



February 5, 2007

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham B3 2DT

Attention: John Tracey

Dear Sir:

Attached is a signed copy of the Magellan Letter of Engagement, as discussed.

There are some matters that we wish to clarify.

The context of the terms of reference for your engagement is that Mr. Little has brought a claim for unfair dismissal and that proceedings are underway before the Employment Tribunal and that additional proceedings have been threatened by Mr. Little and his legal counsel ("Legal Proceedings"). We understand that one of the principal positions of Mr. Little is that his dismissal from Magellan, which is the principal matter being considered in the Legal Proceedings, is directly related to his having threatened to and or utilized the procedures under the Whistleblower Policy to make certain disclosures.

Accordingly the report and the engagement of PricewaterhouseCoopers LLP ("PWC"), while being conducted by the Audit Committee in accordance with the Whistleblower Policy, should be completed on the basis that it is confidential and privileged to the Audit Committee and all communications from you should be through me, as the Chairman of the Audit Committee. PWC should recognize that its engagement and the resulting report is prepared for the purposes of findings of fact related to existing, contemplated and pending litigation, including the Legal Proceedings.

In substance the investigation is as to whether there is any substance to the "whistle blowing" allegations made by Mr. Little for potential use in the existing Legal Proceedings, or potential subsequent proceedings arising out of the whistle blowing disclosures, or any future shareholder claims and/or regulatory investigations and not an investigation of the dismissal, which is the subject of the current Legal Proceedings.



MAGELLAN
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In view of the deadlines we are facing with respect to the release of Magellan Aerospace Corporation information before the end of March, we would appreciate some indication of anticipated timelines for completion of the stages of your work.

We look forward to your initial report on interviews that are currently underway in order that we can establish an appropriate scope for your investigation.

Yours truly,

William A. Dimma
Chairman of the Audit Committee
Magellan Aerospace Corporation

PRICEWATERHOUSECOOPERS

26 Please note, as set out in paragraph 1(d) of the attached terms and conditions of business, that we use the term "partner", in this letter and more generally, to refer to our members (unless the context otherwise requires).

Limitation of Liability

27 We have discussed and agreed with you the extent to which it is reasonable for us to bear liability in connection with this Engagement. Paragraphs 27-34 of the Appendix to this letter set out the relevant terms of the Engagement. The Limit for the purpose of paragraph 28(a) of Appendix A will be the lower of £1.0 million and 10 times the amount payable by you in respect of the Engagement at the date of breach of Contract or the commission of the tort.

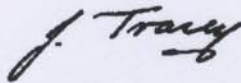
Quality of Service

28 If, at any time, you believe that our service to you could be improved, or if you are dissatisfied with any aspect of our services, please raise the matter immediately with the partner responsible for that aspect of our services to you. If, for any other reason, you would prefer to discuss these matters with someone other than that partner, please contact Mr A R Palmer, Plumtree Court, London, EC4A 4HT. In this way, we are able to ensure that your concerns are dealt with carefully and promptly. In the event that we are unable to satisfy your concerns, you may then choose to take the matter up with the Institute of Chartered Accountants in England & Wales or another relevant professional body.

Confirmation of Contract

29 Please do not hesitate to contact John Tracey if you would like to discuss any matters arising from this letter. We should be grateful if you would confirm your agreement to our understanding of the scope of our work, and your acceptance of the Contract, by signing and returning to us the enclosed duplicate of this letter.

Yours faithfully



John Tracey
For and on behalf of PricewaterhouseCoopers LLP

I have read the above letter and the attached Appendix. I confirm that your understanding of our instructions is correct and that the terms of the Engagement set out in the letter and the attached Appendix shall constitute the agreement for you to carry out the Engagement.

Signed: Wm. A. I. Dem... Feb 5, 2007

DRAFT FOR DISCUSSION

Chair, Audit Committee,
Magellan Aerospace Corporation

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