



MAGELLAN AEROSPACE CORPORATION BOARD OF DIRECTORS GENERAL GUIDELINES

GENERAL

The fundamental responsibility of the Board of Directors is to appoint a competent executive team and to oversee the management of the business, with a view to maximizing shareholder value and ensuring corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal control.

SPECIFIC

- Establish and maintain an appropriate system of corporate governance including practices to ensure the Board functions effectively and independently of management, including reserving a portion of all Board and its committee meetings for in camera discussions without management present.
- Appoint the Chief Executive Officer (“CEO”) and senior officers, approve their compensation, and monitor the CEO’s performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- Review and evaluate the strategic planning process and approve and monitor the corporate strategic plan.
- Ensure that a system is in place to identify significant risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Ensure that an adequate system of internal control is maintained to safeguard the Corporation’s assets and the integrity of its financial and other reporting systems.
- Ensure that a comprehensive compensation strategy is maintained which includes competitive industry positioning, weighting of compensation elements and relationship of compensation to performance.
- Review and approve the Corporation’s financial statements and oversee the Corporation’s compliance with applicable audit, accounting and financial reporting requirements.
- Ensure that processes are maintained to address applicable regulatory, corporate, securities and other compliance matters, and that due diligence processes and

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appropriate controls are in place with respect to all applicable requirements including, certification requirements, regarding the Corporation's financial disclosure.

- Ensure that a system for corporate communications to all stakeholders exists including processes for consistent, transparent, regular, and timely public disclosure.
- Approve the slate of directors for nomination to the Board and maintain appropriate practices for the regular evaluation of the effectiveness of the Board including Board committees and their respective mandates, and the effectiveness of individual directors.
- Maintain a system authorizing and monitoring the limits of authority delegated to management.
- Approve annual operating and capital budgets.
- Review operating and financial performance results relative to established strategy, budgets, and objectives.
- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets, or matters of policy, which diverge from the ordinary course of business.
- Ensure that a process is established that adequately provides for management succession planning, including the appointing, training, and monitoring of senior management.
- In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-laws and other statutory and regulatory requirements.

Approved by the Board the 14th day of May, 2003.