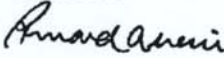
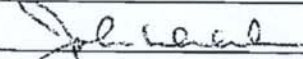


MAGELLAN AEROSPACE CORPORATION

POLICIES & PROCEDURES

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ORIGIN: Human Resources	NUMBER: 3.12
TITLE: Whistleblower Protection	DATE: 17 SEPTEMBER 1998
	EFFECTIVE DATE: 17 SEPT. 1998
APPROVED:	REVISION DATE: 14 JULY 2005
	
	REFERENCED POLICIES & PROCEDURES: 3.07

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POLICY

It is the policy of Magellan Aerospace Corporation to enforce its commitment to integrity and ethical behavior.

PROCEDURE

This policy applies to all employees worldwide of Magellan Aerospace Corporation and its subsidiary and affiliated companies ("Magellan" or the "Company") and confirms that Magellan will not tolerate harassment, retaliation or any type of discrimination against an employee ("whistleblower") who:

- makes a good faith complaint about suspected Company or employee violations of law or violations of the Company's policies or *Code of Ethics and Business Conduct* (the "Code") including, without limitation, a conflict of interest, a breach of applicable law, regulations or rules or what appears to be unethical, fraudulent or other illegal behaviour on the part of a colleague or the Company;
- makes a good faith complaint regarding accounting, internal accounting controls or auditing matters ("Accounting and Control Matters") that may lead to incorrect, or misrepresentations in, financial accounting;
- provides information (or causes information to be provided) or assists in an investigation regarding violations of law; or
- files, testifies, or participates in a proceeding relating to alleged violations of law.

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HUMAN RESOURCES—3.12—14JULY05—1

# MAGELLAN AEROSPACE CORPORATION

## POLICIES & PROCEDURES

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### Safeguards

#### *Harassment or Victimization*

Harassment, discharge, demotion, suspension or victimization of or threats (collectively "Employment Issues") made to the whistleblower will not be tolerated. Wrongdoers will be disciplined consistent with the severity of the misconduct.

#### *Confidentiality*

Employee complaints of Accounting and Control Matters, breach of policies or the Code, wrongdoing, or Employment Issues will, to the extent, permitted by law and consistent with an effective investigation be kept confidential.

#### *Anonymous Allegations*

This policy encourages whistleblowers to put their name to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be investigated, but consideration will be given to: the seriousness of the issue raised; the credibility of the concern; and the likelihood of confirming the allegation from alternative sources.

#### *Malicious Allegations*

Malicious allegations may result in disciplinary action.

### Reporting Procedures

1. All concerns and complaints relating to Accounting and Control Matters or unethical or illegal conduct should be directed to the Audit Committee of Magellan's Board of Directors by telephone, mail, or email to the Chairman of the Audit Committee. Anonymous complaints may be delivered in a sealed envelope addressed to the Chairman of the Audit Committee labeled "Private and Confidential to be opened by addressee only". All complaints concerning Employment Issues should be reported by telephone, mail, or email to the Vice President, Human Resources. Anonymous complaints may be delivered in a sealed envelope addressed to the Vice President, Human Resources labeled "Private and Confidential to be opened by addressee only". Contact information is set out on Exhibit "A", which will be updated as information changes.
2. Whistleblowers may choose the form of private communication, and may communicate anonymously, in the manner described above or any other reasonable manner with which the whistleblower is comfortable. The whistleblower is not expected to prove the truth of an allegation, but must demonstrate to the person contacted that there are sufficient grounds for concern.

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HUMAN RESOURCES—3.12—14JULY05—2

# MAGELLAN AEROSPACE CORPORATION

## POLICIES & PROCEDURES

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### How The Complaint Will Be Handled

- 1) All reports will be dealt with promptly. Initial inquiries will be made to determine if an extensive investigation is appropriate, and the form it should take. Some concerns may be resolved by agreed action without the need for investigation. Appropriate corrective action will be taken if warranted by the investigation. The Audit Committee will determine the proper treatment for all complaints related to Accounting and Control Matters and breaches of the Code. Such complaints will be forwarded by the Audit Committee to the person deemed appropriate for the investigation. The Audit Committee will determine if an outside investigator should be retained. The Vice President, Human Resources will determine the proper treatment for all complaints related to Employment Issues.
- 2) A summary of the number of complaints shall be provided quarterly to the Audit Committee. A detailed summary will be provided quarterly to the Chairman of the Board of Directors, the Chairman of the Audit Committee and the Chief Executive Officer.
- 3) The Audit Committee receives a report on each complaint and results of investigations, and a follow-up report on actions taken. The secretary of the Audit Committee will retain copies of all complaints, results of investigations, if any, and the follow-up report for a period of seven (7) years. Investigation details and final report must be retained by the department who performed the investigation. Certain reports should be reported periodically in summary format only if the Chief Executive Officer agrees that the complaints fall into one or more of the following categories:
  - a. complaints that have no supporting details and/or which are clearly issued in bad faith;
  - b. complaints which are so vague that conducting an investigation would be impossible or impractical;
  - c. complaints each of which is sufficiently immaterial that it would not impact the financial reporting process (for example, a small theft of petty cash by a non-management employee).
- 4) All reports will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

### Report to Whistleblower

The whistleblower will be given an opportunity to receive follow-up on their concern by immediate acknowledgement that the concern was received. Within three weeks additional information will be provided to the whistleblower:

- indicating how the matter will be dealt with;
- giving an estimate of the time that it will take for a final response;

## MAGELLAN AEROSPACE CORPORATION

### POLICIES & PROCEDURES

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- advising whether initial inquiries have been made; and
- advising whether further investigations will follow, and if not, why not.

Approved by the Audit Committee of Magellan Aerospace Corporation on the 10<sup>th</sup> day of March, 2005.

Approved by the Board of Directors of Magellan Aerospace Corporation on the 10<sup>th</sup> day of March, 2005.

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**MAGELLAN AEROSPACE CORPORATION**  
**POLICIES & PROCEDURES**

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**EXHIBIT "A"**  
**DATED: 1 JUNE 2005**

**Chairman of the Audit Committee  
of the Board of Directors of Magellan Aerospace Corporation:**

Mr. William A. Dimma  
Brascan Corporation  
BCE Place, P.O. Box 762  
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Tel: 416 956-5195 Direct  
Fax: 416 363-2856 Confidential  
Email: [wldimma@brascancorp.com](mailto:wldimma@brascancorp.com)

**Vice President, Human Resources  
of Magellan Aerospace Corporation:**

Ms. Jo-Ann Ball  
Magellan Aerospace Corporation  
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