

**Chronology - external - “process/timeline facts” document from Brian Little**  
**6 May--Remains Embargoed(prior requests logged from Sept 19:Release 9 May?)**

Subject matter – Magellan Aerospace Corporation (TSE – MAL) of Toronto, Canada and my conduct /response to them on and from 18 September 2006 to 6 May 2007.

**Overview**

I was dismissed just after my arrival from Belfast at Toronto Pearson International Airport on Monday **18<sup>th</sup> September 2006**. It is my case that I was dismissed because I had made “protected disclosures” (some as recently as in a 30+ minute telecon with John Dekker, the Magellan Aerospace Corporation Chief Financial Officer –CFO- on September 14<sup>th</sup> pm) and / or intended to repeat and / or pursue the same further while in Toronto during that week. Indeed in an email to my superior Mr Neill, the President and Chief Executive Officer –CEO-, on the 17<sup>th</sup> September 2006, the day prior to dismissal, I had stated that I wished such an investigation to take place “*either under ‘whistleblower’ (protection policy) or audit committee*”. Magellan’s case is that I was dismissed for “unacceptable behaviour”/ in Canada “just cause termination” – whilst the Magellan Aerospace Ethics/Whistleblower Protection policies and the UK Disciplinary Policy and Procedure G012 Issue 1 (September 2005) were not followed – and for more than a further week I provided Magellan with the opportunity to “fully brief and take considered advice”, regarding their conduct and actions both prior to and after my “termination”.

On the **19<sup>th</sup> September 2006** at approximately 4 pm UK time the following **ANNOUNCEMENT** (“the Announcement”) was released from Magellan Aerospace Corporation - within several hours / days it was circulating directly, and indirectly, in the “world at large”

*“Magellan Aerospace Corporation wishes to announce changes in its management structure within the United Kingdom. These changes were necessary to improve the working of the organisation to capture the opportunities the company is pursuing and will make for a more effective relationship with your company.*

*Effective September 18, 2006, any communication you would have had with Brian Little should be directed to Phil Underwood, Vice President and General Manager, Magellan Aerospace UK or Mike Shorrocks, Group Procurement and Overseas Sourcing Manager.*

*Mr Brian Little is no longer an employee of Magellan Aerospace Corporation or its subsidiary companies. Magellan wishes Brian success in his future endeavours.*

*Signed N. Murray Edwards  
Chairman of the Board*

*Richard A. Neill  
President and Chief Executive Officer “*

For the main suppliers to Magellan Aerospace UK an email with the Announcement was then immediately circulated with a comment

*“You are reminded that any and all communication regarding your supply contracts to Magellan Aerospace must be confined to Magellan employees only”*

As feedback regarding the Announcement came back to me from employees and throughout the “world at large”, it was clear that it implied in the minds of a significant number of recipients that my employment had been terminated by reason of some serious misconduct. (*Magellan defences state at Para 26.4 that the Announcement “did not imply, and was not intended to imply, that the Claimant was dismissed for serious misconduct: that was so despite the conduct of the Claimant set out above” ...in defence*).

Therefore, I sought to agree with Mr Neill, on 20 September and 21 September, a 75 / 80 word statement between Magellan and myself. Magellan then proposed : - .....

*“Magellan Aerospace Corporation has reviewed its management structure in certain key locations and concluded that changes were necessary to achieve production goals and build smaller integrated teams.*

*As a result of these changes and for personal reasons, Brian Little is no longer with the Corporation and has chosen to pursue other interests. We wish to thank Brian for the contributions he has made during his service with Magellan and wish him well in his future endeavours. “*

During a telephone conversation I had with Mr Neill – President and Chief Executive Officer and Ms Ball, on Friday morning 22 September 2006 it became clear to me, after several minutes, that in addition to this proposal being inconsistent with the Announcement, it was inevitable that we were unlikely to agree any joint statement.

Even after the Announcement, and notwithstanding the circumstances and conduct of my termination by Mr Neill (President and CEO) and Ms Ball (VP- Human Resources) on 18 September, I would only say, in response to substantive requests from external sources / media the following form of words: -

**“No comment is appropriate at this time – Brian continues to move through the prescribed MAL Group Governance escalation processes – and the actions of the Executive Directors from Monday (18 Sept) of this week, and other Officers in the MAL Group / other MALUK directors must remain a matter for others inside and outside the Company to interpret for themselves. Brian will complete ALL aspects of the prescribed MAL Group processes before any remarks would be appropriate from him, and also now any of his professional advisors”**

(I have logged all those requests /follow ups /Christmas card comments et al from 19 Sept to date)

As at **7 November 2006** all the prescribed internal Magellan Aerospace Corporation Group Governance processes were apparently “exhausted”. But, following careful consideration/review and advice, having regard for the gravity of these protected disclosures / matters, I decided to take yet further internal steps to pursue my disclosures, rather than making them public or commencing an immediate lawsuit, as I would have been fully entitled to do at that moment.

That further internal course consisted of diligently implementing what I understood to be International Best Practice, as outlined below, which I have only recently completed. Faced with the lack of any positive action by Magellan, on the last business day (Friday 15<sup>th</sup> December 2006), within the 3 month statutory time limit for starting Employment Tribunal claims, I reluctantly instructed my lawyers to file Grounds of Complaint with the Bristol Employment Tribunal itemising 24 items from the issues I had raised to be the “Protected Disclosures” that I had made over the months between December 2005 and September 2006 (particularly in August / September 2006) **which entitled me to protection from dismissal as a “whistleblower”**. Additionally the Magellan Aerospace Corporation Ethics Policy Section 11 specifically deals with the Policy against Retaliation and the “Whistleblower” Protection policy and is highly relevant to this Governance process.

**The full process and timeline (so far as my direct involvement, is concerned) was/ is as follows.....**

**Step 1: Initial escalation process as per Magellan Ethics and Whistleblower Protection Policy ( and additional step to Chairman – Mr N. Murray Edwards)**

**..... 18 September - 24 September 2006 (7 days)**

**18 September 2006 - day 1 ( of 88 - maximum 90 days )**

I was summarily dismissed on my arrival from Belfast at Toronto Airport by my “boss” Mr Neill (CEO) and Ms J. Ball (VP-HR) and offered a return flight home immediately.

It was also apparent from those discussions that none of the independent directors, including Mr William A. Dimma – Chair of the Magellan Aerospace Board Audit Committee (Ethics / Whistleblowing Protection Policy) or Mr Bill Davis - Chairman of the Human Resources and Compensation Committee had been informed / involved in the circumstances / facts around this decision . Pinsent Mason’s letter of 13 December 2006 to my lawyers seems to confirm that they were not formally involved in the process.

Instead of flying home , I took a flight to Calgary to see the Magellan Aerospace Corporation Chairman (Mr Murray Edwards) at his office in Calgary. This I indicated that I planned to do, if necessary, in this week, as part of my previous email correspondence with Mr Neill on the 17<sup>th</sup> September , the day before I flew to Toronto / my dismissal .

**19 September 2006 - day 2**

A. Circulation of the Announcement by Magellan—above— at circa 10 am in Calgary

B. I was granted a 25 minute meeting with Messrs Murray Edwards (Chairman) and Larry Moeller (Director) of Magellan at circa 4 pm Calgary time. Mr Edwards referred to these being the matters for Mr William A. Dimma (Chair of Audit Committee) on three occasions.

**20 September 2006 - day 3**

I prepared a three page letter to Mr Dimma (and the other members of the Audit and *Human Resources* MAL Board sub-committees) trying to lay out my issues for them, including the “protected disclosures” I had made from December 2005 and rising in intensity through to September 2006 –this was passed to Mr Dimma at our 24 September meeting.

**24 September 2006 - day 7 (MAL Share Price circa C\$ 2.25 )**

I met with Mr Dimma at approx 3.45 pm (Toronto time) for about 80 mins – handed over an initial eighteen (18) dossiers containing much of the correspondence laying out my issues and my Personal computer (PC), discussed some items and indicated I was available to return (email of 25 September confirmed Oct 10 – 24 window) to Canada for further discussions with him/colleagues about these issues. This was the “first” fourteen-day opportunity for director contact I provided for Magellan. I do not know what date my three-page letter was circulated by Mr Dimma, or indeed whether it was, to his independent director colleagues - Messrs Lowe, Gowan, Davis and Palmer. I indicated in an email to Mr Dimma on 25<sup>th</sup> September that it was “obviously appropriate that you circulate my letter directly to your Board colleagues”.

**Step 2A: Magellan “Whistleblower protection policy “ requires a report back to the whistleblower within 21 days**

..... September 25 - October 16 2006 (21 days)

A. After indicating in an email to Mr Dimma on 26<sup>th</sup> September 2006 (17.24), my (and indeed also my professional advisors) support for any Magellan Audit Committee - commissioned external investigation I also stated that I was available for discussions at any time , and would await contact from him. I also provided contact details for two ex Magellan UK senior finance employees with whom the Audit Committee could verify/validate some of my concerns / disclosures (subsequently they attended my meetings with Ernst & Young - Magellan Aerospace auditors) on 7 and 14 December.

In the event, Mr Dimma made no contact in any form – for return to Canada or otherwise, and no “Report back to whistleblower” from Mr Dimma was forthcoming in that “first” 21-day policy period.

B. Having returned home on Monday 25 September 2006 I sent an email to Ms Jo Ann Ball (Magellan Vice President - Human Resources) at 17.08 ...

*Jo-Ann - I have just opened a fedex parcel from Magellan containing your letter ... which you indicate contains the same documentation left last week in Toronto. May I say again I do not accept the right that the Company can terminate this NOW – for two reasons.*

- 1. I have completed my contracted 162 days for 2006 ..... .When this is combined with*
- 2. the fact that MAL is trying to terminate in the midst of the “provided information” through the governance process and best practice - it is wholly inappropriate . This makes the MAL position worse and could be viewed by the non-execs [independent directors] and others as very questionable based on the information provided.*

*Can I please suggest that your professional advisors (presumably jonathan [Coley – Employment partner at Pinsent Masons and / or Mr James Palmer – Chairman Burnet , Duckworth and Palmer]) are fully briefed on what is happening to ensure “considered” advice . I know that I am trying to help not make things worse. I assume that we will let the full governance process take its course over the coming weeks. ....At present I am keeping my professional advisors out of any direct discussions , until it is clear that [ it] is no longer appropriate and the full “MAL” audit committee and human resources committee processes have been “ exhausted”. I really am trying to help. kind regards brian*

**Step 2B: I began a “second” 21 day period (interactive intent) to see whether Mr Dimma (and his independent director colleagues) had investigated the matters and wished to discuss / consider further**

..... October 16 - November 7 2006 (a further 21 days)

**16 October 2006 - day 28** - After the 21 days “Report to Whistleblower” period (as stated in the Magellan Aerospace Corporation Whistleblower protection policy) had elapsed, my UK lawyer tried to make contact with Mr Dimma on several occasions in the week of Oct 16 – 20<sup>th</sup> to understand the status. There was no response.

18 October 2006 - Magellan Aerospace (UK) Board meeting held with two (of the five) Directors only attending (UK CFO – Mr Shawn Smith, and Canada CFO – Mr John Dekker) for a substantive purpose – see Annual Return at Companies Registry in UK regarding shares and Gee & Co. **No** Notice of Board meeting, as required by Magellan Aerospace UK Articles of Association clause 16.5, amending Regulation 88 Table A of the Companies Act 1985, was given to me or as far as I know to the other Directors of the UK Company. My lawyer has now formally indicated this in a letter to Gee & Co on 3 January 2007. The previous Magellan Aerospace UK Board Meeting was held on 5 Jan 2006, despite other verbal and written requests, from me between those dates.

**23 October 2006 - day 35**

A. Mr Dimma did not return any calls to my lawyer and was eventually told to make contact with Mr Rich Neill and Ms JoAnn Ball – which he did. They advised him that they had retained Pinsent Masons and had some final instructions to provide before he should make contact with them. Ms Ball would deal with this tomorrow. He emailed the Pinsent Masons contact that evening, and as part of that email also offered to provide copies of all the dossiers which had been left with Mr W. Dimma.

B. I received a FEDEX parcel from Jo-Ann Ball which contained a letter dated 19 October 2006 .....reiterating the termination of my employment contract and employment with Magellan as at (1 month earlier) 18 September 2006. This letter purports to accept an offer to resign my directorship, which I had not made. The reiteration of my dismissal strongly suggests Magellan were still acting without the benefit of UK legal advice.

**25 October 2006 - day 37**

A. Following a telephone request from Pinsent Masons my lawyers then sent copies of all the Dossiers and other relevant correspondence to Pinsent Masons on 26 October 2006 - confirmed in their possession no later than on 31 October as they commented in an email

*“on the question of the “disclosures”, I have very limited knowledge of these and have not yet had the opportunity to review the dossiers sent by Amy although they are due to be reviewed by a colleague from my firm’s dispute resolution and litigation team shortly “ .*

Note : No request for any clarification on any of the documentation was ever received from Pinsent Masons. I offered to do this recently –10 Jan– but it was not appropriate email 12 Jan .

B. No response from Mr Dimma - I wrote and sent a lengthy email to Mr Dimma that morning.

26 October 2006 - **day 38** I had begun a short family holiday in Scotland and did not have access to emails until **4 November 2006**. Mr Dimma’s personal assistant Ms Enid Williams sent the following. *The following is from Mr. Dimma:*

*Mr Little, Mr Dimma did receive your email and here is his response to it:*

*“Hi Brian. It is the view of both myself and management that all future correspondence between Magellan and yourself should be between Rich Neill (or other members of the management team, depending on the issue) and yourself. Our whistleblower policy calls for me, as chair of the audit committee, to be the first contact with anyone wishing to invoke that policy but for management to handle any subsequent steps “*

And on 27 October – read by me on **4 November 2006** –

*Hi Brian. I think that it's best practice, under the circumstances, for future contact between you and Magellan to be through the management. Rich Neill, as CEO, may be the best single contact, depending on the issue. Every best wish Bill Dimma."*

**6 November 2006 - day 49** - after the "second" 21-day policy period there was still no "proper response to whistleblower report" in accordance with the Magellan Ethics and Whistleblower policy documents and so I began Step 3

Step 3: The internal Magellan Aerospace Corporation governance processes do not require the following steps, however after careful consideration, advice, and recognising International Best Practice I proceeded from

..... November 7 - December 4 2006 (28 days)

**7 November 2006 - day 50**

A. I wrote "My disclosures dismissal" letter and sent this with a document pack to each individual Magellan Aerospace Corporation Board Director and invited them to contact me/meet with me in London to review / discuss the disclosures I had made at any time between November 10 – 24. The "second" fourteen day opportunity for director contact. No contact in any form, or even acknowledgement, was forthcoming from any of the Directors (excl Dimma-16Nov) .

B. Separately my lawyer wrote to Pinsent Masons questioning "the approach being taken by [Magellan] first to investigate the disclosures made by [me] and second to investigate [my] dismissal under the Whistleblower Protection policy in light of the emails [from] Mr Dimma.....Our client is sending a letter and pack of supporting documents to ensure that all the non-executive [independent] directors of Magellan Aerospace Corporation are briefed about his disclosures, with a view to engaging on those subjects.....You will understand therefore that we and our client see this as a cover up. I look forward to hearing from you"

**8 November 2006 - day 51**

A. FEDEX delivered the 7 Nov letter and document packs in Canada to

Chairman / Management

Independent Directors

<u>N. Murray Edwards</u> - 10.41 am	<u>William A. Dimma</u> – 9.31 am (Chair- Audit Comm)
Larry G. Moeller - 10.41 am	Donald C. Lowe - 10.28am (Audit Comm.)
Richard A. Neill - 10.49 am	Bruce W.Gowan (9)–12.42pm. (Audit/HRC Comms)
	<u>Hon William G. Davis P.C., C.C., Q.C.</u>
	- 9.51 am (Chair of HRC Comm)
	James S. Palmer, C.M., Q.C.,
	- 10.46am (HRC Comm)
	<u>Hon.M.Douglas Young, P.C.</u>
	- 11.05am(Chair of Governance)

B. In the absence of receiving any Notice of a Magellan Aerospace UK Board Meeting in the last eight weeks, I emailed Shawn Smith (Magellan Aerospace UK Director and Company Secretary) and requested that Notice be given for a Board Meeting of the Magellan Aerospace (UK) Board to review / consider and discuss a number of substantive issues before finalising the Financial Year FY 2005 Statutory Accounts, for submission to the external auditors, Ernst and Young. These Financial statements (Statutory Accounts) are a UK legal requirement and should have been filed with the UK Companies Registry on or before the legal deadline of 31 October 2006. At 4 May 2007 ( 6 months overdue ) they have not been filed at the UK Companies Registry by the Company Secretary Mr Smith.

#### **9 NOVEMBER 2006 - day 52**

Magellan Aerospace Corporation Audit Committee and Board meets in Toronto. Following this Magellan Aerospace Corporation Board meeting, I understand from a 13 December letter from Pinsent Masons, that I was formally removed as a Senior Officer of the Corporation. A copy of the Board Resolution (Proposer / Seconder etc) or minutes dealing with the discussion around Magellan Ethics policy / Retaliation -II. and Whistleblowing protection policy has not been provided to date, despite my lawyers request. Pinsent Masons have also notified my lawyers that the Chairman (Hon William G. Davis P.C.,C.C., Q.C.) and the other independent director members of the Human Resources and Compensation Committee (Messrs Palmer and Gowan) were fully aware of the circumstances of my termination, some eight weeks earlier, and had discussed and considered these matters. All the Directors, including those members of the Human Resources and Compensation Committee, also had their personal copies of the DIR7 Nov packs prior to the Magellan Aerospace Corporation Board, which included my covering letter of 7 November “ My disclosures dismissal”.

#### **10 November 2006 - day 53**

I sent an email to my advisors re contact with Ernst and Young (External Audit) partner in UK the previous day (9 Nov ) and copied email to Mssrs Dekker , Smith , Neill and Underwood – the other Magellan Aerospace UK directors and also Mr Dimma (Magellan Aerospace Corporation Audit Committee) and Mr Edwards (Chairman of the Magellan Aerospace Corporation )

Both the 8<sup>th</sup> Nov and 10<sup>th</sup> November emails were also forwarded by my lawyers to Pinsent Masons, given the gravity of the subject matter.

#### **16 November 2006 - day 59**

A. I reminded the Company Secretary (Mr Smith) of Magellan Aerospace UK by email (and all the UK Directors above) that I had not yet received Notice convening a UK Board meeting on the substantive / “material” issues in my 8 Nov. email request.

B. While Mr Dimma also received a copy of my 10 November 2006 email, regarding the MALUK FY05 statutory accounts, the sole contact or correspondence / acknowledgement that I received from any of the individual Magellan Aerospace Corporation Directors after the Magellan Aerospace Corporation Board on 9 November was from Mr W. Dimma. Some extracts from a letter dated 14 November (received by FEDEX on 16 Nov) from Mr Dimma are set out below: -

*“As you know, we met on 24 September 2006, to discuss your concerns. You sought to bring your concerns to my attention, in my capacity as Chairman of the Audit Committee. You did so under the provisions of the Company’s “Whistleblower protection policy “ and / or Code of Ethics.*

*“ I was satisfied (and remain satisfied) that the issues you raised did not (and do not) warrant further steps or remedy. I considered that the issues you raised were not financial or governance issues that were of concern to me as Chairman of the Audit Committee. They did not, in my view, amount to unethical or unlawful acts on the part of the Company or any of its employees.*

*“The matters that you were raising were historic ..... They do not merit further consideration under the provisions of Magellan’s Whistleblower Protection Policy and/or Code of Ethics.”*

**17 November 2006 - day 60**

A. I responded to Mr Dimma’s letter received the previous day, with four specific points and concluded: -

*“ I am forced to conclude that my disclosures have not been taken seriously and your letter is an attempt to close off and cover up these issues”.*

This was sent by FEDEX to all the Audit Committee Directors and Mr Edwards

<u>Dimma</u>	-	20 Nov 9.13 am	<u>Gowan</u>	-	21 Nov 17.00 pm
Lowe	-	20 Nov 9.51 am	<u>Edwards</u>	-	20 Nov 10.31am

B. An email/ letter was received by my lawyers via Pinsent Masons indicating that I had been removed as a director of Magellan Aerospace UK with immediate effect, in a letter from Mr Rich Neill dated 15 November 2006.

C. Mr Neill then proceeded to resign himself as a Magellan Aerospace Limited UK Director, (Nationality: Canadian UK) on 20 November 2006. This was notified on the appropriate 288 form, by the Magellan Aerospace UK Company Secretary /Director Mr Shawn Smith dated 28 November 2006, to the UK Companies Registry.

**4 December 2006 - day 77**

**A.** In the absence of any contact / acknowledgement from any of the Magellan Aerospace Corporation directors in the previous 28 days (other than Mr Dimma above) I sent a further individual letter “My Disclosures and dismissal (2)” to each director together with an updated documents pack. I now felt compelled to proceed to the **final step**. .....

**B. Step 4: I sought a meeting with Barbara Hadfield, the Ernst and Young (E & Y) Audit Partner for Magellan Aerospace UK in order to explain the protected disclosures to the auditors for the UK and Canadian companies.**

**..... 4 December 2006 - 14 December 2006**

**5 December 2006 - day 78**

FEDEX delivered my 4 Dec letter and document packs in Canada to

<u>Edwards</u> - 11.14 am	<u>Dimma</u> - 9.26am	<u>Davis</u> - 14.57pm
Moeller - 11.14 am	Lowe - 14.30pm	Palmer - 11.15 am
Neill - 14.21 pm	Gowan (7) - 12.58pm	<u>Young</u> - 13.52pm

**7 DECEMBER 2006 - day 80**

A. I had a 3 + hour meeting with Barbara Hadfield (UK Partner of E & Y) for Magellan Aerospace UK in their Bristol office. The ex-Engineering Financial Controller (left 25 August 2006) accompanied me to the meeting. At the end of the meeting Mrs Hadfield made contact immediately with her Canadian E&Y partner colleagues and confirmed with me later that afternoon that they would accept my request for a meeting as soon as practical for both parties.

B. A Magellan Aerospace Corporation Audit committee and Board Meeting took place in Toronto. E & Y were present at the Audit Committee meeting.

**13 December 2006 - day 86**

My lawyers advised Pinsent Masons that I was having a meeting with E & Y (Partners from Canada) the following day and then received an email from Pinsent Masons stating that *“my client has asked me to request that a colleague of mine, Kevin Hills, ---Head of Forensic Accounting team--- attends that meeting on behalf of Magellan”*. Obviously it was inappropriate that he attend that meeting – also no lawyers were to be present. After the request was denied another letter was sent requesting again that Mr Hills attend – we once again rejected based on the purpose of the meeting and my financial advisors.

To my knowledge no requests were ever received regarding clarification of any of the dossiers / documentation from end October 2006 from Pinsent Masons, and a subsequent offer in January to Pinsent Masons to do a similar presentation to E & Y for them received the response *“Having taken soundings and spoken with my client, it has been concluded that it would not be appropriate to meet Mr Little at this stage “* on 12 January 2006. A similar offer to their lawyers has been made again on 30 January for a mid February date – whilst I am on other business / final “planned” executive search discussion in Birmingham - as yet we have not had a response.

**14 December 2006 - day 87 (MAL Share price circa C\$ 2.40 )**

I had a 4 hour meeting in London with Mr Don Linsdell – current lead audit partner and Mr Dave De Wolf – previous audit partner from Ernst and Young in Toronto, Canada. No MAL independent directors chose to accompany them. On this occasion the ex MALUK Head Office Accountant (left 21 February 2006) accompanied me to the meeting. At the end of the meeting Mr Linsdell indicated that he would be speaking again to the Magellan Aerospace Corporation Audit Committee / independent directors. They had achieved their objective in coming to listen and understand the issues. They also wished to ensure that I understood that the Magellan Aerospace Board Management and Audit Committee/independent directors needed to address these issues initially and effectively confirmed my own financial team’s advice regarding the probable next step in that process–see External Investigation–PricewaterhouseCoopers (PwC). This was 3 months after my/advisors original request to Mr William Dimma.

**15 December 2006 - Day 88 of 90 -**

Due to the lack of action by Magellan Directors over the last three months, I reluctantly filed my legal case in the Bristol Employment Tribunal against Magellan Aerospace UK and Magellan Aerospace Corporation, itemising the 24 selected Protected Disclosures that I had made over the months between December 2005 and my dismissal in September 2006. This was faxed/filed at 20.00 UK time – on the last business day to remain within the statutory 3-month limit for filing the claim. This was accepted and acknowledged by the Employment Tribunal, on Tuesday 19<sup>th</sup> December 2006, and a case number assigned : 1402867/2006. Both defences were filed after a two week extension on 30 January 2007. Thereafter the case will move to a hearing in a Bristol Employment Tribunal, during 2007, where Magellan have now advised us, in a 13 December letter from their lawyers Pinsent Masons, that *“the Employment Tribunal ... will of course provide a forum for relevant issues to be ventilated.”*

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**19 December 2006 -- (Day 1 of 43 of claim/response period)**

I prepare and send “ My Disclosures and dismissal (3)” letter and the final document pack Dir18Dec to the directors of Magellan Aerospace Corporation.

**20 December 2006 - day 2**

FEDEX deliveries of 18DecDir update packs – with final “My Disclosures – dismissal (3)” covering letter / docs were delivered to .

E&Y Canada - 10.15am and the (e) indicates that emails were also sent on 27dec

<u>Edwards</u> - 11.04 am	<u>Dimma (e)</u> - 9.43 am	<u>Davis (21)(e)</u> - 14.01 pm
Moeller - 11.04 am	Lowe - 10.20 am	Palmer - 11.22 am
Neill - 10.39 am	Gowan (21) - 12.55 pm	<u>Young (e)</u> - 14.06 pm

Mr Edwards (Chairman) pack (opened) was sent back on Dec29 – received 2 Jan 2007 with comment “Moved Out”. (Reforwarded through Pinsent Masons – confirmed received at 16 January 2007)

17 December – 22 December 2006

Magellan Aerospace Corporation Audit Committee / independent directors / Board decide , presumably based on the Ernst and Young external auditor feedback from the prior week to engage a further external investigation by PricewaterhouseCoopers(PwC) I understand from several reliable sources this is now underway in January 2007. (Note – based on my prior Senior Officer / UK Director role, and involvement in these matters , as at 15 Jan I have as yet ,had no contact or idea of scope from PwC/others... Contact by letter from PricewaterhouseCoopers UK on Tuesday 23 January - see later)

**22 December 2006 - day 4**

Pinsent Masons request an extension for filing the defences for both Magellan UK and Magellan Aerospace Corporation (legally due 16 January 2007) by three weeks (+ 21 days) to 6 February 2007. The ET regulations/process requires that I / my lawyers are copied on that request and that we can object. In view of the previous 90 day experience and the legitimate public interest – at least in aerospace - in these “protected disclosures”, my prior Mayflower / Magellan “receivership” experience, adherence to Magellan/ International Best Practice Governance processes and the impact on my reputation / job hunting I did object. I accepted my lawyers proposal that we propose a one week extension – for the Christmas and New Year Public holidays. My lawyers then provided letters and evidence on 27 December 2006 and 2 January 2007 to the Employment Tribunal regarding our objection to a three (3) week extension and the basis of that objection. I wanted to send this timeline, as at 2 January, to the ET in support.

**27 December 2006 - day 9**

A. My lawyers submit the initial letter of objection to Extension, with follow up supporting documentation on 2 January 2007 ( but without adding this document)

B. Email from my lawyer to Pinsent Masons asking them to confirm that they have given notice to both Magellan Aerospace Corporation and Magellan Aerospace UK to put a freeze on any document destruction processes that may affect relevant documents.

**3 January 2007 - day 16**

The Employment Tribunal responded to my lawyers’ letter

“Thank you for your letter dated 2 January 2007 which was referred to Mr C F Sara , Chairman of Employment Tribunals .

I am directed to inform you that no application for an extension of time to submit a response has been received by the Tribunal. Should such an application be received in due course, your objections will be referred accordingly.”

**5 January 2007 - day 18**

A. My lawyers advised Pinsent Masons of the ET response / letter and that their letter asking for an extension had not been received – some 14 days after the **URGENT** Fax request of 22 Dec 2006

“Please find attached a copy of a letter we have received from the Employment tribunal, for your information.”

- and received an email response from Pinsent Masons

“ ..... we were unaware that the Tribunal had not received our application . Thank you for advising us of this fact. I have sent the Tribunal a further fax straight away, a copy of which I attach for your information.”

B. A letter was sent the same day from the Employment Tribunal to the Magellan lawyers stating

“A Chairman has granted your application to extend time within which to present your response. However, in view of the claimants objections and the previous history of contact between both parties solicitors, the Chairman has granted an extension of 14 days only. Your response must be presented on or before 30 January 2007.”

C. Also letter / packages (DIR18Dec) re-despatched to Pinsent Masons with request that the prepaid package be forwarded again to Mr Edwards - Chairman

### **8 January 2007 - day 21**

Advised by Pinsent Masons that they were making arrangements to forward the package to Mr Edwards. On the 10 January they confirmed that the package had been sent to Mr Edwards. (confirmed received on 16 January 2007)

### **11 January 2007 - day 24**

A. I telephone Ernst and Young (E&Y) in Canada to confirm current status. E&Y left detailed voicemail message - effectively confirming that matters had proceeded as I expected / discussed in London (Deloitte's assessment) and at this initial stage in the process now awaited feedback on scope, review, outcomes and decisions by the Audit Committee/independent Directors and Management of Magellan Aerospace Corporation. To revisit at end January 2006 .

B. Letter from my lawyers to Pinsent Masons re extension and related defence

1. we will consider constructively any requests that Pinsent Masons might make of us for any documents which they consider necessary to prepare their defence.

2. offer to make Pinsent Masons a presentation, similar to that given to E & Y on 7<sup>th</sup> and 14<sup>th</sup> December 2006 (without my lawyers) next Tuesday 16 January 2007 (while I was in Birmingham for another executive search consultant meeting and other family business ). This was refused by Magellan in an email from Pinsent Masons on 12 January 2007.

3. we expect return from Mr Dimma of my Magellan PC to safe custody in Pinsent Masons hands for access to documents by Deloitte, myself and for their use. Given our extensive provision of documents to Pinsent Masons we expect them to reciprocate by providing copies to us of the documents related to the case they advanced on 31 October 2006 .

The letter also reinforced the comments in my lawyers email of 27 December 2006 regarding assurances that Magellan Aerospace Corporation and Magellan Aerospace UK had provided written assurances that they had taken all appropriate steps to safeguard electronic as well as paper documentation from destruction.

C. My Canadian lawyers (retained through my UK lawyers) visited the Head Office of Magellan Aerospace Corporation to check the current listing of Directors - this was some 30+ days after the Magellan Aerospace Corporation Board and Audit Committee meeting on 7 December.

**15 January 2007 - day 28**

A. Some other documentation forwarded to Mr Neill and confirmed FEDEX delivered in Toronto at 10 59 am . Some documentation – including the above - also sent separately to the Magellan Aerospace (UK) Resident Directors Mr Phillip Underwood – 12.38pm and Mr Shawn Smith – 9.56 am.

B. Two months (15 November 2006) after my removal as a UK Director , by Mr Neill on behalf of Magellan Aerospace Corporation, (he himself resigned from the UK Board within days) the Statutory Accounts for Magellan Aerospace (UK) for the twelve months of FY 2005 have still NOT been filed with the UK Companies Registry by the Company. This is still the situation at 30 April 2007.

**16 January 2007 - day 29**

A. My lawyers send a further letter to the Employment Tribunal regarding the “overall” aspects of this case and also offer to make this process / timeline document available if it would assist in advancing the case management timescales . In any event I have decided to provide this now to Magellan Aerospace and UK Directors by Pinsent Masons and separately to Ernst & Young (independent auditors) and Marsh (insurers) for information/record purposes.

B. My lawyers again ask Pinsent Masons to confirm safe receipt of package by Murray Edwards - as at 1.00pm no response was forthcoming (sent seven days ago). At 7 pm an email was received by my lawyer stating the package “was received by our client’s office today”.

**22 January 2007 - day 35**

A substantive four page letter was sent to Pinsent Masons by my lawyers dealing with the issues / responses to Pinsent Masons letter of 13<sup>th</sup> December 2006 .

Based on its contents and the developments since 19 December 2006 I decided to send a letter and further Directors package (“CDIR22 Jan”) - though in this case to the Chairman of the Board – Mr Edwards, via Magellan Calgary-based lawyers / James Palmer, and also to the Chairmen of the relevant sub-committees of the Board (William Dimma, Bill Davis, Doug Young). I asked that Mr Edwards arrange circulation to any other Board members as he deemed appropriate.

**Magellan Aerospace Corporation Chairman – Mr Murray Edwards** - I told Mr Edwards (and the other Chairmen) that I was still available to discuss any aspect of the situation and mentioned that I would be in the USA/Canada from 5 – 9 February “if a meeting in Toronto might assist the process”.

**Audit Committee - Mr William Dimma** -- to review with his Audit committee colleagues as part of the wider PwC independent investigation – see below.

**Human Resources and Compensation Committee - Mr Bill Davis** - My lawyer’s letter suggested that he and his committee should by now have investigated the conduct of Mr Neill, Ms Ball and anyone else involved in my dismissal under the Ethics and whistleblowing protection policy - - as per original letter to Mr Dimma and his independent director colleagues of 20 September 2006 (delivered to Mr Dimma on 24 September 2006). Although belatedly this should be considered by the Audit Committee as part of the scope of that independent investigation by PwC, or by he and his colleagues in a similar investigation.

**Corporate Governance and Nominating Committee - Mr Douglas Young** - he is the only independent Director not on either of the above sub-committees, and is the Senior Independent Director holding the Chairmanship of the Corporate Governance and Nominating Committee. In this role my lawyers suggested in their letter that Mr Young and his committee should by now have investigated the circumstances of my dismissal. In view of the actions /inactions of the Board / sub-committees and directors and officers to date I ( and relevant advisors) believe this ought to also include his oversight and participation in PwC's external investigation (s) scope and outcomes in the Audit and Human Resources Board sub-committees.

**23 January 2007**

A. FEDEX delivered my 22 January letter and document packs

Palmer (and Edwards enclosure/transfer) 11.12 am Dimma - 9.26 am  
Davis 9.44 am Young - 11.30 am

Copies to E & Y UK - 10.16am Canada - 10.09 am

B. Received letter at home from PwC requesting a meeting with me . Spoke with them that evening in the UK .

**24 / 25 January 2007**

A. Full set of Original Dossiers – without the whistleblowing presentation summary- all four DIR files (DIR7Nov, DIR4Dec, DIR19Dec and CDIR22 Jan) , and IOD (UK) Directors Handbook sent to PwC in Birmingham from my lawyers .

B. My lawyers receive an email on 24 Jan from Mr John Tracey – the PwC Lead partner for the independent investigation which stated “.....and am happy to confirm in writing now , that PwC LLP is being engaged by the Audit Committee of Magellan Aerospace Corp to conduct an independent investigation of the concerns raised by Mr Little. We will report our findings directly to the Magellan Audit Committee..... ”.

C. Meeting arranged in PwC Belfast for next Monday (29 January) afternoon / evening. To ensure all DIR / CDIR documentation also available to Pinsent Masons a full set of the four DIR files were sent by my lawyers - together with the two books – IoD/Dimma

**29 January 2007 - day 42 (Circa day 1 of PwC independent investigation)**

A 7+ Hour meeting was held in Belfast with the PricewaterhouseCoopers Forensic team (Mr John Tracey and two others) from Birmingham who are leading the external investigation for UK / Canada . This was very comprehensive and included the full presentation previously provided to E & Y in December 2006. On this occasion I was accompanied by Mr James McCreery , a family friend. I offered to be available to PwC in Canada on 8 or 9 February when in North America if that would assist.

**30 January 2007 - day 43 of 43 ( 28 days normal response) (134 days later)**

A. A letter from my lawyer was sent to Pinsent Masons summarising a number of items and preparing for the Case Management Discussion (CMD) with the Employment Tribunal. This process / timeline document was updated as at 1 pm on Tuesday 30 January 2007 and was included with that letter to Pinsent Masons. It was acknowledged receipt, together with all the Dossiers above, by Pinsent Masons on 1 February 2007.

B. On the last day of the extension of two weeks granted by the Employment Tribunal to Magellan / Pinsent Masons the defences were filed by Magellan UK and Magellan Aerospace Corporation with the Bristol Employment Tribunal .

### **1 February 2007**

A. My lawyers wrote to the Employment Tribunal requesting an early Case Management Discussion for the reasons outlined in the letter of 16 January 2007.

My lawyer also noted, after a quick review of the defences

1. that the Defences are short on particulars and signally fail to engage on the “Protected Disclosures” themselves. One other signal example is the Pricewaterhouse Coopers engagement, where the defence fails to specify when they were engaged.

2. requesting copies of all documents you pleaded

B. A letter was sent back the same day from the Employment Tribunal stating

*“Upon consideration of the file , a Chairman, has directed that a Case Management discussion(“CMD”) will be held to give directions relating to the preparation of the case for hearing and , if appropriate , to fix a date for the hearing.*

*You must be able to discuss ..... Issues , documents , witnesses , value of claim etc etc ..... and will be held at 14.30 pm on Wednesday 7 March 2007.*

### **2 February 2007**

My lawyers sent an email to Magellan lawyers regarding further witness approach policy (recognising also PwC request in that regard) , return of my PC , confirmation of certain items in previous emails and in light of some of the matters raised in their defences indicating that we were now reviewing the role of the Engineering Employers Federation (EEF) in respect of two matters and the related documentation/ witnesses.

### **4 February 2007**

I wrote to Mssrs Lowe and Gowan ( see FEDEX deliveries below) who are independent directors on the Magellan Aerospace Audit Committee (Mr Dimma being the other Director and Chairman) stating *“the issue I want to bring to your particular attention at this time is the involvement of PwC and the way they are referred to in the Grounds of Resistance”* in both response documents from Magellan UK and Magellan Aerospace Corporation. *“I ask them to consider these matters when you meet again as an Audit Committee and can inform me accordingly”*. The letter and attachments are email / copied to both PricewaterhouseCoopers (PwC) and Ernst and Young (E & Y) .



**15 February 2007**

(Day 18 of PwC independent investigation)

I have a further 5 hour meeting with PwC (same three people from UK ) in Birmingham to assist their investigation / clarification of documents.

**16 February 2007**

Response from Pinsent Masons to a number of my lawyers letters/faxes ...this included the following comments ..

*“ The investigation entailed Mr Dimma meeting with your client and reviewing the bundle of documents that he provided and then discussing his considerations and findings with all members of the Audit Committee before writing to your client with his view.*

*My clients’s Responses do not create a “false impression” that PWC were involved in investigating your client’s complaints before he filed the Tribunal complaint . For the sake of clarity , PwC commenced their investigation in January 2007 although the decision to instruct independent accountants was taken before Christmas (in fact shortly before the ET claim was filed.)”*

**19 February 2007**

(Day 21 of PwC independent investigation)

A. Today is 21 days after meeting with PwC in Belfast --- report to Whistleblower protection policy from Audit Committee – and the matters raised in my letters above to the three independent Directors , recognising 16<sup>th</sup> letter / quotes in Magellan lawyers letters above . As at 2 March 2007 I have received no response, or indeed even acknowledgement, of my letters to the Audit Committee raising various matters.

B. Today is 28 days after supply of the CDIR22 Jan packs and my personal letter / request to the Magellan Aerospace Corporation Chairman (Mr Edwards) and the Chairs of the relevant sub-committees (Mssrs Dimma , Davis and Young) to consider/contact.

**20 February 2007**

A. My lawyers send a letter reinforcing the lack of information from PinsentMasons and their “unhelpful” response in respect of documentation pointing out that

*“ there cannot be many of them and they must have been organised for provision to Leading Counsel [Adrian Lynch Q.C.] to draft the Responses. You can surely run them through the photocopier one more time and send them to us overnight by DX, as we have a consultation with Leading and Junior Counsel on Thursday, inter alia to prepare for the CMD.”* This was to enable their effective preparation for the meeting planned with Leading Counsel (Andrew Stafford Q.C.) and Junior Counsel (Andrew Edge) on Thursday 22 February 2007.

They also indicated that they would be sending PinsentMasons our “*formal request for Further and Better Particulars shortly [sent Thursday 22 Feb] ,and will require these to be answered in good time [due by Noon on Friday 2 March 2007] before the Case Management Discussion [2.30pm on 7 March 2007] to enable that to be effective”.*

My lawyer also noted the rejection of our proposal re witnesses commenting that “*You have the advantage over us when it comes to deciding on witnesses, as you presumably know all the particulars of your client’s case, while we do not given the lack of particularity in the Responses. At the moment we have a large pool of potential witnesses identified and willing to testify if required, which we cannot yet fine down .”*

### 21 February 2007

In the absence of any response to their now five requests for documentation since the end of January 2007 (including twice this week) my lawyer telephoned PinsentMasons at 3.45pm to ask whether they had put the requested documentation in the DX as requested - at 18.46 pm my lawyers received an email with the attachment of some unidentified manuscript pages and apparent meeting notes dated 20 August (Sunday) and several emails – some of which were already in our possession.

### 22 February 2007

A. My lawyers sent a short email to PinsentMasons acknowledging receipt but noting there are a “*considerable number of the pleaded documents missing*”

B. My lawyers send a six page letter to PinsentMasons.... “*formally request that you provide us with the following further and better particulars. Last night you provided us with at least some of the pleaded documents. The requests below are not as extensive as we believe we are entitled to make, but we have had regard to the overriding objective. This is therefore expressly made without prejudice to the points made several times previously that the Responses are wholly inadequately particularised.*”

This letter was copied to the Bristol Employment Tribunal

### 26 February 2007

My lawyers wrote an email to PinsentMasons requesting a copy of the draft “witnesses list” which their clients had been finalising 10 days earlier – per PinsentMasons 16 February 2007 letter. It was hoped that this, together with the answers to the Better and Further Particulars letter of 22 February to them, would enable us to better understand what will be required in terms of further documentation , and which witnesses from our identified draft pool of 30+ will be needed to deal with “*the most expansive version of your client’s case*”. All of this to try and be professionally prepared for the CMD in terms of hearing length etc.

### 2 March 2007 (Day 33 of PwC investigation)

A. My lawyers sent a letter to Pinsent Masons (and copied to the Bristol Employment Tribunal) to try to get as much agreement between the parties on each of the Tribunal’s CMD questions before the Case Management Discussion on Wednesday 7 March.

B. After some three weeks I have received no response to the matters raised by myself / advisors , or indeed even an acknowledgment, to my letters to the Magellan Aerospace Corporation Audit Committee. Although the email from John Tracey of PwC (Lead Independent Investigation Audit Partner) on 24 January states “*and am happy to confirm in writing now, that PwC LLP is being engaged by the Audit Committee of Magellan Aerospace Corp to conduct an independent investigation of the concerns raised by Mr Little. We will report our findings directly to the Magellan Audit Committee.*” I have not received any feedback within the 21 days ( 33 days + as at today’s date ) in accordance with the “Whistleblower” Policy or from the Audit Committee independent directors regarding the various matters /suggestions associated with the “independence” in these unique circumstances.

C. As a result of B. I sent an email to Mr Dimma (Chairman of the Magellan Aerospace Audit Committee) this afternoon raising these matters and indicating I had no response / acknowledgement. He responded by email later that evening

*“Brian : our lawyers in Canada, Torys LLP, are currently drafting a letter that will address the question of who should appropriately communicate with you while PwC is conducting their full investigation. This will be communicated to you in due course . best wishes . Bill Dimma .”*

*I responded later that evening “Bill – thankyou for that update – do you have any idea as to when that will be sent to me ?? Kind regards brian”*

Note :: Torys LLP are not the Magellan lawyers and I assume must have been instructed by the Audit Committee. ( Hon. William G. Davis P.C., C.C.,Q.C.--, Chair of the Magellan Aerospace Corporation Board sub committee for Human Resources and Compensation is a partner here? )

#### 4 March 2007

A. I opened an email (which had been sent the previous day) from Bill Dimma in which he had replied to my email of the 3 March 2007 which said *“Brian : I believe that you should receive it within a week to ten days (God willing) . Bill Dimma “*

B. I replied by email immediately with a comprehensive email summarising various aspects of the matters for consideration within that letter and reiterating my commitment *“to working through a solution – can and will we ?? kind regards brian little. “*

#### 5 March 2007

A. A letter is received (sent at 18.08pm on Friday night) from PinsentMasons detailing  
1. response to the Request for Better and Further Particulars and  
2. Case Management Discussion and schedule

B. Later that morning my lawyer sends a three page letter in response to that in A1. above with a request for response on two items – request 23 /their comments – PwC report and requests 9 (and 1) regarding Third Parties by return to enable us to fine down documents volumes and witness numbers prior to the CMD . This information / response was not available for the CMD and has not been received at 9 March 2007 noon.

C. In the afternoon my lawyer sends a four page letter re the Proposed directions for the Case Management Discussion in response to A2.above to Pinsent Masons with a request that *“Generally , I hope that you will give me a call at some point tomorrow with a view to hammering out as much further agreement as we can before the CMD”*

D. Received documentation from my Canadian lawyers advising that the Current Register of Directors was unchanged as at 2 March 2007 for Magellan Aerospace Corporation.

#### 6 March 2007

There was no telecon /feedback by 6 .30 pm and my lawyer sent an email summarising the key issues for resolution before the CMD . He received an out of office reply.

### 7 March 2007

A. The following morning Pinsent Masons sent a letter with some of the answers – the legal dimension – but few of the business items.

B. Some discussion took place later that morning between the lawyers and an understanding was reached “that they needed to knock the corners of the defences”

C. The Employment Tribunal in Bristol had the scheduled “Case Management Discussion” at 2.30pm under the Chairwoman Mrs OR Harper – it lasted some 50 mins instead of the planned 30 mins.

The Employment Tribunal Ordered

1. Magellan – Respondents – to answer the Further and Better Particulars request by 23 March 2007 - my lawyers letter of 22 Feb 2007
2. Submit our schedule of losses (for me) by 21 March 2007 –within 14 days . PinsentMasons will then provide a response within 21 days on a voluntary basis – as per their 2 March letter – in time for the next CMD review.
3. Parties to agree all the areas of genuine dispute and legal issues , by Wednesday 28 March 2007 – within 21 days .
4. Exchange lists of relevant documents by Wednesday 4 April 2007 – within 28 days (my lawyers said to the Chairwoman that they would provide a voluntary “shopping list” – not exhaustive – not later than Friday 30 March 2007 )

A date for a second Case Management Discussion (CMD) – a process which is unusual for the Employment Tribunal – was set for Tuesday 17 April 2007 at 11.30 am

A hearing date of [Monday 3 September for the 10 days to Friday 14 September 2007](#) was set for the Employment Tribunal in Bristol.

Mrs Harper had no questions of clarification for me in respect of my lawyers letter of the 16<sup>th</sup> January to the Employment Tribunal

D. My 5 March letters were delivered by FEDEX to the Audit Committee members .  
Dimma - 9.31am                      Lowe - 9.47am                      Gowan (8 Mar) - tbc

E. My Canadian lawyers send an email to Mr Dimma to understand who is the contact at the TORYS LLP dealing with the matters in his email last weekend.

### 9 March 2007

A. My lawyers advise me that they have received a letter from the Employment Tribunal with the related Order ---- confirming the above

B. My lawyer sent a three page letter regarding the approach and timetable for both parties to meet and “”knock the corners of the defences etc” to enable compliance with that Employment Tribunal Order before Friday 28 March 2007.

C. My Canadian lawyers advise me that they have had no contact back from Mr Dimma by email / phone or directly from TORYS LLP.

D. I prepare and send “My disclosures and dismissal (4)letter and the final document pack DIR9March to the Directors of Magellan Aerospace Corporation.

**12 March 2007**

A. My lawyers write an URGENT letter to follow up on certain matters relating to the CMD Order and also to chase PinsentMasons for a reply on the suggested dates for a meeting set out in the second paragraph of their letter of 9 March .

B. PinsentMasons reply by email that evening and state that they “*will take instructions on the suggestion that our respective Counsel meet to discuss the identification of issues in dispute. However, I should say that a meeting seems an unnecessary expense at this stage.*” My lawyers promptly respond by email.

C. My lawyers send a further comprehensive letter (Letter 2 – 12 March 2007) on documents and witnesses in order to be professionally prepared for the second CMD . In it they also clearly indicate that in light of the actions/inactions and responses above, together with the completion of the PwC independent investigation process, that I will now begin to renew contact with the “External to Magellan” witnesses on “*the basis of your {Magellan} defences and this may well mean there is contact with witnesses who may in the fullness of time turn out not to be needed for the trial*”.

D. I write and circulate letters to some of the External to Magellan witnesses to begin to renew contact - since January 2007. I advise PwC that I am now beginning to do this with the “External to Magellan” witnesses, as their independent investigation ought to be coming to a close in preparation for their feedback on 15 March, and that we need to be able to do so in order to be ready for CMD2. Today is some six weeks since the Belfast meeting with PwC .

E. FEDEX deliveries of my letter “My disclosures and dismissal (4)” & DIR9 March

<u>Edwards</u>	-	11.28am (at December address)	<u>Moeller</u>	-	11.28 am (same)
<u>Palmer</u>	-	11.07am	<u>Young</u>	-	11.11 am

**13 March 2007**

A. A DIR9 March dossier is also sent to PinsentMasons in Birmingham

B. FEDEX deliveries of my letter “My disclosures and dismissal (4) & DIR9 March

<u>Davis</u>	10.08 am	<u>Dimma</u>	9.25 am	Lowe	9.45 am
<u>Neill</u>	10.41 am	Gowan (14)	12.43 pm	Canada E & Y	9.47 am

PwC UK – 2 copies – London and Birmingham and E & Y one copy Bristol

**14 March 2007**

A. PinsentMasons “*I acknowledge receipt of your two emails of Monday evening and the package with accompanying correspondence that you sent me today. I will take instructions on the points contained in the various correspondence and will revert to you in due course*”. There is then some exchange of emails between my lawyer and PinsentMasons.

B. My lawyers email Pinsentmasons that *“on the subject of discovery, don’t forget the laptop PC as a source of relevant documents for your discovery exercise. That ball is now in your court given that you have not made it available to our client to find the relevant documents for both sides benefit. We still expect access to check though on the dates suggested previously. “* . First letter request for access to my laptop PC again on 11 January 2007

**15 March 2007 (Circa Day 46 of PwC independent investigation)**

**Planned Magellan Aerospace Board meeting - to include approval of FY 06 Financial results (ending 31 December 2006) ??**

**Original target date for feedback by PwC to Magellan Aerospace Audit Committee ?**

**16 March 2007**

A. I receive an email from one of the External to Magellan witnesses pool, in response to my letter (and an earlier text feedback from another), together with telecons with others, stating that they have had NO contact from PwC. I email the PwC personnel with an email on this matter and that I have had no “clarifying/final questions” prior to the presentation / above to the Magellan Aerospace Corporation Audit Committee . My advisors regard this as unusual in independent investigation processes.

B. My lawyers write a “End of Week “CMD – Orders Status summary on the Case progress / perspective, and remind PinsentMasons on the many Non-CMD matters which have not been answered in other correspondence, seeking input from them before a consultation with leading counsel on Monday 19 March 2007. They also point out that *“it is timely to press you for an answer about the PwC report. We understand this should now be available and, as we have said before, this is a document that should be provided to us on behalf of our client without any delay. We look forward to hearing from you about this no later than Monday morning.”*

C. My Canadian lawyers confirm that they have had no contact as at 10 pm (5pm Toronto time ) from either Mr Dimma or Torys in Toronto - some two weeks after the email exchange between Mr Dimma and myself stating that I should receive a letter *“within a week to ten days (God willing)”*.

**19 March 2007**

A. My lawyers receive a letter from PinsentMasons responding to their letter of 16 March 2007 indicating losses schedule response by 11 April, if not sooner , FBP on time by 23 March and a draft of agreeing factual issues in dispute “during the course of this week”.

A. My lawyers have a planned consultation with Leading Counsel and send an email on four subjects that evening - Schedule of Losses , F & BP , agree schedule of factual issues, list of documents including three specific questions regarding PwC report .

**20 March 2007**

A. My lawyers send a follow up email regarding “No response” to the three questions regarding the PwC report. My lawyers said they did not believe there were any outstanding issues with us but there were still many outstanding from PinsentMasons side. My lawyers also noted that they still had not received contact details for Torys in Canada as requested.

**21 March 2007**

**CMD Order 1 - Latest date for my lawyers to submit Schedule of Losses**

A. Schedule of Losses provided by my lawyers in accordance with the CMD direction.

B. My lawyers send a “Without Prejudice Save as to Costs” letter to Pinsent Masons offering to settle the breach of contract claim.

**22 March 2007**

I receive email contact from PwC wishing to have a follow up meeting early next week.

**23 March 2007**

**CMD Order 3 - Latest date for response to Request for Further and Better Particulars**

A. Email from my lawyers to PinsentMasons again asking for response regarding PwC questions from Monday 19 March email.

B. Response received from PinsentMasons on the Further and Better Particulars . The Responses are on the “Letter of the Law” not the Spirit of the Law as stated in Magellan Ethics Policies and therefore eight are not responded to out of the “limited” twenty – five in my lawyers letter of 22 February 2007 .

C. The “promised” draft of the factual legal issues is not provided by PinsentMasons and the PwC questions avoided again .

D. My lawyer writes a short and appropriate reply, stating that *“on both PWC and the schedule, this simply is unacceptable”*.

**25 March 2007**

A. My lawyer send a letter to Pinsent Masons listing the outstanding issues from earlier correspondence which are still requiring answers.

B. My lawyer sends a letter to the Employment tribunal advising them that they may shortly request Orders in respect of three items - Factual issues , PwC and my PC laptop access – *“if these matters cannot be resolved very quickly to our reasonable satisfaction.”*

**26 March 2007**

A. My lawyer sends a response to PinsentMasons to the Further and Better Particulars letter of last Friday, requesting clarification / correction and completion of a number of their responses to the Requests.

B. In the early evening the Schedule of Factual Issues is received from PinsentMasons on my lawyers computer systems, some 19 days after the CMD 1 and two days before it is supposed to be agreed.

**28 March 2007**

**CMD Order 2 Latest date for Parties to agree a schedule of factual issues in dispute. This was not met – see below**

B. Following a detailed review of the F & BP responses in Pinsent Masons letter of 23 March, my lawyers send a further letter to PinsentMasons requesting clarification of two of their responses and making an additional five requests for F & BPs.

**29 March 2007**

A. Letter from my lawyers to PinsentMasons regarding the Schedule of Factual Issues, as part of the progressive response to PinsentMasons letter of 26 March 2007.

B. Letter sent by my lawyers providing more detail from me in respect of the PinsentMasons' responses to Requests 1, 4 and 25 of the F & BPs.

**30 March 2007**

A. Letter sent by my lawyers to PinsentMasons summarising their perspective on the "state of play" with regard to CMD1 Directions 1-4.

B. In the absence of any response from PinsentMasons to my lawyers request for confirmation of Clare Wade as a witness, my lawyers and leading counsel decide that a letter should be sent to her directly to see whether her position remains as stated to me in early January.

((Clare responded by telephone to my lawyer " "She called on 2 April 2007 – she says she has not changed her position towards Magellan and is still not willing to give evidence. I thanked her and left it at that as I said we were just checking" ))

**2 April 2007**

A. A letter was sent from my lawyers to PinsentMasons with illustrative examples of the documents which they expected to see in the forthcoming Respondents List of Documents

B. A letter was sent by my lawyers to PinsentMasons - Schedule of Factual Issues (2) – setting out my further comments and enclosing documents in relation to five statements disputed by them.

C. Magellan Aerospace Corporation releases Fourth Quarter Report (December 2006), reporting revenues of C\$144.7m (2005 : C\$142.8m) and net losses of \$1.3m (2005 : C\$3.5m) for the quarter - the TSE responds with share drops at one stage to C\$2.45 - almost - 20% , before a partial recovery.

Notwithstanding the apparent improvement in trading performance against 2005, the fourth quarter loss has benefited from a \$1.5m reduction in depreciation and a net C\$3.4m exchange rate gain/asset loss , implying that the underlying trading performance has deteriorated year-on-year. It was also some C\$ 15 –20 million of the December 2005 Board – approved budgeted Gross Margin for 2006 after adjustments. The costs of undertaking the rationalisation and modernisation of four manufacturing facilities are disclosed as C\$2.5m , albeit no analysis by quarter is available. However, the following comparison can be made on an annual basis :

	C\$m	2006	2005	Diff
EBITDA		40.9	38.1	2.8
Less Forex gain		(3.9)	(0.3)	
Add Facility rationalisation (1)		<u>(2.8)</u>	-	
		34.2	37.8	(3.6)

Note 1 . Net rationalisation costs are C\$2.5m, but this excludes an amortisation charge of C\$5.3m.

### Annual Report for 2006

In addition to the poor Operating performance reported in Q4/2006 there were subsequent events re additional bank guarantee of C\$20m from the Chairman, C\$15m support for receivables and the cancellation of the receivables securitisation program as well as specific changes in the wording in Inventories. From the Annual Reports

#### FY 2005 Note 5 Inventories

*“Learning curve costs involve measurement uncertainty, and accordingly, the carrying amounts could be materially different from the amounts recovered.*

*The Corporation is in negotiations with one of its customers over amendments to pricing with respect to an existing long term contract. While it is probable that the Corporation will be successful in its negotiations , the final outcome is not determinable at the present time. If the negotiations are not successful or the final terms differ from what the Corporation expects, the Corporation may be required to record a loss provision on this contract. The amount of such provision, if any ,cannot be reasonably estimated until such amendments are finalized”.*

#### FY 2006 Note 3 Inventories

*“Learning Curve costs involve measurement uncertainty, and accordingly, the carrying amounts could be materially different from the amounts recovered.*

*Due to the long term contractual periods of the Corporation’s contracts, the Corporation may be in negotiation with its customers over amendments to pricing or other terms. Management’s assessment of the recoverability of amounts capitalised in inventory may be based on judgements with respect to the outcome of these negotiations. If the negotiations are not successful or the final terms differ from what*

*the Corporation expects, the Corporation may be required to record a loss provision on this contract. The amount of such provision, if any, cannot be reasonably estimated until such amendments are finalized.”*

#### Comments

Wording to inventories note has been changed from FY2005 to state that the Group “*may be in negotiation with its customers*” inferring a more general application than the single customer reference in 2005. Note also refers to “*Management’s assessment of the recoverability of amounts capitalised in inventory may be based on judgement with respect to the outcome of these negotiations.*” The text then repeats the wording used in FY2005 and indicates that the Group “*may be required to record a loss provision on this contract*”. The final sentence comments that “*the amount of such provision if any, cannot be reasonably estimated until such amendments are finalised.*”. This suggests that any provision will only be made upon conclusion of negotiations rather than appropriate estimates being made as the Group moves through the process.

Drafting of this note appears unusual and appears largely additive to the 2005 financial statements. The reasons for the change in wording from the prior year are unclear. It is also unclear as to the timescale for resolution and indeed what role the customer is playing in these negotiations.

Note: The Audit fees disclosed for 2006 have almost doubled from 2004 to c C\$1m.

#### 3 April 2007

- A. A third letter was sent by my lawyers, with regard to the drafting of the Schedule of Factual Issues by Pinsent Masons.
- B. Webcast for approximately 45 minutes re Q4/2006 financial results.

#### 4 April 2007

##### **CMD Order 4 - Exchange of Documents list by both parties**

- A. Letter received from PinsentMasons on a number of the items raised by my lawyers in previous correspondence.
- B. A letter was also sent to the Employment Tribunal by PinsentMasons in response to my lawyers letter of 25 March.
- C. List of Documents provided by PinsentMasons (on to my lawyers systems at 6pm) - CMD1 Direction 4. In the covering email PinsentMasons set out their position on the disclosure of the PwC report (interim and/or final).

#### 5 April 2007

- A. My lawyers send the our List of Documents to PinsentMasons during the morning..
- B. My lawyers also send a letter to PinsentMasons, setting out a preliminary response on a “quick” assessment to the Respondents List of Documents and covering email.

#### 10 April 2007

Email from my lawyers to PinsentMasons regarding “knocking the corners off the defence” and updating them on their contact with Claire Wade.

**11 April 2007**

A. Letter from my lawyers to PinsentMasons, enclosing copies of five documents from our List of Documents, which are not duplicated on their List, previously provided to them or believed to be in their possession and that are pre-termination (i.e. pre 18 September 2006). My lawyers also provided a list requesting 54 documents which, from a preliminary assessment of the documents, are not duplicated in the dossiers for the pre-termination period.

**12 April 2007**

A. Letter from Simon Jeffreys responding to previous correspondence and requesting a response to several outstanding items .

B. Email from PinsentMasons attaching a counter schedule of losses . My lawyer acknowledges receipt.

C. My lawyers send a revised Schedule of Factual Issues to try to gain further agreement on the issues in dispute before CMD2.

D. My lawyers email PinsentMasons with regard to their promise (on 30 January 2007) to provide Magellan's views on settlement.

**13 April 2007**

A. Letter from my lawyers to PinsentMasons, copied to Bristol ET regarding the forthcoming CMD2 and the outstanding items from CMD 1.

B. Email from PinsentMasons regarding laptop information access and requesting an undertaking to the effect that the material changes contained in the 10 DVDs (containing a forensic image of my laptop) will only be used in connection with the ET proceedings. My lawyer responds to that request, and gives the express undertaking.

C. My lawyer provides an initial response to the Counter-Schedule of Loss, pointing out some major errors and suggesting that it be withdrawn in order to give the matter proper consideration and resubmitted prior to CMD2. My lawyer said we would be content to postpone our critique of it, which should save time and money.

D. Deloitte (also my advisors) request that we obtain a "forensic" copy of my laptop as a number of the documents cannot be obtained.

E. My lawyers send a letter to PinsentMasons enclosing a CD containing "not sent" emails (approx 30) composed in the period of "electronic cutoff" from 19 September to 24 September, extracted by me from the DVDs received on 5 April 2007.

**16 April 2007**

A. Emails to PinsentMasons and the Bristol Employment Tribunal attaching all the relevant documentation in respect of the PwC report for the forthcoming CMD2.

B. My lawyers receive 10 Forensic DVD copies of my laptop and pass to Deloitte to provide image for me to work with on Tuesday 17 and Wednesday 18. Strict

Limitation to Employment tribunal items only - until authority received from my lawyers to the contrary.

C. Letter received from Pinsent Masons regarding the Schedule of Factual Issues in dispute (and enclosing a revised Schedule) and my lawyer responds by email.

D. Email from Ashley Norman responding to recent correspondence and attaching a delta view to the Schedule of Factual Issues

E. Further exchange between my lawyers and PinsentMasons with regard to the disclosure of documents to PwC.

F. My lawyers email PinsentMasons and state that they expect to provide a detailed response to the Counter-Schedule of Loss within 7 days and ask PinsentMasons to respond within a further 7 days so any areas of dispute can be identified.

### **17 April 2007**

A. CMD2 postponed by the Employment Tribunal until Thursday 19 April at 9.30am

B. Letter from Ashley Norman – without prejudice save as to costs – regarding settlement and stating that his clients consider that the best way of trying to achieve a resolution is through a mediation session in the UK.

C. Counsel for both sides discuss the legal/factual issues by telecon in advance of CMD2 .

D. My lawyers send a letter to PinsentMasons on a number on outstanding matters.

### **18 April 2007**

A. My lawyers receive an email from PinsentMasons stating that their clients are willing to allow me to disclose relevant documents from the laptop to PwC in relation to their investigation on behalf of the Audit Committee. My lawyer responds to say that this is agreed.

B. My lawyers receive a skeleton argument from Magellan's counsel, Adrian Lynch QC, in preparation for CMD2.

### **19 April 2007**

A. CMD2 takes place with the Employment Tribunal. The almost one hour discussion centres around the disclosure of the PwC report and the length of the hearing. An order is issued by the Employment Tribunal for the Respondents to tell my lawyers and the ET within 7 days, the date by which the report will be available to them and to confirm in writing within 7 days of receipt by them of the PwC report what their position is regarding disclosure of that document. CMD3 set by ET for 2 hours - 17 May 2007

B. Leave a CD with Part 1 of the documents permitted under the undertaking with PwC.

**20 April 2007**

A. A further letter is sent from my lawyers regarding the Schedule of Facts and Issues to PinsentMasons, suggesting that Leading Counsel should confer directly.

B. I send a further email to Jo Ann Ball re adjusted P45 for my accountant dealing with the arrangements regarding my employment with the Inland Revenue in Bristol in the last two tax years.

C. Letter from my lawyers to Companies House regarding the outstanding year-end accounts for 2005 for Magellan Aerospace UK.

**23 April 2007**

A. My lawyers send an updated Schedule of Losses with extensive supporting documentation to PinsentMasons, asking for their response within 7 days and indicating that if no response is received we shall regard the subject as closed, inform the ET and create a Schedule of Agreed/Disputed items in advance of CMD3 .

B. My lawyers send a Without Prejudice letter to PinsentMasons stating that I would be willing to accept an offer to settle the various breach of contract and/or contractual claims that I have, by 8 May 2007.

**24 April 2007**

A. Simon Jeffreys sends a Without Prejudice response regarding mediation, asking for certain information and suggesting that as he is on holidays until 8 May, he and Counsel will consider this on his return and advise/discuss with me.

B. A letter by my lawyers to PinsentMasons regarding documents disclosure - correcting some of the items described in the PinsentMasons List of Documents (by reference to the 54 documents list) , providing a CD with many more relevant documents for the Grounds of Complaint and Resistance (and requesting that their list be brought up to date to include these) and enclosing a shopping list of an additional 40 documents are missing from their List, which we believe need to be included in support of the case as it exists today. Following my lawyers' letter of 11 April, my lawyers suggest that they would travel to Birmingham for the inspection of documents on 8 May 2007, so as to be prepared for CMD3 on 17 May 2007.

C. I receive an email from Mr Dimma stating -- *“The PWC report is nearing completion and should be available to the Magellan Board meeting of May 10. Re distribution, it is my belief, based on discussion with TORYS, that, at this point, this is still neither clear nor decided. Regards Bill “*

**25 April 2007**

**Well today is my 50<sup>th</sup> birthday – a cause to celebrate the past and reflect / consider the future .**

A. I send a comprehensive follow up email to Bill Dimma – copying the PwC senior people - and advising that I will be in Toronto in the week commencing 7 May 2007 and available.

B. My lawyers receive a List of Requested documents from the Claimant index of Documents from PinsentMasons.

**26 April 2006 (Circa Day 90 of PwC independent investigation)**

**CMD2 Order for the Respondents to disclose the date by which the PwC report will be available to the Respondents to both the Employment tribunal and my lawyers. Within 7 days of receipt the Respondents are to advise the Employment Tribunal and my lawyers as to whether they plan to disclose it or not.**

A. My lawyers send an email following up certain correspondence – re Counsel meeting, outstanding items of correspondence from 4 April and 7 documents request.

B. I receive an email from John Tracey ,the Lead partner for PwC stating “*Thankyou for copying me in on your note. I do recall telling you that we have extensive experience of whistleblowing cases but I do not recall saying that I expected to be called as a witness to the Employment Tribunal. For the record, I have no view as to whether I, or other members of the PwC team would, or would not , be called to the Tribunal.*”

C. My lawyers receive a copy of the letter from PinsentMasons to the Employment Tribunal stating that “*We have been informed by our client that it is anticipated that the (PwC) report will be completed in mid May. Unfortunately, at this time we are unable to be more precise than this* “

D. My Canadian lawyers have an email exchange with TORYS regarding a decision regarding the disclosure of the PwC report.

E. I respond by email to John Tracey and also Bill Dimma regarding the correspondence of the last few days again “*To remind you I will be in Toronto from 7 May if you wish to discuss / review the PwC report with me*” and also requesting a final decision from Mr Dimma and the Audit committee as to whether they will disclose the report to me or not by COB 8 May 2007 .

**30 April 2007**

A. My lawyers send an updated Schedule of Factual issues and request a decision again as to whether the counsel could meet to follow up the pre CMD and CMD2 discussions. The CMD2 ordered that this Schedule be completed by 31 May 2007.

B. My lawyers send the copies of the documents, requested by PinsentMasons on April 25 , (which were not already in PinsentMasons possession) for the period up to 18 September 2006 – my termination.

C. My lawyers send a comprehensive letter regarding documents, inspection and other related matters to PinsentMasons.

**1 May 2007**

A. My lawyers send an email to PinsentMasons, following up their Schedule of Losses letter of 23 April 2007, stating that they are now going to draw up a Schedule of Agreed and Disputed points on the Schedule of Losses in good time for the third CMD on 17 May. No response had been received from PinsentMasons in the prior 7 days . A letter was sent to the Bristol ET from my lawyers indicating that they would now this and enclosing a copy of the 23 April 2007 letter. This was promptly acknowledged receipt by the Bristol ET.

B. I agree with my lawyers that we should send a further letter re witnesses list/numbers to PinsentMasons before we expend any further time and cost on communications with a further 4 / 5 witnesses and additional documentation. If we have no response this week then we will assume that we have to engage those people to deal with the potential “broader” case and correspond accordingly in time for CMD3. A letter is received from PinsentMasons re documents which has probably “crossed” over with the above . My lawyers follow up and ask that the letter be carefully assessed.

10 May 2007 (Now 100 days since start of PwC independent investigation)

Magellan Aerospace Corporation Board Meeting  
**Magellan Aerospace Corporation Annual General Meeting in Toronto at 2 pm**

17 May 2007

A A two hour CMD3 has been organised to try and finalise the ET arrangements for the hearing.

31 May 2007

CMD2 Direction - Parties to agree the agreed/disputed items on the Schedule of Factual issues - revised date from CMD1

6 August 2007 (or possibly earlier - CMD3 to confirm)

“The parties are to agree and prepare, for the use of the witnesses and the Tribunal, one joint working bundle of the relevant documents in the case, paginated and with an index, not less than 28 days before the hearing date. That bundle is not to exceed 500 pages, exclusive of pleadings, without further leave of the tribunal” (to be reviewed)

13 August 2007 (or possibly earlier - CMD3 to confirm)

“Statements of all the witnesses upon whom it is proposed to rely, including that of the claimant, are to be prepared and exchanged not less than 21 days before the hearing date. Those statements are to stand as the evidence in chief of the witnesses and will, subject to the Tribunal’s discretion, be taken as read. Witnesses may be cross examined, but no witness will be permitted to give evidence without leave of the Tribunal unless a statement has been exchanged in accordance with this direction.

3 September 2007 – 21 September 2007 (Reserve date 29 Oct to 16 Nov 2006)

The dates now set by the Employment Tribunal for a fifteen day hearing in Bristol, to include remedies if appropriate.

<u>Claimant – target to be clarified by CMD3</u>	<u>Magellan UK (R1)/Magellan Corp (R2)</u>
Brian Little (R1 DIR/R2 Snr Officer) :R1&2 /M/DIR	Rich Neill - CEO /R1Dir at time)
Clare Pettifer	R1&2 John Dekker (Corp Secy/R1Dir)
Paul Precious	R2 Jo-Ann Ball
Paul Nokes	R2 Jim Butyniec
	Independent DIR .William Dimma – Audit Committee
A pool of some eleven/eighteen (depends on BM,KH,LW,DC - )	Mgt./DIR Murray Edwards - Chairman tbc
further witnesses identified	R1 Shawn Smith (Dir/Co Secy)
-need to clarify defence case / ill.examples	R1 Mary Walker
	R1 Phil Underwood (Dir)
Alison Jones/Mike Jones –under review – W/ Order	
<u>Mitigation/losses</u>	Claire Wade – Witness Order ??
Ian Robertson – Executive Recruitment	R1 Haydn Martin ? tbc
A. N .Onymous – “Renowned” Corp. Govnance	R2 Bill Matthews ?? tbc
Adam Smith - Schedule of Losses - Deloittes	R2 Konrad Hahnelt ?? tbc
	R2 Larry Winegarden?? tbc
E & Y - Barbara Hadfield - Witness Order	R2 Dan Chaisson ?? tbc

PwC - Tracey/Greenhalgh Witness Order tbc – depends on PwC Report disclosure  
 Early October - approx date of Tribunal Decision

- A. Ernst and Young Partners meeting in Bristol (7 Dec) and London (14 Dec)
- B. Filing of my Grounds of Complaint with Bristol ET 15 Dec and Defences 30 Jan
- C. PWC investigation – scope and outcomes – 29 Jan 2007- STG1 reports 23 April
- D. MALUK Statutory accounts for FY05 - not filed 5+months after legal deadline
- E. MAL Share price info

25 Sept – circa C\$ 2.25 : 14 Dec - circa C \$ 2.40 : 4 May 2007 close - \$2.82

## February 2007

Now that the defendants (Magellan Aerospace Corporation and Magellan UK) have filed their defence public access to both of their responses and Mr Little's claim (Case Number 1402867/2006) is possible. The actual hearing will probably commence in the period between June and August 2007 in the Bristol Employment Tribunal in the UK. I visited Toronto from 5 February to 9 February 2007 to deal with several matters and met my Canadian lawyers (retained/instructed through my UK lawyers) to determine if and when we proceed with the "prepared" legal actions under Ontario/Canadian law (for example Wrongful dismissal claim, including claims for Wallace and punitive damages etc etc)

For any clarification on this document contact Mr Brian Little at [brian@fortfield.com](mailto:brian@fortfield.com)

**Mr Brian Little** was Executive Vice President – European Operations until his promotion on 12 May 2005 to become Senior Vice-President, Information Technology, Strategy and Business Development and a senior officer of Magellan Aerospace Corporation. His employment was terminated on 18 September 2006. He was formally removed as a senior officer of the Canadian corporation in a board meeting of 9 November 2006. Following his request on 8 November 2006, and reminder on 16 Nov, for a meeting of the Magellan Aerospace UK Board to be called on substantive issues, he was advised of his removal as a director of Magellan Aerospace UK on 17 November 2006 through Magellan lawyers.

Prior to his recruitment to the Chief Executive role in Mayflower Aerospace (private equity /debt) in July 2002, and thence to Magellan Aerospace (UK) Limited, Brian practised as a consultant to several major European companies for several years having had successful careers in Harland and Wolff PLC as Deputy Managing Director in a major financial turnaround in 1995 – 1997, but probably is best known for his 16 year career (1979 – 1995) in Aerospace with Short Brothers in Belfast (Bombardier PLC) where he held at various times senior VP positions in Engineering, Operations, IT and Procurement and was a significant leader/team member in that late 1980's / early 1990's Turnround / Change programme.

**Magellan Aerospace Corporation-** [www.magellanaerospace.com](http://www.magellanaerospace.com)

“Magellan Aerospace Corporation is one of the world's most integrated and comprehensive aerospace industry suppliers. Magellan designs, engineers, and manufactures aeroengine and aerostructure assemblies and components for aerospace markets, advanced products for military and space markets, and complementary speciality products. Magellan is a public company whose shares trade on the Toronto Stock Exchange (ref. TSX.MAL), with operating units throughout Canada, the United States and the United Kingdom”

For contact / further information

Magellan Aerospace Corporation  
3160 Derry Road East  
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Ontario  
Tel 001 (1) 905 677 1889  
Email [info@magellanaerospace.com](mailto:info@magellanaerospace.com)

**Rich Neill - President and CEO** (to 31 Dec 2006)  
(from 1 January 2007 - Vice Chairman)

Email --- rneill@magellanaerospace.com

**Jim Butyniec - President and COO**  
(from 1 January 2007)

Email --- jim.butyniec@magellanaerospace.com

**N. Murray Edwards - Chairman (Management)**

Email --- m.edwards@edcofin.com

**\*\*\*Mr N. Murray Edwards – Chairman of Magellan Aerospace Corporation**  
see Forbes.com - ~ 562 Age 46 Self made Oil and Gas Est. Net worth \$1.4 billion

“Edwards has more at stake in the Canadian oil sands than possibly any other individual. His company, Canadian Natural Resources, has sketched out plans to spend \$25 billion to turn the gucky mud found in Northern Alberta into barrels of crude. This media-shy lawyer turned financier also owns big stakes in Ensign energy, Canada’s second biggest oil services company, and Penn West, one of Canada’s biggest energy trusts. Also owns Lake Louise, Canada’s famous ski hill, and a chunk of the Calgary Flames Hockey team.”

In the 2006 Annual Information Form for Magellan Aerospace Corporation Mr Edwards owns 27.8% of the ordinary shares. Magellan has a maximum credit facility of \$155m. which is also fully guaranteed by Mr Edwards.

**\*\*\*Mr William A Dimma** is an independent director and the Chairman of the **Magellan Aerospace Corporation Audit Committee**, a sub-committee of the Magellan Aerospace Corporation Board .

Dr Dimma is “widely known as a leader within the corporate (*Canadian*) community for his advocacy of a greater sense of ethical awareness and of higher ethical business standards”. He has “served on Fifty-five corporate boards and another forty not-for- profit boards.” He has written several very good books including

*Excellence in the Boardroom* and  
*Tougher Boards for Tougher Times - Corporate Governance in the Post- Enron Era*  
*Book 3 - underway writing as at early February 2007*

For contact/further info:Email w.dimma@msn.com or [w.dimma@brookfield.com](mailto:w.dimma@brookfield.com)

**Mr Donald C.Lowe** is also an independent director on the Magellan Aerospace Corporation Audit Committee . He was formerly with Bombardier and Fleet Aerospace . Today he is a consultant with Marsh Canada - Insurers .

**Mr Bruce W. Gowan** is the final independent director member of the Magellan Aerospace Corporation Audit Committee . He was formerly the Vice President of Finance at Magellan until retiring in 2004. He now holds a number of other director roles in Ontario companies.

\*\*\* The **Honourable William G. Davis, P.C.,C.C.,Q.C.** is an independent director and the **Chairman of the Magellan Aerospace Corporation Human Resources and Compensation Committee**, a sub-committee of the Magellan Aerospace Corporation Board.

The Honourable William G. Davis was the Premier of Ontario from 1971 until 1985 and member of the Ontario Legislature from 1971 to 1985. He was appointed Education Minister in 1962 and added the University Affairs position two years later. Mr Davis practiced general law with a Brampton firm until his first election to the Ontario legislature in 1959. In 1982, Mr Davis was sworn in as a member of the Privy Council. In 1986, he was invested Companion of the Order of Canada; in 1988 Mr Davis was invested with the Order of Ontario.

For contact /further information: E mail wdavis@torys.com

\*\*\*The **Honourable M. Douglas Young P.C.** is an independent director and the **Chairman of the Magellan Aerospace Corporation Governance and Nominating Committee**, a sub-committee of the Magellan Aerospace Corporation Board.

He is Chairman of Summa Strategies Canada Inc. A lawyer and business man , he was elected to the federal and provincial government in Canada between 1978 and 1997. He is a former Minister of National Defence, Human Resources Development and Transport . Mr Young is involved in projects from coast to coast in Canada, as well as the United States, the Middle East, Asia, Europe, Africa, Mexico and Australia.

For contact / further information: E mail achristiano@summa.ca

#### **Magellan Aerospace Lawyers --**

Mr James S. Palmer C.M.,Q.C.	<b>UK</b>	Mr Ashley Norman
Burnet Duckworth and Palmer LLP		Pinsent Masons
1400 - 350 7 <sup>th</sup> Avenue SW		3 Colmore Circus
Calgary Alberta T2P 3N9		Birmingham B4 6 BH UK
Tel No 001 (1) 403 260 0274	tel	0044 (0) 121 200 1050

(Information – James S. Palmer C.M.,Q.C is the Burnet, Duckworth and Palmer LLP Chairman and is also an independent director of Magellan Aerospace Corporation Board and serves on the Human Resources and Compensation sub- committee and also the Governance and Nominating Committee sub-committee)

**External Auditors** Ernst and Young  
222 Bay Street  
Toronto M5K1J7

Note: The “External Investigation” is being carried out by PricewaterhouseCoopers in UK/Canada - led by their UK Forensic practice – for the Audit Committee directors

**Employment Tribunal UK**

Bristol Employment Tribunal  
Ground Floor  
The Crescent Centre  
Temple Back  
Bristol BS1 6ES  
Email - [bristolet@ets.qsi.gov.uk](mailto:bristolet@ets.qsi.gov.uk)  
Phone 0044 (0)117 925 3452  
Fax 0044 (0)117 929 8261

Case information - Claimant Mr Brian Little

**Claimant**

And

MAGELLAN AEROSPACE (U.K.) LIMITED  
MAGELLAN AEROSPACE CORPORATION

**Respondents**

**Case number - 1402867 / 2006**

ET1/ Grounds of Complaint filed on 15 Dec 2006 by Mr Little

Both Magellan Responses filed on 30 January 2007

The Lawsuit in the UK Employment Tribunal

UK law gives employees the right not to be unfairly dismissed. This right is only exercisable in the Employment Tribunal, which are special labour courts. UK law also gives special protection to employees who are whistleblowers and make what are known as “protected disclosures”. This protection was originally introduced by the Public Interest Disclosure Act 1998. The Act has been consolidated into the Employment Rights Act and the definition is now in Section 43B of that Act (see [www.opsi.gov.uk/acts/acts1998/80023](http://www.opsi.gov.uk/acts/acts1998/80023)). The law now provides an employee who is dismissed or suffers any detriment by reason of making “protected disclosures” is to be regarded as unfairly dismissed. Having regard to the particular seriousness with which the law regards this form of dismissal, the law provides that unlike for ordinary cases of unfair dismissal there is no upper limit on the amount of compensation, which may be awarded to an individual who is found to have been unfairly dismissed by reason of whistleblowing. See also the website of Public Concern At Work for more information [www.pcaaw.co.uk](http://www.pcaaw.co.uk)

There is a 3-month time limit from dismissal for commencing unfair dismissal actions in the Employment Tribunal.

### Employment Tribunal Procedure

Employment Tribunals are special labour courts. They were originally set up in the 1960s as “industrial tribunals”. They hear claims about matters regarding employment. These include unfair dismissal, redundancy and discrimination. They also deal with a range of claims relating to wages and other payments. In 2005-2006 over 115,000 lawsuits were started in the Employment Tribunal. Cases in the Employment Tribunal are usually dealt with by a three-member panel consisting of a legally qualified chairperson and two lay members drawn from a panel of appointees with relevant experience. Cases are heard in open court and are freely reportable like all other court processes. An appeal lies, on a point of law, to the Employment Appeal Tribunal, which sits in London and Edinburgh. After that appeals go to the Court of Appeal and thereafter to the House of Lords.

The prescribed process for a complaint in the Employment Tribunal is that once the employer has received notice of the law suit started by the employee against it from the Employment Tribunal the employer then has 28 days in which to prepare and file its defence with the Employment Tribunal. Thereafter the Employment Tribunal will schedule a trial for the earliest available date. This is usually between 3 and 6 months from when the tribunal satisfies itself that the issues in the dispute have been satisfactorily clarified, to enable a hearing to take place.

*Throughout this whole period I have been conscious of the actual and potential consequences of everyone’s actions and inaction, together with the impact on many with whom I have worked closely both inside the Company and outside it, and many more who I have had the privilege of leading.*

*I have constantly sought to avail myself to the Directors of the Board of MAL and together to work through these issues so as to resolve and redress the matters which have and still do weigh heavily upon me.*

*My hope (and prayer) for all parties is that all the Magellan Aerospace Corporation and Magellan Aerospace UK business issues – and the employment perspective here - will be concluded professionally and effectively – by 9 May am 2007 - in the interest of all the stakeholders and the principles of natural justice.*

My Notes as at Monday 7 May 12 noon. Thanks for feedback to date – points incorporated. Further feedback welcome