

MAGELLAN AEROSPACE CORPORATION

MINUTES of the meeting of the Audit Committee of MAGELLAN AEROSPACE CORPORATION (the "Corporation") held by telephone on the 21<sup>st</sup> day of December, 2006 at the hour of 9:00 o'clock in the forenoon (Toronto time).

PRESENT: William A. Dimma  
Bruce W. Gowan

APOLOGIES FOR ABSENCE: Donald C. Lowe

PRESENT BY INVITATION:

Management Richard A. Neill  
John B. Dekker – Vice President Finance and Corporate Secretary  
Jo-Ann C Ball – Vice President Human Resources  
Phil Underwood – General Manager (MALUK)  
Shawn Smith – Chief Financial Officer (MALUK)

Pinsent Mason Ashley Norman – Employment Counsel  
Charles Rae – Employment Counsel  
Kevin Hills – Forensic Accountant

The Chairman William A. Dimma took the chair and, with the consent of the meeting, John B. Dekker acted as Secretary.

**1 CONSTITUTION**

With a quorum of members being in attendance, the meeting, which began the previous day and was adjourned, was now re-convened.

**2 MEETING WITH PINSENT MASON**

The Audit Committee requested legal counsels clarify the whistleblower process. Mr. Kevin Hills stated that, in this case, there are two strands relating to the whistleblower claims process.

- a) Claims lodged with the Employment Tribunal  
The primary interest of the Employment Tribunal will be to determine if Mr. Brain Little was "sacked" because he was preparing to make or had made protected disclosures under the whistleblower policy. They will not be interested whether the disclosures are true or not.
- b) Claims Mr. Little made before Audit Committee and Ernst & Young  
A process should be established to fully investigate the disclosures made by Mr. Little to the Audit Committee and Ernst & Young. Once the Audit Committee is satisfied with the outcome of the investigation and resolution of any findings, and Ernst & Young are satisfied with the process the Audit Committee has undertaken, the matter is complete and no further action is required.

A thorough discussion ensued in which the members of the Audit Committee asked Messrs. Norman, Rae and Hills a number of questions relating to whistleblower procedures.

**3 INVESTIGATION OF THE CLAIMS**

A thorough discussion ensued in which the members of the Audit Committee asked Messrs. Norman, Rae and Hills a number of questions regarding who should be selected to investigate the claims. The Audit Committee discussed in detail the need to ensure the factual independence of the investigator and whether the investigator should be based in North America or the UK.

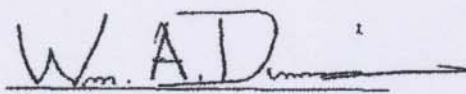
After a discussion and on motion duly made, seconded and unanimously carried the following resolution was passed.

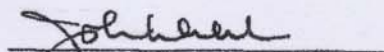
**BE IT RESOLVED THAT** the Audit Committee engage the services of a UK Chartered Accountant to undertake an investigation of the claims (scope to be determined by the Audit Committee) and report findings to the Audit Committee.

At the direction of Mr. Dimma, Mr. Hills will undertake a conflict check on PriceWaterhouseCoopers in the UK. If the check is clear, Mr. Hills will brief them locally and request they submit a proposal to the Audit Committee.

**4 TERMINATION**

There being no further business to come before the meeting, the meeting then terminated.

  
Chairman

  
Secretary

**MAGELLAN AEROSPACE CORPORATION**

MINUTES of the meeting of the Audit Committee of MAGELLAN AEROSPACE CORPORATION (the "Corporation") held by telephone on the 3<sup>rd</sup> day of January, 2007 at the hour of 5:00 o'clock in the afternoon (Toronto time).

PRESENT: William A. Dimma  
Bruce W. Gowan  
Donald C. Lowe

PRESENT BY INVITATION:  
Management Richard A. Neill  
John B. Dekker

The Chairman William A. Dimma took the chair and, with the consent of the meeting, John B. Dekker acted as Secretary.

**1 CONSTITUTION**

With all of the members being in attendance, the meeting was declared duly constituted.

**2 PURPOSE OF THE MEETING**

The purpose of the meeting was to determine the appropriate professional assistance required to properly address the accounting allegations made by Mr. Brian Little. The Chairman clarified that it was the responsibility of the Audit Committee to focus on the accounting allegations made by Mr. Little and not the claims made to the Employment Tribunal.

**a) Appointment of Forensic Accountant**

At the December 21, 2006 Audit Committee meeting, Mr. Kevin Hills, of Pinsent Mason, agreed to undertake a conflict check on PriceWaterhouseCoopers ("PWC") in the UK and, if clear, request PWC submit a proposal to undertake the assignment. Mr. Hills reported back favorably to the Chairman and recommended Mr. John Tracey, a partner with PWC, as a suitable forensic accountant.

The Chairman obtained Mr. Tracey's CV and spoke to him at length to determine his suitability for the assignment.

After a thorough discussion and on motion duly made, seconded and unanimously carried the following resolution was passed.

**BE IT RESOLVED THAT** the Audit Committee engage the services of Mr. John Tracey of PWC to undertake an investigation of the accounting claims made by Mr. Little and report his findings to the Audit Committee.

The Chairman will contact Mr. Tracey to confirm the appointment. Mr. Tracey will then submit an engagement letter and fee schedule. Mr. Dekker will then work with



Mr. Tracey to develop a proposed scope for the investigation that will be presented to Audit Committee for approval.

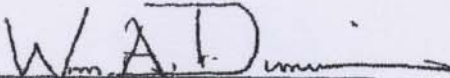
b) Appointment of Legal Counsel

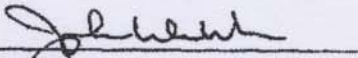
The Audit Committee discussed at length the need to obtain independent legal counsel to advise the Audit Committee on appropriate actions to be taken to address the accounting allegations made by Mr. Little.

After a thorough discussion, the Audit Committee agreed that the Chairman would seek Mr. Tracey's recommendations on the need to appoint independent UK legal counsel to advise the Audit Committee. The Audit Committee would develop a view on the need to appoint independent Canadian legal counsel to advise the Audit Committee. ✓

3 **ADJOURNEMENT**

There being no further business to come before the meeting, the meeting then terminated.

  
Chairman

  
Secretary