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For the attention of Mr Simon Jeffreys

25 January 2007

Dear Sirs

Mr Brian Little (“Mr Little”) and Magellan Aerospace (UK) Limited (“MAL”) and Magellan Aerospace Corporation (“MAC”), Employment Tribunal Case No. 1402867/2006

1. We are pleased to set out for your approval the particular terms upon which we propose to act in an advisory capacity in the above matter and litigation (“the case”) on behalf of Mr Little. These terms are set out in this letter together with the attached Standard Terms of Business (except as set out in Appendix 1 to this letter). Please ensure that you have considered fully all the terms and conditions set out in this letter and its enclosures and that you are satisfied that the scope of our Services described below is sufficient for your needs.
2. You are advised that MAC is a non-audit client of Deloitte but not in the UK and not in respect of this matter.

Purpose

3. The purpose of our work as referred to in the Standard Terms of Business is to assist Mr Little as required in the above dispute, in respect of the matters on which we are instructed to comment as set out in paragraph 6 below (the “Purpose”).

Engagement Team

4. Stephen Knight will be the partner responsible for this assignment and he will draw upon the services of other members of staff as required. These will include Adam Smith, a Director in our Forensic & Dispute Services department who will have responsibility for the work performed in respect of the quantification of the losses suffered by Mr Little.
5. Other staff will be employed as we consider appropriate. These will include a second partner and manager to review independently the contents of any reports that are produced.

Our Services

6. The work which we will perform (the “Services”) will be:

(a) Advising Mr Little:

- Assisting in the preparation of a presentation document, summarising the financial and corporate governance issues highlighted in the dossiers presented to Mr Dimma in September 2006;
- Acting as an independent challenge for the substance contained within the above presentation;
- Assisting and supporting Mr Little, as appropriate, in discussions with MAL and MAC;
- Attending meetings with Mr Little and CMS Cameron McKenna LLP to discuss the case and the proposed course of action; and
- Providing ongoing assistance to Mr Little and CMS Cameron McKenna LLP as the matter progresses.

(b) Calculation of losses suffered by Mr Little:

- To discuss the background to the case with yourselves and Mr Little;
- To obtain the information that we require to assess the losses suffered;
- To discuss with you any assumptions that you and Counsel wish us to adopt for the purposes of our calculations;
- To calculate the losses suffered by Mr Little, under a number of scenarios to be agreed with you, as a result of his alleged unfair dismissal and the alleged breach of his service agreement; and

- To provide schedules to you setting out our calculations (“the calculation schedules”).
7. For the avoidance of doubt, the above work does not involve the provision of expert witness services or similar activities. Should we subsequently be instructed to act in the capacity of an accounting expert in this matter, and we agree to such instruction, our work will be subject to a separate letter of engagement.

Our Charges

8. Our charges, for which you and the Claimant will be responsible, will be charged in accordance with the hourly rates below, with the addition of expenses as actually incurred.
9. Our hourly rates (excluding VAT) for the time charges of the main people involved on this engagement are as follows:

	£
Stephen Knight - Partner	465
Adam Smith – Director	350
Senior Manager	280
Manager	210

10. On the basis of the discussions we have had and the information provided to date we estimate that our fees might lie within the following ranges:
- Advising Mr Little: £28,000 – £35,000 (excluding VAT and expenses); and
 - Calculation of the losses suffered by Mr Little: £12,500 - £15,000 (excluding VAT and expenses)
11. For the avoidance of doubt, the above are neither limits to our time involvement nor limits to the cost that will be incurred. If during the assignment it becomes apparent that our costs will materially exceed the above estimates, we will discuss the matter with you, and agree a revised budget.
12. Our fees are not contingent on the outcome of the case or detailed assessment. In the event that our time charges are subject to detailed assessment we shall expect to recover from you the full amount of the fee rendered unless previously agreed otherwise by us in writing.

Confidentiality and use of the Report

13. Any report or advice that we give will be solely for the Purpose noted in paragraph 3 above and will be confidential to the Claimant and to his advisers. We are aware that you may wish to disclose the calculation schedules to the Defendants to assist settlement discussions. However, the calculation schedules are not for use in litigation proceedings and should not be disclosed to the Tribunal. No liability is accepted to any person apart from the Claimant.

Variations

14. If you or we wish to request any addition, modification or other change to the Services or performance required under this Contract, we each agree to follow the change control procedures described in Appendix 2.

Legal Liability and Indemnity

15. We draw your attention to the legal liability and indemnity provisions set out in clause 6 of our Standard Terms of Business.

16. In respect of this engagement our aggregate liability whether to you or to any other third party shall be limited to £500,000 inclusive of interest.

17. If you conclude, having considered the provisions of this Contract, that they are reasonable in context of all the factors relating to this assignment and our proposed appointment and that you wish to engage us on these terms, please give your agreement to the above terms on behalf of the Claimant and, in respect of paragraph 8 above, on behalf of your firm, by signing and returning to us the enclosed copy of this letter.

Yours faithfully

Deloitte & Touche LLP

Accepted

Signed by

For and on behalf of CMS Cameron McKenna LLP

Date

APPENDIX 1

AMENDMENTS TO THE STANDARD TERMS OF BUSINESS

Mr Brian Little (“Mr Little”) and Magellan Aerospace (UK) Limited (“MAL”) and Magellan Aerospace Corporation (“MAC”)

The following amendments to the Standard Terms of Business shall be applicable in this Contract dated 25 January 2007:

- Clause 1.1: The term “the client” or “you” refers jointly throughout this Contract to CMS Cameron McKenna LLP and Mr Little, except in clause 6.6 where the term “you” refers only to Mr Little.
- Clause 3.5: This clause is amended to read *“You agree that you remain responsible for taking all decisions based upon our Report(s) and opinions. This includes applying your independent judgement to evaluate any Report or opinions that we may give you. You are responsible for deciding whether or how you wish to act or rely upon such Report or opinions in the context of the litigation or alternative dispute resolution procedure in process”*.
- Clause 5.6: The first sentence is to be read as deleted.

APPENDIX 2

CHANGE CONTROL PROCEDURES

**Mr Brian Little (“Mr Little”) and Magellan Aerospace (UK) Limited (“MAL”) and
Magellan Aerospace Corporation (“MAC”)**

Engagement Letter dated 25 January 2007

1. If at any time either party wishes to request any addition, modification or other change to the Services or performance required under the Contract (a “Change”), the party proposing the Change will submit a written request for the Change (a “Change Request”) to the other party.
2. All Change Requests will require the authorisation in writing by the named person who has signed the Engagement Letter for and on behalf of the Client, in the case of Change Requests initiated by the Client, or the Deloitte client service partner as specified in the Engagement Letter, in the case of Change Requests initiated by Deloitte.
3. Deloitte will investigate the implications for the Contract of implementing each Change Request, and prepare and submit to the Client a proposed Change Order, in respect of such Change Request. If in a party’s judgement, the time to evaluate and respond to one or more Change Requests (due to their magnitude, complexity or frequency) may result in a delay in the Services or otherwise impair the progress of the case, that party will notify the other party. The parties will then need to agree an appropriate course of action.
4. As soon as reasonably practical but in any event no later than 5 days (or such other period agreed by the parties) after receipt of the proposed Change Order submitted by Deloitte, the Client will notify Deloitte in writing of its decision as to whether or not it wishes to implement the proposed Change. Should the parties wish to proceed with the proposed Change, the Change Order shall be signed by the named person who has signed the Engagement Letter for and on behalf of the Client and the client service partner, or other authorised representatives (such signed document being referred to as a “Change Order”).
5. Neither party is obliged to proceed with any proposed Change (and the related changes) and no Change (and related changes) will be effective and enforceable against a party, unless and until a Change Order for that Change is signed on behalf of both parties. Until the Change Order for any proposed Change is signed, Deloitte will continue to perform and be paid for the Services as if the Change had not been proposed.
6. Deloitte shall be entitled to charge for all reasonable costs and expenses incurred in connection with investigating the implications of a Change Request, whether or not a Change Order is signed in respect of such Change Request.