (for example, a certificate issued by the Accepting Shareholder's securities account manager) must, if available, be attached to the Shareholder Declaration, otherwise the whole amount of the Offer Price will be deemed as profit and the 25% personal income tax will be deducted from this amount. If the Accepting Shareholder does not attach such certificate or the documents certifying the original purchase price of the Shares and

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the other costs related to the Shares come into the possession of such individual after the Closing Day, his deductible costs (the purchase price of the Shares and the related costs), which were not taken into account upon the payment of the Offer Price, provided that they are properly certified, may be taken into account when filing his annual tax return in accordance with section 67(7) of the Personal Income Tax Act.

In case the Accepting Shareholder is an individual having a foreign tax residency, and there is a double taxation treaty between Hungary and the country of the Accepting Shareholder, and the profit on the Shares may not be taxed in Hungary pursuant to such treaty, the foreign tax residency of the Accepting Shareholder on the day of payment of the Offer Price must be evidenced by a copy of the Official Translation of the residence certificate, issued by the foreign tax authority (Residence Certificate). Such certificate and the Official Translation thereof if it is other than Hungarian shall be attached to the Shareholder Declaration. Should the Accepting Individual Shareholder be foreign tax-resident and does not submit the Residence Certificate, it will be considered as a Hungarian tax resident.

The Accepting Shareholder must attach a declaration of whether he must be deemed as a beneficial owner with respect to the income originating from the sale of the Shares, if relevant in respect of the double taxation treaty, and the Official Translation of the declaration if it is other than Hungarian shall also be attached.

Health contribution of 14% (Health Contribution) is also due on Capital Gains to be determined as described above. Those individuals are subject to Health Contribution who are considered as domestic persons under Act LXXX of 1997 on the beneficiaries of social security and private pension and the cover for such services. Health Care Contribution is to be withheld by the Trading Agent. However, should the conditions for exemption from Health Care Contribution be met by the Accepting Shareholder as appended to Subsection (3) of Section 3 of the Health Care Contribution Act, the Trading Agent will not withhold Health Contribution from the Capital Gain provided that the Accepting Shareholder declares that he has met or will meet the conditions of exemption (Section 11/A of the Health Care Contribution Act).

- (ii) If the Accepting Shareholder is a non-individual

If the Accepting Shareholder is a non-individual, no tax or other duty will be withheld from the Offer Price by the Trading Agent based on domestic law.

- (iii) If the Accepting Shareholder is a nominee

In case the Accepting Shareholder is a nominee, i.e. acting in its own name but for the benefit of a third party, it has to provide information on the person on whose behalf it is acting (beneficiary). If the beneficiary is a private individual, the procedure under paragraph i) above should be followed. If the beneficiary is a non-individual, paragraph ii) applies.

## **2.9 Acceptance of the Offer**

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By transferring the Shares to the Blocked Securities Sub-Account by way of a Valid Share Transfer, the Accepting Shareholder irrevocably undertakes to sell the Shares to the Offeror. The Share Purchase Agreement will come into existence between the Offeror and the Accepting Shareholder, at 6 p.m. CET on the Closing Day. The Acceptance of the Offer shall be valid with respect to all Shares transferred to the Blocked Securities Sub-Account by way of a Valid Share Transfer within the Acceptance Period.

By way of the Valid Share Transfer, the Accepting Shareholder

- a) accepts all terms and conditions of the Offer as binding and applicable; and
- b) irrevocably gives his consent that the offered Shares will be recorded by the Trading Agent on Blocked Securities Sub-Account as owned by the Accepting Shareholder until (i) the title to such shares passes to the Offeror on the Closing Day in accordance with the terms and conditions of this Offer, or (ii) the termination of the Offer in accordance with the terms and conditions of this Offer.

The Accepting Shareholder will bear the liability and risks of transferring the Shares to the Blocked Securities Sub-Account and the Acceptance of the Offer will only be valid upon the actual receipt by the Trading Agent of the Shares on the Blocked Securities Sub-Account by way of a Valid Share Transfer.

During the period of the blocking of the Shares on the Blocked Securities Sub-Account, the Accepting Shareholder is not entitled to sell, encumber or otherwise dispose over the Shares.

The Acceptance of the Offer may not be withdrawn by the Accepting Shareholder.

If the number of Shares transferred by the Shareholder to the Blocked Securities Sub-Account is different from the number of Shares designated in the Shareholder Declaration, the Acceptance of the Offer will be valid in relation to such amount of Shares for which a Valid Share Transfer has been effected.

The transfer of title to all Shares transferred to the Blocked Securities Sub-Account by way of a Valid Share Transfer within the Acceptance Period from the Accepting Shareholders to the Offeror will occur at 6 p.m. CET on the Closing Day.

Shareholders are advised of the following: The Company may convene a general meeting in the Offer Period. With regard to Accepting Shareholders transferring their Shares to the Blocked Securities Sub-Account before the date of such general meeting, the Acceptance of the Offer may have an influence on such Accepting Shareholders' capability to take part in such general meeting and/or exercise their shareholder rights at such general meeting. Therefore, Shareholders who wish to accept the Offer but who intend to attend and exercise shareholder rights on the general meeting of the Company to be convened are advised to consult with their investment service provider or the Trading Agent. Should one of the agenda items of the general meeting be the resolution on the distribution of dividends, the Shareholders are advised to obtain information under what terms and conditions they are entitled for the dividend.

## **2.10 Shareholder Declaration**

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Accepting Shareholders are requested to submit within the Acceptance Period the following documents to a Location for Acceptance listed in Annex 4 either by post or by fax or by courier or personally or by way of proxy. The actual method of submission with respect to the various Locations for Acceptance is also indicated in Annex 4. Shareholders are advised that the failure to submit a Sufficiently Completed Shareholder Declaration will not influence the Acceptance of the Offer; it will, however, as set out in section 2.3 of the Offer, will have consequences on the payment of the Offer Price.

- a) A signed copy of the Shareholder Declaration being in the form as attached hereto as Annex 1, together with its schedules.
- b) If a proxy is acting on behalf of the Accepting Shareholder, a copy of the Power of Attorney duly signed by the respective Accepting Shareholder. We recommend that the Accepting Shareholders use the sample power of attorney, which is attached as Annex 3 of the Offer, if the Shareholder would like to provide the Power of Attorney. The use of the draft is not compulsory, however all powers of attorney must include all the contents required by the attached draft.
- c) A certificate issued by the securities account manager of the Accepting Shareholder certifying the transfer of the Shares to the Blocked Securities Sub-Account, attached to the Shareholder Declaration.

The Accepting Shareholder will bear the liability and risks of his decision regarding the method of submission of the Shareholder Declaration and its appendices to the Location for Acceptance. Please note that the risks and liabilities of making and submitting the Shareholder Declaration by way of a courier, a proxy, by fax or by post shall be borne by the Accepting Shareholder. The Accepting Shareholder shall take the risk of any delay or damage originating from the incomplete or improper completion of the Shareholder Declaration.

The Shareholder Declaration may not be withdrawn by the Accepting Shareholder after its submission to the Location for Acceptance.

## **2.11 Operation Plan, Business Report**

The Operation Plan prepared by the Offeror with respect to the future operations of the Company, and the report prepared on the operations of the Offeror are available for inspection within the Acceptance Period at the offices of the Trading Agent (1138 Budapest, Népfürdő utca 24-26.), during business hours from 10 a.m. CET to 4 p.m. CET on every working day.

## **2.12 Delisting**

Subject to the fulfilment of necessary conditions provided for by the Budapest Stock Exchange, and all applicable laws, the Offeror intends to pursue a delisting of the shares of the Company from the Budapest Stock Exchange in accordance with applicable rules of the Budapest Stock Exchange and authorities and all applicable laws and to convert the Company from a public company limited by shares into a private company limited by shares.

## **2.13 Squeeze out**

With reference to the fact that the Offer is made for all Shares issued by the Company and that the Offeror filed the squeeze-out declaration with the HFSA as provided for by point e) of

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Section 69(6) of the Capital Markets Act, the Offeror hereby declares that subject to the fulfilment of necessary conditions provided for by the Capital Markets Act, the Offeror intends to squeeze out the minority shareholders pursuant to Section 76/D of the Capital Markets Act.

Shareholders are asked to note that exercising the squeeze-out right by the Offeror shall mean an automatic de-listing from the Budapest Stock Exchange.

**3. THE REPRESENTATIONS AND WARRANTIES OF THE ACCEPTING SHAREHOLDER**

By Acceptance of the Offer, the Accepting Shareholder represents and warrants that on the day of such Acceptance of the Offer and on the Closing Day:

- (i) in case the Accepting Shareholder is an organisation, it is duly established and existing under the laws of the country of registration, and its representative has all corporate powers and obtained all necessary authorisations required for effecting or initiating a Valid Share Transfer, for executing the Shareholder Declaration and for performing the obligations originating therefrom;
- (ii) the Shareholder Declaration was signed and the Valid Share Transfer was effected or initiated by the Accepting Shareholder in person, duly on behalf of an entity, or by a proxy authorised by a Power of Attorney granted by the Accepting Shareholder, and the resulting Acceptance of the Offer is a lawful, valid and legally binding obligation;
- (iii) the Shares transferred to the Blocked Securities Sub-Account are free from any encumbrances and are in the unrestricted legal ownership of the Accepting Shareholder, and the Accepting Shareholder is entitled to sell and transfer such Shares free from any litigation, encumbrances, claims, demands, pre-emptive rights or any other third-party rights;
- (iv) the execution of the Shareholder Declaration, the effecting or initiating of the Valid Share Transfer and the performance of the obligations originating therefrom do not constitute a breach of any laws applicable to the Accepting Shareholder;
- (v) all information included in the Shareholder Declaration by the Accepting Shareholder is true and correct;
- (vi) the Offeror will be entitled to be entered into the share register of the Company without any restriction after the Share Purchase Agreement validly comes into existence;
- (vii) the signed Shareholder Declaration and none of the related documentation were mailed or distributed in any way or sent, neither directly, nor indirectly to USA, Australia, Japan or to the Republic of Ireland, or within or from any of these countries;
- (viii) the postal services or any internal or international commercial means (including especially electronic mailing, telefax, telex or phone) or any means of the stock exchanges of the above countries were not used, either directly or indirectly, in relation to the Acceptance of the Offer by the Shareholder.

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- (ix) the Accepting Shareholder stayed outside the territory of USA, Australia, Japan and the Republic of Ireland when he received and accepted the Offer;
- (x) if the Accepting Shareholder is not a citizen of Hungary, he acted in full compliance with all relevant regulations, obtained all necessary governmental or other approvals, acted in accordance with all formal requirements and paid all duties (if any), which are to be paid in relation to the Offer in any country, and he did not take or did not fail to take any necessary actions as a result of which the Offeror or any other third party would breach or may breach, any statutory or regulatory requirement with respect to the Offer and the Acceptance of the Offer; and
- (xi) in respect of Shares transferred to the Blocked Securities Sub-Account, the person acting on behalf of the Accepting Shareholder is not an agent, depository, or broker of any party who gives instructions from USA, Australia, Japan or the Republic of Ireland or by using the postal services or any internal or international commercial means of USA, Australia, Japan or the Republic of Ireland.

**4. AUTOMATIC TERMINATION OF THE EFFECT OF THE OFFER**

The Offer and the Acceptance of the Offer will terminate automatically in the case of the publication of a counter-offer approved by the HFSA.

If the Offer is terminated, the Offeror will ensure, with the assistance of the Trading Agent, that from the 5th (fifth) business day following the day of publication of the counter-offer that the Shares transferred to the Blocked Securities Sub-Account will be retransferred to the securities account of the Shareholder, as designated in the Shareholder Declaration. In lack of such Shareholder Declaration the Shares will be retransferred to the securities account from where they were initially transferred to the Trading Agent.

**5. THE LIKELY REPERCUSSIONS ON THE EMPLOYEES OF THE COMPANY**

The Offeror does not expect any material change in respect of the employees of the Company as a result of the Offer.

**6. INDEMNIFICATION DUE TO THE APPLICATION OF THE BREAKTHROUGH RULE**

The breakthrough rules according to section 76/A of the Capital Markets Act are not applicable.

**7. MISCELLANEOUS**

Section 73/A(1) to (3) of the Capital Markets Act are not applicable.

The Offeror hereby declares that to its best knowledge apart from what has been publicly disclosed, no significant circumstances pursuant to point m) of Section 69 (2) of the Capital Markets Act exist that would have any impact on the Offer.

This Offer shall be governed by and construed in accordance with the laws of the Republic of Hungary without giving effect to the choice of law provisions thereof. This Offer was prepared in compliance with the rules of the Capital Markets Act that was in force on the date of publication of the Offer and it shall be interpreted in accordance therewith.

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This Offer constitutes the entire offer made by the Offeror pertaining to the subject matter of the Offer.

None of the rights and obligations under this Offer shall be assignable by the Offeror or any of the Accepting Shareholders unless otherwise provided by this Offer.

This Offer has been executed in the Hungarian language, which shall be the sole binding and controlling language for all matters relating to the meaning and interpretation of this Offer. Any translation of this Offer into any foreign language is for information purposes only.

Any and all disputes arising from or in connection with this Offer, its breach, termination, validity or interpretation, shall be exclusively and finally decided by the Hungarian permanent Arbitral Tribunal of the Money and Capital Markets in accordance with its own Rules of Proceedings. The number of arbitrators shall be three. The language to be used in the arbitral proceedings shall be Hungarian. By accepting this Offer the shareholders - to the extent permitted by the laws of the Republic of Hungary - waive their right to any form of appeal or recourse from such arbitral proceedings to a court of law or other judicial authority.

In certain cases foreign law may be applicable to the Acceptance of this Offer (or certain of its elements) by the Accepting Shareholder, especially where the Accepting Shareholder is not resident in Hungary. It is the responsibility of any Accepting Shareholders being subjects of such foreign law to satisfy themselves as to the full observance of such foreign law and any such Accepting Shareholders shall comply with the provisions thereof and formalities required thereby, including but not limited to obtaining the necessary licenses, consents or permits and the payment of duties or other taxes. In the event that the Offeror, any Party Acting in Concert and/or the Trading Agent is obliged to pay duties, taxes or any other kind of public levies due to the Acceptance of this Offer by any of the Accepting Shareholders, such Accepting Shareholders shall indemnify the Offeror, the Parties Acting in Concert and/or the Trading Agent (as the case may be) for any such duties, taxes or public levies.

Dated, Budapest, 26 March 2007.

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**Linamar Corporation**

**Offeror**

Represented by: Roger Fulton

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**Erste Befektetési Zrt.**

**Trading Agent**

Represented by: Cselovszki Róbert  
Grebicsaj Zsolt

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**Annex 1**

**Shareholder Declaration for the public purchase offer made for all of the Shares in Linamar Hungary Autóipari és Gépgyártó Nyilvánosan Működő Részvénytársaság**

**Please note the following:**

**Shareholders are asked to complete and submit of this declaration with all its appendices to the Location for Acceptance by the Closing Day!**

Shareholder Declaration for the Offer made by Linamar Corporation (registered seat: 287 Speedvale Ave. W., Guelph, Ontario, Canada N1H 1C5) on 26 March 2007 for the Shares issued by **Linamar Hungary Autóipari és Gépgyártó Nyilvánosan Működő Részvénytársaság** (5900 Orosháza, Csorvási út 27.) with a nominal value of **HUF 100 (one hundred Hungarian Forints)** each, for an offer price of **HUF 3,003 (three thousand three Hungarian Forints) per Share**.

This Shareholder Declaration shall be completed and submitted to the Location for Acceptance set out in the Offer before 6 p.m. CET on the Closing Day. The Acceptance Period will begin on the Commencement Day and will end at 6 p.m. CET on the Closing Day.

Please read the Offer and the Acceptance Manual (Annex 2 of the Offer) carefully before completing the Shareholder Declaration.

**In the case of any questions or queries related to the Offer please contact:**

Garamszegi Tamás

Mailing address: 1138 Budapest, Népfürdő utca 24-26., floor 8.

Phone number: +36 1 235 5125

Fax number: +36 1 235 5190

E-mail: [tamas.garamszegi@erstebroker.hu](mailto:tamas.garamszegi@erstebroker.hu)

Opening hours for clients: CET 10 a.m. to 4 p.m.

The Offer is construed and shall be valid in accordance with the laws of the Republic of Hungary.

The purpose of this reminder is to provide information with respect to countries where the Acceptance of the Offer is restricted by local laws and other regulations or is subject to additional requirements. In order to avoid the legal consequences of any breach of the requirements set forth by the legislation of such countries, in accordance with the international capital market practices, the following restrictions shall apply with respect to making, the distribution or the Acceptance of the Offer:

This Offer, its annexes and related documentation shall not be made, delivered or communicated in any form (postal or in electronic form, or distribution by any means of telecommunication) and shall not be disseminated or published, directly or indirectly, in the Republic of Ireland, USA, Australia or Japan, and in any other country in which such dissemination or publication of this Offer, its annexes and related documentation would constitute a violation of the requirements of the applicable

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Regulation. This Offer is made and is to be construed exclusively in accordance with Hungarian law, and will not be subject to any filing with, or approval by, any foreign regulatory authority, including, without limitation under the US Securities Exchange Act of 1934, as amended.

Capitalised terms used in the Shareholder Declaration and not defined otherwise shall have the meanings given to them in the Offer.

Dated, Budapest, 26 March 2007.

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**Shareholder Declaration**

**for the Offer made by the Offeror on 26 March 2007 for the shares of "Linamar Hungary Autóipari és Gépgyártó Nyilvánosan Működő Részvénytársaság " held by the Shareholder**

Please follow the instructions set out in the Offer published on the website of the Company ([www.linamar.hu](http://www.linamar.hu)), on the website of the Trading Agent ([www.erstebroker.hu](http://www.erstebroker.hu)) and on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) and the instructions of this Shareholder Declaration.

1. Birth name of the Shareholder: \_\_\_\_\_  
Name/company name of the Shareholder: \_\_\_\_\_  
Sex of the Shareholder: \_\_\_\_\_  
Citizenship of the Shareholder: \_\_\_\_\_  
Address/registered seat of the Shareholder: \_\_\_\_\_  
Id. number/passport number/ registration number of the Shareholder: \_\_\_\_\_  
The Hungarian tax id. number of the Shareholder: \_\_\_\_\_  
Place and date of birth of the Shareholder: \_\_\_\_\_  
Name of the mother of the Shareholder: \_\_\_\_\_  
Phone number: \_\_\_\_\_  
E-mail: \_\_\_\_\_

If you sign this document on behalf of a legal entity, please provide information with respect to your name and position.

- Name of organisation: \_\_\_\_\_  
Name of signatory: \_\_\_\_\_  
Position: \_\_\_\_\_  
Name of signatory: \_\_\_\_\_  
Position: \_\_\_\_\_

2. The number of the Shares, in respect of which the Shareholder accepts the Offer:  
in figure: \_\_\_\_\_; in words: \_\_\_\_\_  
pieces

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3. Please mark with an X as to which Hungarian account you would like to have the Offer Price transferred and please provide details of the chosen account.

I would like to have the Offer Price transferred to my bank account. \_\_\_\_

Name of the Hungarian bank: \_\_\_\_\_

Bank account no: -

I would like to have the Offer Price transferred to my client account kept at my securities account manager: \_\_\_\_

Name of the securities account manager: \_\_\_\_\_

Bank account no of the securities account manager:

-

Number of my client account: \_\_\_\_\_

If the Accepting Shareholder has a client account with Erste Befektetési Zrt. and the Valid Share Transfer was initiated from this account and if the Accepting Shareholder does not provide bank account or client account number where the payment is required to be transferred to than the payment will be paid to the client account of the Accepting Shareholder kept by Erste Befektetési Zrt.

4. Please provide the name and address of your securities account manager, where the retransfer of the tendered Shares in accordance with the Offer is requested:

Name of the securities account manager: \_\_\_\_\_

Number of the securities account of the Shareholder: \_\_\_\_

**The Accepting Shareholder must instruct his securities account manager in writing to transfer on his behalf to the Blocked Securities Sub-Account (securities sub-account of the Trading Agent, no. 0035/8 the Shares in respect of which the Shareholder wishes to accept the Offer! If the Offer provides for the retransfer of the Shares to the Accepting Shareholders, the Shares will be retransferred to the securities account of the Accepting Shareholder as specified above.**

5. Please mark your Tax Residence <sup>1</sup> with an X.

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<sup>1</sup> In general, an individual's Tax Residence is in the country where he or she is subject to income tax on all of his or her income. Tax Residence is defined by domestic tax legislations of the countries concerned (for

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I hereby declare that I am domestic Tax Resident in Hungary: \_\_\_

If the Shareholder is a Hungarian domestic Tax Resident, please continue with point 6!

If you have a foreign Tax Residence, please complete the following part! If the information therein has relevance with respect to the Accepting Shareholder, the Accepting Shareholder must attach a certificate issued by the foreign tax authority of his Tax Residence, and a beneficiary declaration if his tax-paying obligation is affected by such declaration, and, if such documents are in a language other than Hungarian, the Official Translation of these documents. If the Accepting Shareholder is not able to attach the above certificate or declaration, or the country of his Tax Residence does not have a double taxation treaty with Hungary, which would prohibit the taxation of his income from the Shares in Hungary, the following part should not be completed by the Accepting Shareholder, instead he must proceed with point 6.

I hereby declare that I have a foreign Tax Residence: \_\_\_

Name of the country: \_\_\_\_\_

I hereby declare that there is a double taxation treaty in existence between Hungary and the above mentioned country. Pursuant to the treaty, any profit on the sale of the Shares may only be taxed in the above mentioned country.

If the Accepting Shareholder does not provide information in respect of his Tax Residence, then it will be presumed that his Tax Residence is in Hungary.

6. The Trading Agent will deduct a 25% personal income tax from the profit of the Accepting Shareholder originating from the sale of the Shares, who are individuals having Hungarian Tax Residence or have not provided the Trading Agent with the documents listed under point 5 above. For this purpose it is required that the Accepting Shareholder provides a document(s) certifying the original purchase price of the Shares and the amount of the related costs (for example, a certificate issued by the Accepting Shareholder's securities account manager).

Please attach the document(s) (or if you have purchased the Shares for different prices, different documents) certifying the purchase price of the Shares and the amount of the related costs (for example, a certificate issued by the Accepting Shareholder's securities account manager). Such document(s) must be submitted together with the Shareholder Declaration to the Location for Acceptance, otherwise the Trading Agent will act in accordance with the general rules of tax deduction.

**In the case that the Accepting Shareholder is an individual, and he is not able to certify the amount of the purchase price paid for the Shares, then the Offer Price will be deemed as profit and the Trading Agent will deduct from the Offer Price payable to the Accepting Shareholder for his Shares 25% personal income tax. The deductible tax is calculated in accordance with section 2.9 of the Offer.**

7. Declaration regarding the Health Care Contribution Act

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definition of Tax Residence under Hungarian legislation, please refer to point 2 and 3 of Section 3 of Act CXVII of 1997 on Personal Income Tax) and international tax treaties on the avoidance of double taxation. It is recommended that advice be sought in this respect before completing this declaration

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I declare that I am an individual qualifying as domestic private individual as defined by section 4 (u) of Act LXXX of 1997 on the beneficiaries of social security and private pension and the cover for such services: \_\_\_\_.

**The Accepting Shareholder should only proceed and complete this point if he or she is an individual qualifying as domestic private individual provided that the conditions mentioned below are met.**

I declare that I have already reached or that I expect that I will reach the upper limit of health care contribution payment, which is HUF 450,000, in accordance with the Health Care Contribution Act: \_\_\_\_

This declaration must be given in accordance with the Health Care Contribution Act, as effective on the Closing Day, based on the amendment of the Health Care Contribution Act as promulgated on the date of this Shareholder Declaration. The Shareholder acknowledges that he/she shall be responsible for the payment of the health care contribution in an increased amount and any other sanctions prescribed by applicable laws if the declaration made was false.

If the Accepting Shareholder makes this declaration, the Trading Agent will not deduct the 14% health care contribution. Otherwise, the Trading Agent will deduct 14% health care contribution on the basis of the Capital Gains realised by the Accepting Shareholder as provided for by laws.

8. By Acceptance of the Offer the Shareholder accepts the terms of the Offer and gives his consent that his personal data included in the Shareholder Declaration may be forwarded by the Trading Agent to the Offeror in order to fulfil their obligations set out in the Offer.
9. By signing the Shareholder Declaration, the Shareholder acknowledges that the right to claim the Offer Price elapses one (1) year following the Closing Day.
10. By signing this declaration the Accepting Shareholder approves that all data listed under point 1. of this declaration may be managed by Erste Befektetési Zrt. and Erste Befektetési Zrt. is allowed to send promotion in relation to its services to the Accepting Shareholder.

I do not consent to it: \_\_\_\_

11. Please sign the Shareholder Declaration below.

Dated: [month] \_\_\_\_\_ [day] \_\_\_\_\_, 2007

.....  
Signature of Shareholder

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If you act as a proxy of the Shareholder, please attach your Power of Attorney and please provide the following information:

Name of the proxy: \_\_\_\_\_

Address of the proxy: \_\_\_\_\_

**Please check if you have fully completed and signed this Shareholder Declaration. We request you to submit this Shareholder Declaration and its attachments to the Location for Acceptance as specified in the Offer in person, by courier, by a proxy, by fax or by post. Should you fail to submit a Sufficiently Completed Shareholder Declaration, the procedures in Section 2.3 of the Offer shall apply.**

Attachments:

Please mark which documents you attached to the Shareholder Declaration:

In case of an individual Accepting Shareholder:

1. Certificate issued by the securities account manager of the Shareholder on the transfer of the Shares to the Blocked Securities Sub-Account (securities sub-account of the Trading Agent kept with KELER, no. 0035/8\_
2. Certificate on the tax domicile of the Shareholder (Residence Certificate): \_
3. Official Translation of the certificate on the tax domicile (Residence Certificate): \_
4. Beneficiary declaration: \_
5. Official Translation of the beneficiary declaration: \_
6. Certificate on the original purchase price of the Shares and related costs (for example, a certificate issued by the Accepting Shareholder's securities account manager): \_
7. If a proxy is acting on behalf of the Accepting Shareholder, a Power of Attorney duly signed by the Accepting Shareholder: \_

In case of a non-individual accepting shareholder:

1. Certificate issued by the securities account manager of the Shareholder on the transfer of the Shares to the Blocked Securities Sub-Account (securities sub-account of the Trading Agent kept with KELER, no. 0035/8\_\_
2. An original or certified copy of the company extract issued within 30 days (in case of a foreign Accepting Shareholder, an Official Translation)\_\_\_
3. An original or a certified copy of the specimen signature of the persons signing the Shareholder Declaration (in case of a foreign Accepting Shareholder, an Official Translation)\_\_\_
4. If a proxy is acting on behalf of the Accepting Shareholder, a Power of Attorney duly signed by

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the Accepting Shareholder. \_\_

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**Annex 2**

**Acceptance Manual**

**for the Acceptance of the Offer made by the Offeror on 26 March 2007 for the Shares of "Linamar Hungary Autóipari és Gépgyártó Nyilvánosan Működő Részvénytársaság " held by the Shareholder.**

If the Shareholder intends to accept the Offer, then such Shareholder must transfer to the Blocked Securities Sub-Account (securities sub-account of the Trading Agent, no.0035/8) the Shares for which he or she intends to accept the Offer. Such transfer must be made with the identity of the Accepting Shareholder having initiated such transfer being apparent from (i) the transfer instructions or messages accompanying the transfer or (ii) a corresponding Shareholder Declaration, completed, signed and submitted to the Location for Acceptance by 6.p.m. CET on the Closing Day.

The Shareholder Declaration must be read together with the Offer, and the capitalised terms used herein shall have the same meanings as given to them in the Offer.

By transferring the Shares to the Blocked Securities Sub-Account by way of a Valid Share Transfer you accept the Offer. However, the Trading Agent will pay the consideration to the Escrow Account unless it receives a completed Shareholder Declaration of the Accepting Shareholder.

**Shareholders are asked to note the following consequences of a failure to submit within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer:**

The Offer Price due to Accepting Shareholders who effected a Valid Share Transfer but who have not submitted within the Acceptance Period a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer will be paid by the Offeror with the assistance of the Trading Agent to the Escrow Account no later than 5 (five) business days after (and not including) the Closing Day. Any amounts so paid to the Escrow Account will be paid by the Offeror with the assistance of the Trading Agent to the relevant Accepting Shareholders after receipt by the Trading Agent of a Sufficiently Completed Shareholder Declaration in accordance with section 2.10 of the Offer.

Should an Accepting Shareholder whose Offer Price has been paid to the Escrow Account fail to provide the Trading Agent with a Sufficiently Completed Shareholder Declaration within 6 months following the Closing Day, the Offeror has the right to transfer the Offer Price in respect of the relevant Accepting Shareholder from the Escrow Account to Court Deposit. In the case of such a transfer to Court Deposit, the right of the Accepting Shareholder to claim the Offer Price from the Offeror elapses and the Accepting Shareholder is restricted to claiming the Offer Price solely from Court Deposit.

The right to claim the Offer Price elapses one (1) year after the Closing Date if the Accepting Shareholder has provided the Trading Agent with a duly signed copy of the Shareholder Declaration (which however does not fulfil the criteria of a Sufficiently Completed Shareholder Declaration). In

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all other cases, the right to claim the Offer Price elapses five (5) years after the Closing Date in accordance with applicable Hungarian law.

If you would like to accept the Offer, please instruct your securities account manager to transfer the Shares to the Blocked Securities Sub-Account (securities sub-account of the Trading Agent no.0035/8).

In case as a result of an Acceptance of the Offer you would like to receive the Offer Price within five (5) business days of the Closing Day, please:

- (i) complete the Shareholder Declaration;
- (ii) instruct your securities account manager to transfer the Shares to the Blocked Securities Sub-Account (securities sub-account of the Trading Agent, no.0035/8), and attach the certificate issued by your securities account manager of the transfer of the Shares to the Shareholder Declaration;
- (iii) if the Accepting Shareholder is an individual obtain and attach a document(s), if available, certifying the original purchase price of the Shares and related costs (for example, a certificate issued by the Accepting Shareholder's securities account manager); and
- (iv) submit the Shareholder Declaration and the above certificates and documents to the Location for Acceptance within the Acceptance Period in person, by courier, by way of a proxy, by fax or by post.

The Offer Price will be paid by the Offeror in HUF to a bank account of the Accepting Shareholder or a client account with a securities account manager in accordance with sections 2.3 and 2.6 of the Offer.

**Payment of the Offer Price to a non-Hungarian account is not possible. Accepting Shareholders wishing to exchange payments of Offer Price received from HUF into foreign currency are responsible for arranging for such conversion.**

The Offeror and the Trading Agent will report the result of the Offer to the HFSA within 2 (two) calendar days from the Closing Day of the Acceptance Period, and will publish such result on the Publication Sites.

**The Offer and the Acceptance of the Offer shall be governed by the laws of Hungary. By transferring the Shares to the Blocked Securities Sub-Account the Accepting Shareholder submits to the exclusive competence of the Arbitral Tribunal of the Money and Capital Markets in the case of any disputes arising out of the Offer or the Acceptance of the Offer. The Offeror shall bear no liability in the case that the regulations of any other jurisdictions are applicable to the Accepting Shareholder. The Accepting Shareholder shall be liable for complying with any other applicable laws.**

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**Annex 3**

**Sample for Power of Attorney**

Undersigned,

Name/company name: \_\_\_\_\_

Address/registered seat: \_\_\_\_\_

Mother's full maiden name: \_\_\_\_\_

ID card No./registration number or tax No.: \_\_\_\_\_

hereby authorize

Name/company name: \_\_\_\_\_

Address/registered seat: \_\_\_\_\_

Mother's full maiden name: \_\_\_\_\_

ID card No./registration number or tax No.: \_\_\_\_\_

to act on my behalf and to represent me with respect to the Offeror, the Company and third persons in relation to the public purchase offer made by: Linamar Corporation (registered seat: 287 Speedvale Ave. W., Guelph, Ontario, Canada N1H 1C5, company number: 1455907) (the **Offeror**) for the Shares of **Linamar Hungary Autóipari és Gépgyártó Nyilvánosan Működő Részvénytársaság** (5900 Orosháza, Csorvási út 27.); further referred to as: **Company**).

Dated: \_\_\_\_\_, [month] \_\_\_\_\_ [day] \_\_\_\_\_, 2007

Accepting Shareholder  
Name of signatory (use block capitals):  
Position:

I hereby accept the power of attorney:  
Proxy  
Name of signatory (use block capitals):  
Position:

Should the proxy not be a natural person, please provide the following documents:

1. an original or a certified copy of a company extract from the trade register issued within 30 days as attachment (in case of a foreign Accepting Shareholder, an Official Translation) ; and
2. an original or a certified copy of the specimen signature of the persons signing the Shareholder Declaration as attachment (in case of a foreign Accepting Shareholder, an Official Translation).

Should the proxy be a natural person, please provide the original documents or the Official Translation thereof appropriate for proving the data indicated in the proxy.

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**Annex 4****List of Locations for Acceptance**

The Offer can be accepted the following ways and locations:

<b>Way of accepting the Offer</b>	<b>Address</b>
By post or by courier:	Addressee: Erste Befektetési Zrt. 1138 Budapest, Népfürdő utca 24-26.floor no. 8.
By fax:	+36 1 235 5190
Personally:	1138 Budapest, Népfürdő utca 24-26. (please note the opening hours): 10 a.m. to 4 p.m.
	1126 Budapest, Böszörményi út 24.
	5600 Békéscsaba, Munkácsy út 2.
	4024 Debrecen, Vár utca 4.
	3300 Eger, Kossuth Lajos utca 13/a.
	9021 Győr, Árpád út 42.
	6000 Kecskemét, Nagykőrösi utca 11.
	7400 Kaposvár, Bajcsy Zsilinszky út 24.
	3519 Miskolc, Mindszent tér 3.
	4400 Nyíregyháza, Vay Ádám körút 12.
	7620 Pécs, Rákóczi út 62-64.
	3100 Salgótarján, Erzsébet tér 5.
	6720 Szeged, Széchenyi tér 17.
	8000 Székesfehérvár, Palotai utca 4.
	7100 Szekszárd, Széchenyi u. 40.
	5000 Szolnok, Baross utca 8.
	9700 Szombathely, Mártírok tere 12.
	2800 Tatabánya, Fő tér 20.
	8200 Veszprém, Szabadság tér 1.
	8900 Zalaegerszeg, Ispotály köz 2.
	5900 Orosháza, Kossuth utca 2.

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**Annex 5**

**Shareholding of the close relatives in the Company**

<b>Name</b>	<b>Relationship</b>	<b>Number of Shares owned</b>	<b>Shareholding in the Company</b>
János Hasenfratz	brother of Frank Hasenfratz	28,518	0.332%
József Hasenfratz	brother of Frank Hasenfratz	111,370	1.298%
Marton Havasi	brother of Frank Hasenfratz	56,524	0.658%