

PURPOSE

Magellan Aerospace Corporation commits to providing timely, orderly, consistent and credible dissemination of information about Magellan Aerospace Corporation and its subsidiary companies (collectively “Magellan”) consistent with legal and regulatory requirements, to enable orderly behaviour in the market.

SCOPE OF THE DISCLOSURE POLICY

As a public company, Magellan has an obligation to ensure that all communications to the public of Magellan information are timely, factual, accurate and in compliance with the applicable legal and regulatory environment to which Magellan is subject from time to time. Failure to fulfill this obligation may result in significant liability for and sanctions against Magellan and, in some instances, certain of its directors, officers or employees. This Policy on Corporate Disclosure and Employee Trading sets out prescribed procedures and policies to govern the disclosure of Magellan information to the public and trading in the Corporation’s securities.

This policy covers all employees, officers and members of the board of directors (the “Board”) of Magellan (“Magellan Personnel”). It covers disclosures in documents filed with the Ontario Securities Commission, the Toronto Stock Exchange (the “TSX”) and written statements made in Magellan’s annual and quarterly financial reports, news and earnings releases, letters to shareholders, speeches by management and information contained in Magellan’s website, and other written documents created for dissemination outside Magellan which contain non-public Material Information, as defined in the section **Material Information**. This policy also covers oral statements made in group and individual meetings with analysts and investors, phone calls with analysts and investors, interviews with the media, news conferences and any other oral statements to third parties which contain confidential information or non-public Material Information and trading by Magellan Personnel in the Corporation’s securities.

MATERIAL INFORMATION

In securities law, the term "Material Information" means both material facts and material changes relating to the business and affairs of a listed company that result in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities.

Securities law and regulations and policies of securities commissions and the TSX require immediate disclosure of all material information through news releases distributed through a widely circulated news or wire service.

Material Information includes, without limitation, information regarding (i) revenues, income or earnings, (ii) forecasts or projections, (iii) mergers, acquisitions, tender offers, joint ventures or changes in assets, (iv) changes in share ownership that may affect control, (v) significant new products or technologies, (vi) significant developments regarding customers or suppliers, (vii) bankruptcies or receiverships, (viii) changes in the Board, executive management or other senior personnel, (ix) changes of auditors or to the auditors’ report to the shareholders, (x) significant events regarding Magellan’s securities (such as defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes in rights of security holders, public or private sales of additional securities, and the like), (xi) changes to accounting policies, (xii) changes in rating agency decisions, (xiii) changes in

credit arrangements, (xiv) sales results and forecasts, and (xv) exceptions to corporate ethics or conduct practices that are put in place for key employees, which have not previously been disclosed to the public. This list is not exhaustive, but is intended to provide examples of developments and information that may require public disclosure.

ESTABLISHMENT OF A DISCLOSURE POLICY COMMITTEE

The Board has established a Disclosure Policy Committee (“DPC”) consisting of the Chairman of the Board, Chief Executive Officer (“CEO”), Chief Operating Officer (“COO”) and Vice President, Finance and Corporate Secretary (“VPF”).

The DPC will decide when material developments justify public release. The role of the DPC should not be construed as conducting normal investor relations activities. It will systematically review, prior to disclosure, annual and quarterly financial information, filings and other public statements (including speeches, written statements, presentations to securities analysts and institutional investors (including conference calls) and other external communications) to determine whether any updating or correcting is appropriate. On an annual basis, the DPC will review and recommend to the Governance and Nominating Committee of the Board, if necessary, changes to this disclosure policy. The DPC will react quickly to developments and make recommendations to the Chairman of the Governance and Nominating Committee and will meet as conditions dictate. A written record of decisions made by the DPC will be maintained by the VPF.

It is expected that business units will keep the DPC fully apprised of all significant company developments in order for the DPC to determine their materiality and the appropriateness of and timing for public release of the information, or whether the information should remain confidential and not be released to the public.

WHO CAN SPEAK

The Chairman of the Board, CEO, and VPF are designated as the primary authorized spokespersons for Magellan and will be fully apprised at all times of developments of Magellan. Others within Magellan or its business units may, from time to time, be designated by the CEO or the DPC to speak on behalf of Magellan or to respond to specific inquiries from the investment community, the media or any third party.

INSTRUCTIONS ON NOT SPEAKING

Magellan Personnel, other than the authorized spokespersons, are not to respond under any circumstances to inquiries from the investment community, the media or any third party unless specifically asked to do so in writing by the CEO or the DPC. All such queries should be referred to an authorized spokesperson. In addition, Magellan Personnel may not disclose or discuss confidential information (see section ***Proprietary and Confidential Information*** for further details) regarding Magellan with any person outside Magellan.

Magellan Personnel are forbidden to participate in Internet chat rooms to disclose or discuss either confidential information regarding Magellan or to respond to or foster rumors regarding Magellan’s business and future prospects. Additionally, e-mail is provided to all employees for working use only. Intra-company e-mail transmissions are considered confidential and are not to be shared with outside parties unless they are client/company specific.

Business units are required to inform Magellan's consultants and service providers about this disclosure policy and the consequence of disclosure of non-public Material Information.

DISCLOSURE OF MATERIAL INFORMATION

Magellan will disclose Material Information concerning its business and affairs to the public immediately, except when otherwise required for the purpose of maintaining the confidentiality of the information. Where Material Information is disseminated by Magellan to the public through a news release, that information will be considered publicly disclosed after the close of business on the second full trading day after the date of issuance of the news release.

The DPC shall be responsible for ensuring that disclosure of all information respecting Magellan, including Material Information required to be disclosed under applicable securities laws, is carried out in accordance with a consistent procedure and in accordance with such laws.

Procedures governing the disclosure of Material Information required to be disclosed shall provide that such disclosure shall be made in accordance with the following principles:

- i) Material Information should not be disclosed selectively;
- ii) information previously disclosed by Magellan should be updated if it has become misleading as a result of subsequent events; and
- iii) where Material Information is to be announced at a meeting of or conference call with analysts, the media or shareholders, or at a news conference, a prior general announcement respecting the Material Information must be made by a news release disseminated by a news wire service.

Public statements of policy will be made only by the Chairman of the Board or the CEO. All news releases relating to policy and the activities of any business unit of Magellan shall be pre-cleared with the CEO. If practical, news releases to be issued by or on behalf of Magellan will be forwarded at least twenty-four (24) hours prior to issuance to the DCP for review and approval.

DELAY IN DISCLOSING MATERIAL INFORMATION

Under certain circumstances, Magellan may keep Material Information confidential for a limited period of time because immediate disclosure may be unduly detrimental to the interest of Magellan or may not be disclosable due to third-party confidentiality restrictions or uncertainty of events. The determination of when to not disclose Material Information immediately will be made by the DPC who shall advise the Chairman of the Governance and Nominating Committee of such decision and ensure appropriate confidential filings are made.

INADVERTENT DISCLOSURE

The unintentional disclosure of Material Information can be just as harmful as intentional disclosure. To avoid unintentional disclosure, never discuss with any unauthorized person information that has not been made public by Magellan. This information includes, without limitation, unannounced products, services, contracts, acquisitions, negotiations, investigations, lawsuits, prices, earnings, procurement plans, marketing plans, business

volumes and capital requirements. Keep in mind that harmful disclosure may start with the smallest leak of information. Even fragments of information Magellan Personnel disclose may be pieced together with fragments from other sources to form a fairly complete picture. If a Magellan Personnel becomes aware that there has been an inadvertent disclosure of Material Information, he or she should immediately contact a member of the DPC who will convene a meeting of the DPC to consider the matter and the appropriate next step.

NO TIPPING OF MATERIAL INFORMATION

Magellan Personnel may not “tip” or discuss internal Magellan matters or developments which in any way relate to Material Information with any other persons, except as required in the performance of his or her employment duties and in the necessary course of business. The “necessary course of business” exception is a very limited exception. This exception does not permit Magellan to make selective disclosure of Material Information to the media, an analyst or market professional.

GENERAL PRINCIPLES ON SAFEGUARDING CONFIDENTIALITY

Information disclosed by a customer, supplier or business associate to any Magellan Personnel, and identified as private or confidential, shall be protected from disclosure to the same extent as would Material Information.

To protect Material Information from disclosure, Magellan Personnel:

- i) should not discuss Material Information in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, newsgroup discussions or bulletin boards which discuss matters pertaining to Magellan’s activities or its securities;
- ii) should not carry, read or discard Material Information in an exposed manner in public places;
- iii) should not discuss Material Information with any other persons, except in the necessary course of business;
- iv) shall advise the other persons with whom they are meeting where Material Information may be disclosed, before the meeting, that they must not divulge the Material Information, other than in the necessary course of business and pursuant to an express confidentiality agreement with the intended recipient of the information, or trade in Magellan securities until the Material Information is publicly disclosed; and
- v) should avoid unnecessary copying of confidential documents and immediately remove from conference rooms and work areas after meetings have concluded all documents containing confidential information.

When so required by a supervisor, Magellan Personnel will take such additional steps as may be necessary to protect Material Information from disclosure, including keeping filing cabinets locked, referring to specified matters only by a code name and limiting access to the word processing system.

PROPRIETARY AND CONFIDENTIAL INFORMATION

Proprietary information is information that Magellan owns or controls. It includes the business, financial, marketing and service plans associated with Magellan's products or services. It also includes personnel information, medical records and salary data. Other proprietary information includes customer lists, customer and prospect data, copyrights, patents, trade secrets, manufacturing and engineering processes, software developed by Magellan, Magellan's business and product plans, and a variety of internal data bases. Proprietary information is often the result of the ideas and efforts of many employees as well as a substantial investment, research, and development by Magellan. Obviously, if competitors could secure proprietary information such as marketing plans, or pricing data, it could seriously damage Magellan's business. Proprietary information must be kept confidential. Magellan Personnel should use the same procedures to protect information as set forth above under the section ***General Principles on Safeguarding Confidentiality*** for the protection and non-disclosure of Material Information.

NEWS RELEASES

A news release will be issued on new material developments unless the DPC and legal counsel, if the DPC deems it necessary to consult legal counsel in the circumstances, determine that such developments must remain confidential for the time being and appropriate control of that information is instituted. Should an oral statement containing non-public Material Information be made in a selective forum (e.g., an analyst meeting or phone call with an analyst or investor), Magellan will immediately issue a news release in order to fully and publicly disclose such information unless the person receiving such information agrees to enter into a confidentiality agreement.

Under normal circumstances (an exception may be made in the case of an inadvertent disclosure of new Material Information in a selective forum, in which case the need for immediate release would require that the normal review and approval process be circumvented), a news release containing new Material Information will be reviewed by the DPC and legal counsel, approved by the DPC and retained as part of Magellan's record of disclosures.

News releases including, without limitation, news releases containing quarterly or annual earnings information, will be transmitted to the news wire services and will be monitored to determine when the news has crossed at least one of these news wire services. News releases will be considered fully released after the close of business on the second full trading day after it has been released publicly by the news wire service. If news releases containing non-public Material Information are released during TSX normal trading hours they will be released in accordance with rules applicable to companies listed on the TSX. Under normal circumstances, news releases containing Material Information will be transmitted during non-trading hours (Eastern Time).

Magellan shall endeavor to include in news releases and other disclosure documents (i) appropriate cautionary information, (ii) specific time references such as "as of (specific time and date rather than indefinite time references such as 'currently')", no merger discussions have taken place" to minimize the duty to update, and (iii) information sufficient to answer likely questions to minimize further inquiry.

DISCLOSURE RECORD

The VPF shall be responsible for maintaining a file (in hard copy and/or electronically) containing all public information and disclosure documents prepared by Magellan, including, without limitation, news releases publicly released by Magellan, materials distributed to analysts and investors and documents filed with the securities regulatory authorities.

RESPONDING TO MARKET RUMOURS

So long as it is clear that Magellan is not the source of the market rumor, Magellan spokespersons will respond consistently to rumors, saying, "It is our policy not to comment on market rumors or speculation." Should Magellan make a definitive statement in response to a market rumor that is causing significant volatility in the stock, the DPC will consider the matter and make a recommendation to the CEO on whether to make a policy exception. TSX company guidelines may require a definitive statement when it is clear that Magellan is the source of the rumors that are causing movement in the share price. This determination shall be the decision of the CEO.

FORWARD-LOOKING INFORMATION

Magellan may provide sufficient forward-looking information to the investing public to enable reasoned evaluations of Magellan and its future performance prospects provided that it is not undisclosed Material Information, it does not deal with future earnings, and it has been prepared or reviewed by the VPF. Such information could include forecasts respecting volumes, expenses, capital expenditures, new projects, fiscal terms and market, commercial and technical considerations. Such information will be consistent with and complementary to information that has been otherwise provided via timely disclosure documents such as annual reports, news releases and interim reports.

A forward-looking statement made in Magellan's written documents will be identified as such and accompanied with meaningful cautionary language that warns investors that there is a risk that the statement could change materially. In the case of oral forward-looking statements, the statement will be identified as such and, if the cautionary language is not included in a previously released, readily available written document, it will immediately accompany the statement.

Earnings outlook information may be discussed in the necessary course of business with directors, officers and selected employees on a need-to-know basis. However, individuals involved need to be aware of the sensitivity of the information, the requirement to keep it confidential and the requirement not to trade in Magellan securities with knowledge of it until the information has been publicly disclosed.

Magellan management will refrain from speaking to consolidated earnings outlooks or plans with the general employee population. Discussions with employees about the corporate plan and stewardship targets should be focused on operating components, e.g., volumes and costs, which are in the group's direct control. In general group reviews, Magellan earnings discussions should be limited to historic results already in the public domain.

DEALING WITH ANALYSTS

It is Magellan's policy, when analysts inquire with respect to earnings estimates, (i) to acknowledge what the current range of analysts' estimates is, to the extent that such range is of public knowledge, and (ii) to question an analyst's assumptions if his/her estimates are based on an error or errors of a public historical fact that an analyst used in making such an estimate. The spokesperson may not question an analyst's assumptions based on the fact that his or her estimates are out of the current range of "Street" estimates.

It is Magellan's policy not to review or comment on analysts' models or reports but the authorized spokesperson may confirm or correct publicly released historical information contained in analysts' reports. Magellan will not re-circulate financial analysts' reports outside Magellan or place them on its Internet website. Financial analysts' reports on Magellan may be provided periodically to the Board and to senior management.

In the event Magellan retains a draft of an analyst's report or model on which it has commented, it should cover such a report with a disclaimer statement that the report was reviewed for factual information only and no comment was made with regard to the soft information or conclusions contained in the report or model.

Should Magellan determine during the course of a quarter that Magellan's earnings will most likely fall below the consensus of analysts' estimates, the DPC will determine the need and timing of a news release acknowledging that possibility, explaining the reasons to the best of its knowledge and, if possible, what is being done about the situation. Only twenty-four (24) hours after the news release has been issued will Magellan hold any discussions with analysts on this matter. This would be done to avoid "earnings surprises" to the extent possible.

It shall also be the policy of Magellan to observe a "quiet period" commencing from the first day following the end of the reporting period until the release of the results. During the quiet period spokespersons will not initiate meetings or telephone contacts with analysts, investors or media and will refrain from discussing matters related to earnings and financial performance.

CONDUCTING ANALYSTS' MEETINGS AND CONFERENCE CALLS

Magellan may meet with analysts and portfolio managers on an individual or small group basis, as needed, and will initiate contacts or respond to analysts and investors calls in a timely manner. No non-public Material Information will be disclosed to any analyst or portfolio manager in any such meetings.

Magellan may conduct interactive conference calls with analysts and investors on a quarterly basis, usually the day after the quarterly earnings news release is issued. In the event of a preemptive earnings release (one made prior to a normal announcement because of an unexpected shortfall below the "street's" estimates) or a special new announcement, a conference call will normally be held during non-trading hours after the release has been publicly transmitted.

Magellan will issue a news release to announce the date, time and connection information of the conference call at least twenty-four (24) hours prior to such call. The general public may listen to the conference call and/or the web broadcast of the call, however, only analysts will be permitted to ask questions during the call. A rebroadcast of the conference call will be

made available following the call, via the host vendor and on the website of Magellan, for anyone interested in listening to a replay.

The VPF will review the call to determine if new Material Information may have been released to determine whether a news release is called for to fully disclose the information. A transcript of the call will be reviewed and edited by the VPF and reviewed by outside legal counsel, if appropriate. It will be retained as part of Magellan's disclosure record.

At the beginning of the call, a spokesperson introducing the call, or the vendor hosting the call, will make a statement that forward-looking information may be disseminated during the call and that if such information is discussed during the course of the call it will be identified as such with words such as "we expect", "we believe", "we predict", or the like, and will be followed by appropriate cautionary language or reference to cautionary statements contained in readily available (publicly released) documents. Any excerpts from the conference call placed on Magellan's website containing forward-looking statements will have the cautionary language as part of the transcribed statement (even if it means editing the cautionary language into the statement that may have been referred to orally during the call as being contained in another written document).

TRADING RESTRICTIONS AND BLACKOUT PERIODS

It is illegal for anyone to purchase or sell securities, either directly or indirectly, including, without limitation, granting or exercising stock options, phantom stock plans or similar employee compensation mechanisms, of any public entity (including Magellan) with knowledge of Material Information affecting that entity that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of non-public Material Information. Therefore, Magellan Employees with knowledge of confidential or non-public Material Information about Magellan or third parties with whom Magellan has or is pursuing business relations are prohibited from buying or selling, or recommending the buying or selling of, any assets or securities in Magellan or any such third party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated. This period of time is considered to have passed on the commencement of the third trading day following the date of a public announcement disclosing such information.

This prohibition also applies to trading by individuals who learn of Material Information or undisclosed Material Information respecting another company from Magellan Employees (e.g., such individuals could be spouses, friends, relatives) who for the purposes of this policy are responsible for the trading by such individuals; it being understood that trading by such individuals would also likely constitute a violation by them of applicable securities law relating to insider trading.

Blackout periods may also be prescribed from time to time by the DPC as a result of special circumstances relating to Magellan, pursuant to which insiders, and should the DCP determine appropriate, other designated employees of Magellan, would be precluded from trading in securities of Magellan. The VPF shall inform all insiders and other designated employees via e-mail of the beginning and ending of blackout periods. All parties with knowledge of such special circumstances are covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of potential material transactions. No Magellan Personnel shall disclose to any outside third party that a blackout period has been designated.

In addition, Magellan has adopted trading restrictions which are applicable to insiders of Magellan, namely Magellan's directors, officers, divisional general managers and certain other employees (generally employees who are, or may be, privy to financial information) ("Insiders"). Insiders should alert the VPF prior to instituting a trade to confirm that the trade will be in compliance with this Policy. Insiders should report all trades to the VPF. Insiders shall only be entitled to trade in securities of Magellan during designated "Open Periods". The Open Periods shall commence on the third trading day after the date of a news release containing quarterly financial information has been issued and for a period of twenty (20) trading days thereafter. For more information please refer Magellan's policy entitled "*Insider Investment in Securities of the Company*".

RESPONSIBILITY FOR MONITORING MAGELLAN'S WEBSITE

The VPF is primarily responsible for placing investor-related information on Magellan's website and is responsible, along with the Vice President Marketing, for monitoring all Magellan's information placed on the website to ensure its accuracy, completeness and that such information is up to date. Changes in information must be updated as soon as practicable. All data posted to the website shall show the date such material was posted.

Magellan regards analysts' reports as proprietary information belonging to the analysts' firm and the Magellan website will not post or hyperlink to such reports.

NON-COMPLIANCE

Failure to comply with the terms of this policy may result in disciplinary action, including termination of employment without notice.