MAGELLAN AEROSPACE CORPORATION

Notice of Annual Meeting of Shareholders
to be held on May 12, 2015

And

Proxy Circular

MAGELLAN AEROSPACE CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the "Meeting") of the holders of common shares of MAGELLAN AEROSPACE CORPORATION (the "Corporation") will be held at The Living Arts Centre, 4141 Living Arts Drive, Mississauga, Ontario, L5B 4B8 on Tuesday, the 12th of May, 2015, at 2:00 p.m. (Eastern Time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for its financial year ended December 31, 2014, together with the report of the auditors thereon;

2. to elect nine (9) directors of the Corporation for the ensuing year;

3. to appoint Ernst & Young LLP as auditors of the Corporation with remuneration to be fixed by the directors; and

4. to transact such further or other business as may properly come before the Meeting or any adjournment thereof.

Particulars of the foregoing matters are set forth in the accompanying management information circular – proxy statement of the Corporation dated March 20, 2015. The financial statements for the year ended December 31, 2014 and the independent report of the auditors' of the Corporation thereon are available on SEDAR at www.sedar.com and will be made available at the Meeting.

Only holders of common shares of the Corporation ("Common Shares") of record at the close of business on March 20th, 2015 will be entitled to vote those Common Shares registered in their respective names at the Meeting except to the extent that any such holder has transferred any Common Shares registered in such holder's name after that date and the transferee of such Common Shares establishes proper ownership and requests not later than ten days before the Meeting that such transferee's name be included in the list of shareholders eligible to vote at the Meeting.

Shareholders are requested to sign and return, in the envelope provided for that purpose, the accompanying form of proxy for use at the Meeting, or to vote their shares by telephone or internet by following the instructions on the form of proxy whether or not they are able to attend personally.

By Order of the Board of Directors of the Corporation

John B. Dekker
Chief Financial Officer and Corporate Secretary
DATED at Mississauga, Ontario, this 20th day of March, 2015.

PROXY CIRCULAR

The purpose of this management information circular – proxy statement (the "Proxy Circular") is to provide shareholders with important information to make voting decisions at the annual meeting of holders of Common Shares of the Corporation (the "Meeting"). References to the “Corporation” or “Magellan” means Magellan Aerospace Corporation. References to “Common Shares” means common shares of the Corporation and references to "Shareholders" means holders of the Common Shares. References to the “Board” means Magellan’s Board of Directors.

This Proxy Circular is dated March 20, 2015 and unless otherwise stated all information is current to this date and all dollar figures are in Canadian dollars.

VOTING INFORMATION

Q&A on Proxy Voting

Q: What am I voting on?

A: Shareholders are voting on the election of directors to the Board for 2015 and the appointment of auditors for the Corporation and authorizing the directors to fix the remuneration of the auditors.

Q: Who is entitled to vote?

A: Shareholders as at the close of business on March 20, 2015 are entitled to vote. Each Common Share is entitled to one vote on those items of business identified in the Notice of Annual Meeting of Shareholders.

If you acquired your shares after March 20, 2015, please refer to the answer to the question "*What if ownership of shares has been transferred after March 20, 2015?*".

Q: How do I vote?

A: There are four ways you can vote your shares if you are a registered Shareholder. You may vote in person at the Meeting or in advance of the Meeting by telephone or on the internet or you may sign the enclosed form of proxy (the "Form of Proxy") appointing the named persons or some other person you choose, who need not be a Shareholder, to represent you as proxyholder and vote your shares at the Meeting.

If your shares are held in the name of a nominee, please follow the voting instructions provided by your nominee and also refer to the answer to the question "*If my shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my shares?"*.

Q: What if I plan to attend the Meeting and vote in person?

A: If you are a registered Shareholder and plan to attend the Meeting on May 12, 2015 and wish to vote your Common Shares in person at the Meeting, do not complete or return the Form of Proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, Computershare Investor Services Inc., upon arriving at the Meeting.

If your shares are held in the name of a nominee, please see the answer to the question "*If my shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my shares?*"

Q: Who is soliciting my proxy?

A: The enclosed Form of Proxy is being solicited by the management of the Corporation. The costs incurred in the preparation and mailing of the Form of Proxy, Notice of Annual Meeting and this Proxy Circular will be borne by the Corporation. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by employees of the Corporation.

Q: What if I sign the Form of Proxy enclosed with this Proxy Circular?

A: Signing the enclosed Form of Proxy gives authority to Phillip C. Underwood, President and Chief Executive Officer of the Corporation, or failing him, John B. Dekker, Chief Financial Officer and Corporate Secretary of the Corporation, or to another person you have appointed, to vote your shares at the Meeting.

Q: Can I appoint someone other than these officers to vote my shares?

A: **Yes, you have the right to appoint a person or company to represent you at the Meeting**. Write the name of this person, who need not be a Shareholder, in the blank space provided in the Form of Proxy.

It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare Investor Services Inc.

Q: What do I do with my completed proxy?

A: If you are a registered Shareholder, return the proxy to the Corporation's transfer agent, Computershare Investor Services Inc., in the envelope provided so that it arrives no later than 2:00 p.m. (Eastern Time) on Friday, May 8, 2015. This will ensure that your vote is recorded.

Q: If I change my mind, can I take back my proxy once I have given it?

A: Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect or you may revoke the proxy in any other manner permitted by law. The statement must be signed by you or your attorney as authorized in writing or, if you are a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the Corporate Secretary of the Corporation at the following address no later than 5:00 p.m. (Eastern Time) on the day preceding the Meeting (Monday, May 11, 2015) or any adjournment thereof, or to the Chairman of the Board of the Corporation on the day of the Meeting, Tuesday, May 12, 2015, or any adjournment thereof.

Magellan Aerospace Corporation
Attention: John B. Dekker, Corporate Secretary
3160 Derry Road East
Mississauga, Ontario L4T 1A9
Fax: (905) 677-5658

Q: How will my shares be voted if I give my proxy?

A: The persons named on the Form of Proxy must vote for or against or withhold from voting your shares in accordance with your directions on any ballot that may be called for. In the absence of such directions, proxies received by management will be voted in favour of the election of directors to the Board, the appointment of auditors, and authorization of the Board to fix the auditors remuneration.

Q: **What if amendments are made to these matters or if other matters are brought before the Meeting?**

A: The persons named in the Form of Proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.

As of the time of printing of this Proxy Circular, management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the Form of Proxy will vote on them in accordance with their best judgment.

Q: How many shares are entitled to vote?

A: As of March 20, 2015, there were outstanding 58,209,001 Common Shares of the Corporation. Each registered Shareholder has one vote for each Common Share held at the close of business on March 20, 2015.

To the knowledge of the directors and officers of the Corporation, as of March 20, 2015 no one person or entity beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding Common Shares of the Corporation except as set out under the heading "*Voting Shares And Principal Holders Thereof*".

Q: What if ownership of shares has been transferred after March 20, 2015?

A: The person who acquired such shares after March 20, 2015 must produce properly endorsed share certificates or otherwise establish that he or she owns the shares and must ask the Corporation no later than ten days prior to the date of the Meeting that his or her name be included in the list of Shareholders before the Meeting in order to be entitled to vote these shares at the Meeting.

Q: How will the votes be counted?

A: Except as provided in the Ontario *Business Corporations Act*, each question brought before the Meeting is determined by the votes cast on the question. Votes on the election of directors will be on an individual basis for each director and will be conducted by ballot.

Q: Who counts the votes?

A: The Corporation's transfer agent, Computershare Investor Services Inc., counts and tabulates the proxies. This is done independently of the Corporation to preserve the confidentiality of individual Shareholder votes. Proxies are referred to the Corporation only in cases where a Shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

Q: If I need to contact the transfer agent, how do I reach them?

A: For general shareholder enquiries, you can contact the transfer agent by mail or telephone:

Computershare Investor Services Inc.
100 University Avenue
9th Floor,
Toronto, Ontario M5J 2Y1

1-800-564-6253 or 514-982-7555

Q: If my shares are not registered in my name but are held in the name of a nominee (a bank, trust company, securities broker, trustee or other), how do I vote my shares?

A: There are two ways you can vote your shares held by your nominee. As required by Canadian securities legislation, you will have received from your nominee either a request for voting instructions or a Form of Proxy for the number of shares you hold. For your shares to be voted for you, please follow the voting instructions provided by your nominee. If you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions or Form of Proxy and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting.

BUSINESS OF THE MEETING

Financial Statements

The consolidated financial statements for the year ended December 31, 2014 and the report of the auditors thereon were included in the Corporation's 2014 annual report (the "2014 Annual Report"). Copies of the 2014 Annual Report may be obtained from the Corporate Secretary upon request and will be available at the Meeting. The full text of the 2014 Annual Report is available on the Corporation's website at www.magellan.aero and has been filed on SEDAR at www.sedar.com. No formal action is required or proposed to be taken at the Meeting with respect to these financial statements.

Election of Directors

The mandate of the Governance and Nominating Committee ("Governance Committee") is to assemble a Board with the appropriate background, knowledge, skills and diversity to effectively carry out its duties, including overseeing the Corporation's strategy and business affairs. For the Governance Committee to recommend an individual for Board membership, candidates are assessed on their individual qualifications, diversity, experience and expertise and must exhibit the highest degree of integrity, professionalism, values and independent judgement.

The present term of office of each director of the Corporation will expire immediately prior to the election of directors at the Meeting. Each of the persons whose name appears below is proposed to be elected as a director of the Corporation to serve until the next annual meeting of the Shareholders or until their successor is elected or appointed. The Board has determined that the Board will be comprised of nine (9) members to be elected at the Meeting. Management does not contemplate that any of the persons proposed to be nominated will be unable to serve as a director. If, for any reason, at the time of the Meeting any of the nominees are unable to serve, it is intended that the persons designated in the Form of Proxy will vote in their discretion for a substitute nominee or nominees.

The rules of the Toronto Stock Exchange ("TSX") were amended in February 2014 and now require all TSX-listed companies (other than majority controlled corporations) to adopt a majority voting policy with respect to uncontested director elections. The policy generally requires that any nominee director of a corporation who receives more "withheld" votes than votes cast "for" their election tender their resignation for consideration by the board of directors. The accompanying Form of Proxy provides for individual voting on each director nominee, however, as at the date of this circular, the Corporation has not adopted a majority voting policy. As the majority of the Corporation's Common Shares are beneficially owned, directly or indirectly, or controlled or directed by one person, the Corporation is considered majority controlled pursuant to the rules of the Toronto Stock Exchange and is thereby exempt from the requirements for adopting a majority voting policy. The Corporation has chosen to avail itself from the exemption of the requirements to adopt a majority voting policy because as the Corporation is majority controlled, the adoption of a majority voting policy would not result in any meaningful change to the outcome of director elections. The Corporation will disclose voting results as part of its report on voting results for the Meeting.

Each of the proposed directors, except for Larry G. Moeller who was not a director for the period from August 14, 1999 to March 3, 2000, has served continuously as a director since the date he was first elected or appointed, which date is indicated below such director's name. Each of the proposed directors has been engaged in their principal occupation or in other capacities with the same firm or organization for the past five years, except as disclosed in the following table. The information outlined in the following table concerning each of the Corporation's proposed directors has been provided by the individual.

To the knowledge of the Corporation, no proposed director is as at the date hereof, or has been within 10 years of the date hereof (a) a director or chief executive officer or chief financial officer of any company, including the Corporation, that while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, (b) a director or chief executive officer or chief financial officer of any company, including the Corporation, that was subject to an event that resulted in the company, after the director or executive officer ceased to be a director chief executive officer or chief financial officer of the company, being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, (c) a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director, except as disclosed in the notes to the following table.

To the knowledge of management of the Corporation, no proposed director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director of the Corporation.

Name, province/state and country of residence and year first became director	**Principal occupation during the preceding five year period**	**Position with the Corporation**	**Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed on March 20, 2015**
N. Murray Edwards Alberta, Canada (1995)	President, Edco Financial Holdings Ltd. (private consulting and management company)	Chairman and Director	43,056,979
James S. Butyniec [(6)] Ontario, Canada (2008)	Vice Chairman, Magellan Aerospace Corporation	Vice Chairman and Director	13,667
Phillip C. Underwood [(7)] Ontario, Canada (2015)	President and Chief Executive Officer, Magellan Aerospace Corporation	President and Chief Executive Officer	Nil
Beth M. Budd Bandler [(2)(4)(8)] Ontario, Canada (2014)	President, Beth Bandler Professional Corporation (private legal and business practice)	Director	3,000
Hon. William G. Davis [(2)(3)] Ontario, Canada (1989)	Counsel, Davis Webb LLP (Brampton law firm)	Director	4,197
William A. Dimma [(1)] Ontario, Canada (1989)	Corporate Director	Director	6,099
Bruce W. Gowan [(1)(2)(3)] Ontario, Canada (1990)	Corporate Director	Director	9,663
Larry G. Moeller [(4)(5)] Alberta, Canada (1995)	President, Kimball Capital Corporation (private consulting and management company)	Director	2,246,768
Steven Somerville [(1)(3)(4)(9)] Ontario, Canada (2013)	Co-President, Spectrum Capital Partners Inc. (private equity investment company)	Director	5,200

Notes:
(1) Member of the Audit Committee.
(2) Member of the Governance Committee.
(3) Member of the Human Resources and Compensation Committee.
(4) Member of the Environmental and Health & Safety Committee.
(5) Mr. Moeller was a director of Protective Products of America, Inc. when such corporation and its subsidiaries filed on January 13, 2010 voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida, Fort Lauderdale Division. On January 14, 2010, the shares of such corporation were suspended from trading on the Toronto Stock Exchange and were delisted on February 19, 2010 for failure to meet continued listing requirements.
(6) Mr. Butyniec served as President and Chief Executive Officer of Magellan Aerospace Corporation from January 28, 2008 to May 12, 2014 and Chief Executive Officer from May 13, 2014 to December 31, 2014. Effective January 1, 2015, Mr. Butyniec was appointed Vice Chairman of the Board.
(7) Effective January 1, 2015, Mr. Underwood was appointed President and Chief Executive Officer of Magellan Aerospace Corporation. Mr. Underwood served as President of the Corporation from May 13, 2014 to December 31, 2014 and prior to that was the Vice President, European Operations of the Corporation from 2003 to 2014. The Board appointed Mr. Underwood as a director of the Corporation on March 20, 2015.
(8) From 2006 to late 2010, Ms. Bandler was Senior Vice-President and General Counsel, Legal and Human Resources at Harry Winston Diamond Corporation (now called Dominion Diamond Corporation).
(9) Mr. Somerville was President of Bank of Montreal Capital Corporation from 2001 to 2012.

Board of Directors Attendance

The attendance records for directors at meetings of the Board or its committees for the year ended December 31, 2014 are set out below:

Number of Meetings Attended / Held

Director	**Board**	**Audit**	**Governance & Nominating**	**Human Resources & Compensation**	**Environmental and Health & Safety**
N. Murray Edwards *(Board Chairman)*	5/5				
James S. Butyniec [(1)]	5/5				
Beth M. Budd Bandler [(2)]	4/5		1/1		1/1
William G. Davis *(Human Resources and Compensation Committee Chair)*	5/5			2/2	
William A. Dimma *(Audit Committee Chair)*	5/5	5/5	1/1		
Bruce W. Gowan *(Governance Committee Chair)*	5/5	5/5	1/1	2/2	
Donald C. Lowe [(3)]	2/5	2/5			
Larry G. Moeller *(Environmental and Health & Safety Committee Chair)*	5/5				1/1
Steven Somerville	5/5	3/5		2/2	1/1

Notes:
(1) As a member of management in 2014, Mr. Butyniec did not serve on any of the standing committees of the Board.
(2) Ms. Bandler was nominated as a director at the Meeting held on May 13, 2014.
(3) Mr. Lowe did not stand for re-election as a director of the Corporation at the Meeting held on May 13, 2014.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2014, information concerning the compensation paid to directors other than directors who are also Named Executive Officers. See "*Statement of Executive Compensation – Summary Compensation Table*" for compensation paid to Named Executive Officers.

Name	Total fees earned ($)
N. Murray Edwards [(1)]	Nil
Beth M. Budd Bandler [(2)]	45,692
William G. Davis	80,000
William A. Dimma	87,000
Bruce W. Gowan	80,000
Donald C. Lowe [(3)]	80,000
Larry G. Moeller	72,000
Steven Somerville	72,000

Notes:
(1) The Corporation has agreed to pay Edco Financial Holdings Ltd., a corporation wholly-owned by Mr. Edwards, $100,000 for consulting fees.
(2) Ms. Bandler was nominated as a director of the Corporation at the Meeting held on May 13, 2014.
(3) Mr. Lowe served as director of the Corporation immediately before the Meeting held on May 13, 2014 where he did not stand for re-election. The director's fees were paid to his estate upon his passing in June 2014.

Non-executive directors are paid an annual fee of $72,000, the Audit Committee Chairman receives an additional $15,000 per annum, and each Chairman of the other committees of the Board, other than the Audit Committee, receives an additional $8,000 per annum. The remuneration is paid quarterly in arrears. Directors are also entitled to reimbursement of their expenses incurred in attending Board and Committee meetings. Other than the fees paid to directors as noted in the above table no other form of compensation is awarded or paid, or was awarded or paid in 2014, to the directors of the Corporation.

Directors are not permitted to purchase financial instruments that are designed to hedge the value of securities they hold.

Directors' Outstanding Option-Based Awards and Share-Based Awards

For each of the Corporation's directors, other than the two directors who were also Named Executive Officers, there are no outstanding option based or share based awards as at December 31, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

For each of the Corporation's directors, other than the two directors who were also Named Executive Officers during the year ended December 31, 2014, no option-based or share-based awards or non-equity incentive plan compensation vested during the year ended December 31, 2014.

Appointment of Auditors

The Board proposes that the firm of Ernst & Young LLP, Chartered Accountants, of Toronto, Ontario be appointed as the auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders and that the Board be authorized to fix the remuneration of the auditors. Ernst & Young LLP have been the auditors of the Corporation for more than five years.

Reference is made to the information under the heading "Audit Committee", and the text of the Charter of the Audit Committee attached as Appendix A to the Corporation's Annual Information Form that contains the information required by section 5.1 and Form 52-110F1 of National Instrument 52-110 – *Audit Committees*, which is hereby incorporated herein by reference. The Corporation's Annual Information Form is available on SEDAR at www.sedar.com and a copy is available free of charge, upon request to the Corporate Secretary of the Corporation, to any Shareholder.

Other Matters

Management of the Corporation does not know of any amendment, variation or other matter to be presented to the Meeting. If other matters should be properly presented at the Meeting, the persons named in the accompanying Form of Proxy will vote the Common Shares represented by such proxy with respect to such matters in accordance with their best judgement.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Human Resources and Compensation Committee

The Corporation's executive compensation program is administered by the Human Resources and Compensation Committee of the Board (the "Committee"). All members of the Committee are independent directors. The Committee is currently comprised of the following members: William G. Davis, Bruce W. Gowan and Steven Somerville.

The Committee members have experience in top leadership roles, as well as tenure as directors of various public companies. This background provides the Committee with the collective experience, skills and qualities to effectively support the Board in carrying out their mandate. The specific experience and education of each member of the Committee are as follows:

Name	Relevant experience and education
William G. Davis	Mr. Davis was Premier of Ontario from 1971 to 1985. He was a member of the Ontario Legislature from 1959 to 1985. He was appointed Education Minister in 1962 and added University Affairs portfolio two year later. Prior to his first election in 1959, Mr. Davis practised general law with a Brampton, Ontario firm. Currently, Mr. Davis serves as a director of Home Capital Group Inc. and Revera Inc. Mr. Davis attended the University of Toronto Osgoode Hall and was called to the Bar in 1955.
Bruce W. Gowan	Mr. Gowan, a Chartered Professional Accountant, was Chief Financial Officer of Magellan from 1983 until his retirement in 1999. Prior to this, he held senior financial officer positions at various public companies. He has been a director of the Corporation since 1990 and a member of the Audit Committee of the Corporation since 2000. Currently, Mr. Gowan serves as a director of IWG Technologies, Inc. Mr. Gowan completed his academic requirements for his Chartered Professional Accountancy designation, Ontario, through Queen's University.
Steven Somerville	Mr. Somerville is Co-President at Spectrum Capital Partners Inc., a private equity investment company. Prior to establishing Spectrum Capital Partners Inc., he was President of Bank of Montreal Capital Corporation ("BMOC") from 2001 to 2012 where he was responsible for leading a team of professionals in providing junior capital, including subordinated debenture, mezzanine financing and minority equity investments to mid-market companies across Canada. Mr. Somerville chaired BMOC's Management Committee and Investment Committee. He also led Bank of Montreal's Mergers and Acquisitions team from 2001 to 2012. Prior to Bank of Montreal, he was a managing director at Canadian Imperial Bank of Commerce's Mergers and Acquisitions group from 1996 to 2001. Mr. Somerville holds both a Bachelor of Arts (Economics) and MBA with distinction from the Ivey School of Business, University of Western Ontario.

As part of its mandate, the Committee has primary responsibility for reviewing compensation and human resource issues and providing reports to the Board with respect to the appointment and remuneration of executive officers of the Corporation. The Committee has the responsibility of reviewing and assessing: (i) executive management's performance; (ii) executive and senior management succession planning; (iii) the Corporation's compensation and human resources issues; and (iv) the performance of the President and Chief Executive Officer (the "CEO"). The Committee reviews and approves, subject to board oversight, the CEO's recommendation for all corporate compensation and benefits plans including proposed salary ranges, bonuses, and any other forms of compensation. The Committee also reviews the design and competitiveness of the Corporation's compensation plan.

During the financial year ended December 31, 2014, the Committee held two meetings. The Committee reviewed the CEO's recommendations for corporate compensation and benefit plans including proposed salary ranges, bonuses and mid-term incentive plan; reviewed the performance and compensation of the corporate officers; and reviewed and approved the consulting agreement between Edco Financial Holdings Ltd. and the Corporation.

Risk Considerations of Executive Compensation

The Board has overall responsibility for risk oversight with a focus on the most significant risks facing the Corporation, including strategic, operational, financial and reputational risk. As part of the Committee's responsibilities in assisting the Board's risk oversight mandate, the Committee reviews all components of the Corporation's compensation program including risk implications. The purpose of the review is to ensure the Corporation's compensation program is reasonable, fair to its employees, competitive, and overall, in the best interests of the Corporation.

In designing the executive compensation program, a key objective is to ensure that compensation philosophy, products and ranges are aligned with the Corporation's risk appetite. This consideration of risk resulted in the development of short-term and mid-term compensation elements. The short-term compensation element consists of the annual incentive award which encourages employees to focus on achieving the Corporation's annual business objectives. To discourage behaviours that would reward actions that could produce short term success at the cost of long term results, the Corporation has a Deferred Share Unit ("DSU") plan. The DSU awards are linked to the fair market value of the Common Shares and a portion is vested immediately with the remainder vested over a two-year period.

The recommendations of the Committee for the base salary levels, annual bonus and DSU awards are presented to the Board for review concurrent with implementation, having taken into consideration the risk implications. The Committee does not believe that the Corporation's current executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks as the Corporation's compensation structure provides a mix of short-term and mid-term rewards. The Committee believes the level of payments related to base salary, annual bonus, DSU awards and other benefits and perquisites is necessary to attract and retain top level senior executives. The Corporation does not anticipate making any significant changes to the compensation policies and practices in the next financial year.

The Review Process at a Glance

Management Process	**Board Process**
Human Resources • Prepares a summary of competitive market data • Develops compensation guidelines for senior management team based on the Corporation's performance and compensation philosophy • Reviews data and guidelines with the CEO • Manages the performance review process **Executive Management Team** • Composed of senior leaders from human resources, finance and operations • Ensures individual compensation provides appropriate performance recognition and alignment with the Corporation's risk • Reviews incentive plan targets and design, and business performance underlying the annual bonus plan **CEO** • Assesses senior management performance against objectives and future potential • Recommends appropriate salary, annual bonus and DSUs for senior team – taking into account past performance, future potential and market research	**The Committee** • Reviews and finalizes recommendation of appointment and remuneration of CEO and senior officers • Evaluates the performance of the senior executive officers and reviews the design and competitiveness of the compensation plan **Board of Directors** • Appoints CEO and senior officers • Oversees CEO and senior officers' compensation • Monitors the CEO's performance

Executive Compensation Philosophy & Program

The Corporation's executive compensation reflects the Corporation's desire to attract and retain top level executives required to ensure the success of the Corporation's short-term and mid-term goals, to motivate the executive officers in achieving and exceeding the goals of the Corporation, and to remunerate its executives at a level commensurate with other executives with similar levels of responsibility in the industry. The basis for compensation to be paid to each Named Executive Officer, including the CEO, consists of a base amount and performance-oriented incentive compensation. Incentive compensation is contingent upon both the short-term and the mid-term performance of the Corporation and the Named Executive Officer's contribution towards that performance.

The CEO's annual compensation is determined by the Committee and detailed to the Board for oversight and is comprised of the components described below. The individual performance of the CEO is measured against the goals, objectives and standards set by the Committee. The goals include both financial and non-financial dimensions, covering performance in the following areas: financial performance; business development; operations; human resources management; technology and information infrastructure management; strategic planning; and corporate governance. Based on a review of the foregoing, the Committee rates the performance of the CEO as part of his performance review and determines his compensation based on his and the Corporation's performance.

The table below shows the key elements of compensation and their respective form and performance period:

	Total Direct Compensation			Indirect Compensation
Program	Base Salary	Annual Bonus	Mid-Term Incentives	Group Benefit, Pension, and Perquisite Programs
Purpose	Compensation based on responsibilities, performance, management skills and leadership	Rewards for achievement and surpassing of specific financial and non-financial key performance indicators	Rewards for creating sustained shareholder value and achieving specific performance objectives	Investment in employee health and well-being and providing an important source of income at retirement
Performance Period	-	1 year	3 years	-
Vesting	-	-	One-third of the DSUs vest on the date of grant and on each of the first and second anniversaries of the date of grant and paid out on those dates	-
Payout	Cash	Cash	Cash	-
Pay At Risk	-	Moderate	High	-

Base Salary: Salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executives. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year. Salary is reported under the column "Salary" in the Summary Compensation Table.

Annual Bonus: Certain employees, including Named Executive Officers, are eligible for annual incentive awards which are determined and reviewed by the Committee, with reference to the performance of their business unit as well as the Corporation as a whole. Performance is measured by comparing actual results against the budget. The Corporation pays annual bonus amounts to encourage superior performance from its Named Executive Officers. In order for an employee to receive a payout under the annual incentive awards, the individual (i) must be on the payroll on December 31st of the year in which the incentive award has been earned, and (ii) must remain on the payroll until March 15th of the following year when the audit of the Corporation's financial statements is completed and the incentive award is paid. The bonus awards for the Named Executive Officers are primarily based on the following defined criteria and weight:

- 30% is weighted on actual group wide corporate profit before interest and taxes ("PBIT") versus budgeted group wide corporate PBIT;

- 60% is weighted on business unit PBIT and monthly inventory levels versus budgeted business unit PBIT and monthly inventory levels;

- 10% is weighted on achievement of agreed upon performance goals.

Payout of the group wide corporate PBIT portion of the annual bonus is based on a percentage of the Board pre-approved budgeted group wide PBIT target that is achieved within a fiscal year. If group wide corporate PBIT is below 80% of budgeted group wide corporate PBIT, no incentive award payout will be made related to that criterion. If group wide corporate PBIT is 150% and more of budgeted group wide corporate PBIT, the incentive award payout for that criterion will be twice the criterion's weight (i.e. 60%). If group wide corporate PBIT as a percentage of budgeted group wide PBIT is between 80% and 150%, the incentive award for that criterion will be between 60% to 200% of the criterion's weight (i.e. 18% to 59.9%). This measurement is also similar to the business unit PBIT and monthly inventory levels versus budgeted business unit PBIT and monthly inventory levels. Each individual business unit's PBIT and monthly inventory levels incentive award payout is prorated based on the percentage of total actual revenue represented by that business unit's actual revenue. Achievement of agreed upon performance goals is a subjective measure and awarded based on the success of reaching those goals. For year-ended December 31, 2014, the total incentive award payout percentage achieved for the Named Executive Officers was 103.1%. The annual bonus amount is reported under the column "Annual Incentive Plans" under the Summary Compensation Table.

Deferred Share Unit Plan: Certain employees who are participants in the annual incentive awards and have been designated by the Board are eligible to participate in the DSU Plan. The purposes of the DSU Plan are to (a) retain and attract qualified executive officers that the Corporation requires, (b) promote a proprietary interest in the Corporation by such executive officers and to encourage such individuals to remain in the employ of the Corporation and put forth maximum efforts for the success of the business of the Corporation, and (c) focus management of the Corporation on mid-term shareholder returns. The DSU Plan is administered by the Committee. DSU awards are reported under the column "Share-based awards" under the Summary Compensation Table.

Each DSU is a right to a cash payment, equivalent in value to one Common Share based on the weighted average of the share prices on the TSX for the 5 trading days preceding the award payment date of May 1 of any year adjusted for any dividends paid over the period. If the award payment date occurs during a blackout period when employees are restricted from trading in securities of the Corporation, then the award payment date is extended to the date which is seven trading days following the end of the blackout period. The number of DSUs is determined by dividing the award remuneration provided in the DSU Plan by the weighted average of the share price on the TSX for the 5 trading days preceding the award date. The award remuneration provided in the DSU Plan is an amount that is equal to 40% for the Chief Executive Officer of the Corporation, 30% for any other executive officers of the Corporation, and 20% for other eligible employees of the annual incentive award amount awarded for the financial year preceding the award date. One third of the cash payment of the DSU awarded is made May 1 of the same calendar year of the grant of the DSU, another one third of cash payment is made May 1 of the first calendar year following the date of grant of the DSU, and the remaining one third cash payment is made May 1 of the second calendar year following the date of grant of the DSU.

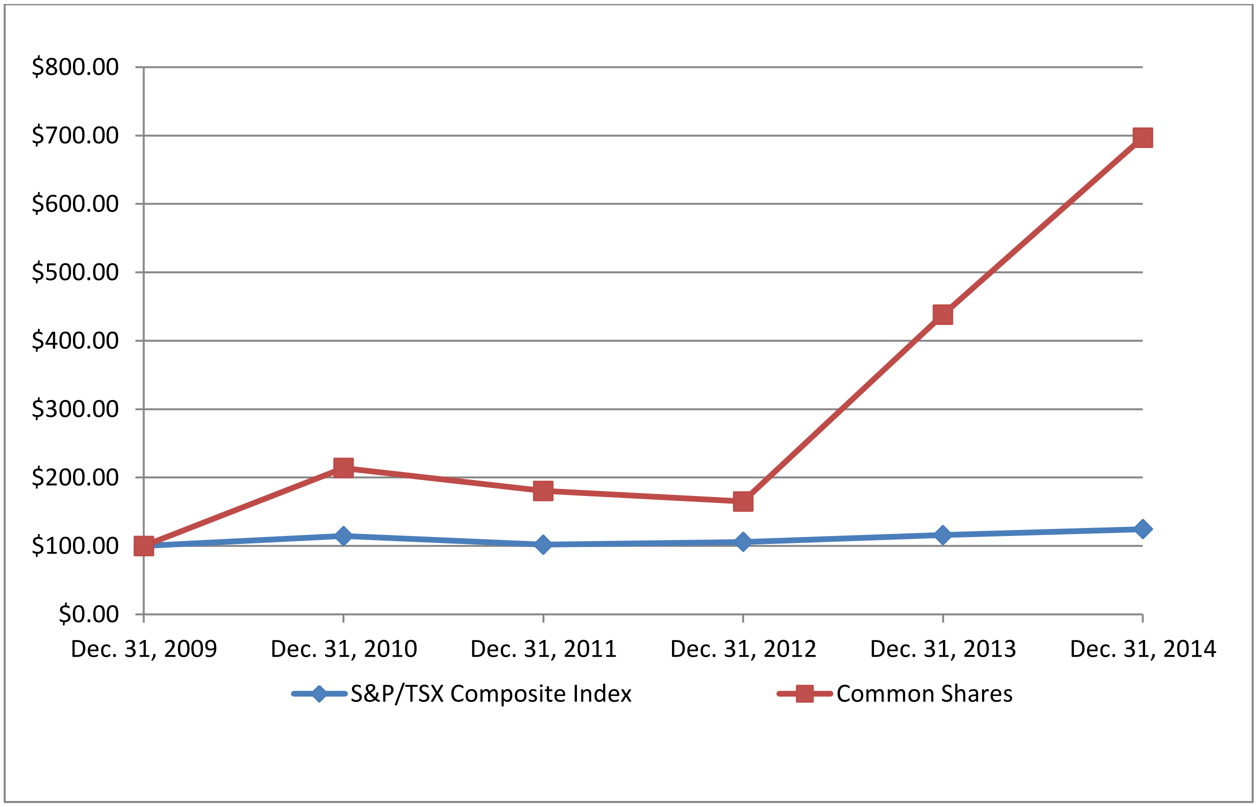
Pension: The Committee believes pensions are an integral part of total compensation and a cost-effective and important benefit for attracting and retaining talented employees, including executives. The Corporation's pension plans are designed to provide a reasonable level of retirement income to Named Executive Officers. Mr. Dekker and Mr. Zanatta participate in a defined benefit plan under the Fleet Aerospace Pension Plan. Mr. Underwood and Mr. Winegarden participate in defined contribution plans.

Other Compensation: The Corporation provides benefits and perquisites as part of the compensation package, which is reported under the column "All other compensation" on the Summary Compensation Table. In addition, the Corporation contributed to the personal retirement savings plan accounts of Mr. Butyniec in 2014 in lieu of a corporate pension plan.

The Named Executive Officers are not permitted to purchase financial instruments that are designed to hedge the value of securities they hold.

Performance Graph

The following graph illustrates the Corporation's five year cumulative shareholder return, as measured by the closing price of the Common Shares at the end of each financial year, assuming an initial investment of $100 on December 31, 2009, compared to the S&P/TSX Composite Index, assuming the reinvestment of dividends where applicable.



	Dec. 31 2009	Dec. 31 2010	Dec. 31 2011	Dec. 31 2012	Dec. 31 2013	Dec. 31 2014
S&P/TSX Composite Index [(1)]	$100.00	$114.45	$101.78	$105.85	$115.97	$124.57
Common Shares	$100.00	$213.92	$180.41	$164.95	$438.14	$696.91

Note:
(1) The S&P/TSX Composite Index is the total return index.

Aggregate compensation levels for Named Executive Officers have increased on a year-by-year basis over the period 2009 to 2014 and do not correspond with cumulative shareholder returns. The Corporation's approach to compensation, as discussed earlier in the document, is designed to promote long-term growth and profitability. The Named Executive Officers are compensated on the basis of metrics the Corporation considers to be fundamental, namely the Company's growth and profitability, rather on the basis of factors tied to the performance of the Company's shares in the market.

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2012, December 31, 2013 and December 31, 2014, information concerning the total compensation package for (1) the Chief Executive Officer, Mr. James S. Butyniec, (2) the President, Mr. Phillip C. Underwood, (3) the Chief Financial Officer, Mr. John B. Dekker, and (4) the two other most highly compensated executive officers of the Corporation, Vice-President, Corporate Strategy and Vice-President, Business Development, Marketing and Contracts (each a "Named Executive Officer" or "NEO" and, collectively, the "Named Executive Officers" or "NEOs"):

					Non-equity incentive plan compensation				
Name and principal position	**Year**	**Salary ($)**	**Share-based awards [1] ($)**	**Option-based awards ($)**	**Annual incentive plans ($)**	**Long-term incentive plans ($)**	**Pension value[2] ($)**	**All other compensation[3] ($)**	**Total compensation ($)**
James S. Butyniec [4] *Chief Executive Officer*	2014	460,000	94,889	-	237,222	-	-	55,200	847,311
	2013	440,000	86,346	-	215,864	-	-	52,800	795,010
	2012	425,184	83,472	-	208,680	-	-	41,660	758,996
Phillip C. Underwood [5] *President*	2014	304,583	34,779	-	115,931	-	30,922	-	486,215
	2013	215,371	25,986	-	86,621	-	21,538	-	349,516
	2012	203,967	18,143	-	60,476	-	20,397	-	302,983
John B. Dekker [6] *Chief Financial Officer and Corporate Secretary*	2014	205,445	21,454	-	71,515	-	53,000	-	351,414
	2013	197,031	19,574	-	65,248	-	31,000	-	312,853
	2012	191,730	18,350	-	61,166	-	24,000	-	295,246
Larry A. Winegarden *Vice President, Corporate Strategy*	2014	192,579	20,111	-	67,036	-	17,332	-	297,058
	2013	188,342	18,711	-	62,370	-	16,951	-	286,374
	2012	184,649	17,672	-	58,907	-	14,464	-	275,692
Daniel R. Zanatta *Vice President, Business Development, Marketing and Contracts*	2014	194,045	20,264	-	67,547	-	8,000	-	289,856
	2013	188,393	18,716	-	62,387	-	2,000	-	271,496
	2012	183,785	17,590	-	58,631	-	78,000	-	338,006

Notes:

(1) Share-based awards for the year ended December 31, 2012 represent the fair value of the DSUs awarded on May 1, 2013 in respect of 2012 compensation calculated on the basis of the percentage entitlement of the 2012 annual incentive plan amount for each of the NEOs. The number of DSUs granted on May 1, 2013 was calculated on the basis of the weighted average of the prices on the TSX for the 5 trading days preceding May 1, 2013. Share-based awards for the year ended December 31, 2013 represent the fair value of the DSUs awarded on May 1, 2014 in respect of 2013 compensation calculated on the basis of the percentage entitlement of the 2013 annual incentive plan amount for each of the NEOs. The number of DSUs granted on May 1, 2014 was calculated on the basis of the weighted average of the prices on the TSX for the 5 trading days preceding the effective date of the grant. Share-based awards for the year ended December 31, 2014 represent the dollar amount in respect of 2014 compensation which will be represented by DSUs when granted (calculated on the basis of the percentage entitlement of 2014 annual incentive plan amount for each of the NEOs). For more information see "*Incentive Plan Awards-Deferred Share Unit Plan*" below.

(2) Mr. Dekker and Mr. Zanatta participate in a defined benefit plan under the Fleet Aerospace Pension Plan. Mr. Underwood and Mr. Winegarden's pension values reflect the Corporation's contributions in relation to the defined contribution plans.

(3) Amounts shown relate to the Corporation's contributions to Mr. Butyniec's personal retirement savings plan accounts. The aggregate compensation amounts for other benefits and perquisites are worth less than $50,000 or 10% of a NEO's total salary for the financial year.

(4) Mr. Butyniec served as President and Chief Executive Officer of Magellan Aerospace Corporation from January 28, 2008 to May 12, 2014 and Chief Executive Officer from May 13, 2014 to December 31, 2014. Effective January 1, 2015, Mr. Butyniec was appointed Vice Chairman of the Board.

(5) Effective May 13, 2014, Mr. Underwood was appointed as President of the Corporation. Prior to that, Mr. Underwood was Vice President, European Operations. Effective January 1, 2015, Mr. Underwood was appointed President and Chief Executive Officer of the Corporation. Until Mr. Underwood's appointment as President of the Corporation he received his compensation in British Pounds. Mr. Underwood's compensation for 2012 and 2013 is summarized in British Pounds in the following table. As Mr. Underwood received a portion of his 2014 compensation in British Pounds and a portion in Canadian dollars, the following table shows the amounts paid in British Pounds and the amounts paid in Canadian dollars for such year. Compensation amounts have been converted using the annual average exchange rates for fiscal years (2014 £1.00 = Cdn$1.8190; 2013 £1.00 = Cdn$1.6120; 2012 £1.00 = Cdn$1.5841), except for the annual incentive plans amounts and share-based awards which have been converted using the month end exchange rates as at December 31 (2014 £1.00 = Cdn$1.8071 ; 2013 £1.00 = Cdn$1.7627; 2012 £1.00 = Cdn$1.6178).

				Non-equity incentive plan compensation				
Year	**Salary**	**Share-based awards**	**Option-based awards**	**Annual incentive plans**	**Long-term incentive plans**	**Pension value**	**All other compensation**	**Total compensation**
2014	£ 44,897	-	-	-	-	£16,999	-	£ 61,896
2014	$222,916	$34,505	-	$115,016	-	-	-	$372,437
2013	£133,605	£14,742	-	£ 49,141	-	£13,361	-	£210,849
2012	£128,759	£11,215	-	£ 37,382	-	£12,876	-	£190,232

(6) Effective June 1, 2012, Mr. Dekker was appointed as Chief Financial Officer of the Corporation. Prior to that, Mr. Dekker was Vice President, Finance of the Corporation.

Incentive Plan Awards

Employee Stock Option Plan: The Corporation maintains the Employee Stock Option Plan (the "Option Plan"). Eligibility for participation under the Option Plan is confined to directors, officers and certain employees of the Corporation and its subsidiaries. Stock options ("Options") to acquire no more than that number of Common Shares which is equal to 2%, in aggregate, of the outstanding Common Shares may be held by directors who are not employees or officers at any time. The number of Common Shares that were originally approved to be optioned at any time was limited to 2,240,000 in total, and 5% of the outstanding Common Shares with respect to any one participant in the Option Plan. The Option Plan provides that the aggregate of the Common Shares issued to insiders (as defined in the *Securities Act* (Ontario)) of the Corporation within any one year period under the Option Plan and issuable to insiders at any time, when combined with all of the Corporation's other security based compensation arrangements, will not exceed 10% of the Corporation's total issued and outstanding Common Shares. The exercise price in respect of any Option issued under the Option Plan shall be fixed by the Board and may not be less than the then prevailing market price of the Common Shares. The Options include a cash Option feature that allows Option holders to elect to receive an amount in cash equal to the intrinsic value, being the excess market price of the Common Share over the exercise price of the Option, instead of exercising the Option and acquiring the Common Shares. Options issued under the Option Plan vest and may be exercised during a period determined by the Board which may not exceed 10 years, are non-assignable and terminate immediately upon the termination of the participant's employment for just cause and 30 days after the resignation of the participant or the termination of the participant's employment without just cause. Options issued under the Option Plan normally have a life of five years with vesting at 20% at the end of the first, second, third, fourth and fifth years from the date of the grant. The Option Plan may not be amended by the Board without Shareholder approval in the case of the following amendments: (A) an amendment to the Option Plan to increase the maximum number of Common Shares issuable on exercise of Options in excess of the limits currently prescribed; (B) to reduce the exercise price of any outstanding Options held by insiders; (C) to extend the term of any outstanding Option beyond the original expiry date of such Options in the case of Options held by insiders; (D) to increase the maximum limit on the number of securities that may be issued to insiders under all securities based compensation arrangements to in excess of the 10% of the aggregate of the number of Common Shares issuable to insiders within any one year period under the Option Plan, and the number of shares reserved for issuance to insiders under the Option Plan; (E) modify the provisions of the Option Plan relating to eligibility; or (F) to amend the amending provision of the Option Plan. There were no grants of Options in the years ended December 31, 2012, December 31, 2013 or December 31, 2014. All Options issued under the Option Plan in prior financial years have expired.

Deferred Share Unit Plan: The Corporation retains the right to amend the DSU Plan from time to time subject to existing rights or terminate the DSU Plan on payment of the fair market value of the DSUs based on the trading price of the Common Shares. For more information on the DSU Plan see "*Executive Compensation Philosophy & Program – Deferred Share Unit Plan."*

Outstanding Share-Based Awards and Option-Based Awards

The Corporation did not issue any option-based awards during the years ended December 31, 2012, December 31, 2013 or December 31, 2014 nor were there any option-based awards outstanding as at December 31, 2014. The following table sets forth for each Named Executive Officer all share-based awards outstanding at the year ended December 31, 2014:

			Share-based awards
Name	Number of DSUs that have not vested(1)(2) (#)	Market or payout value of DSUs that have not vested(1)(2)(3) ($)	Market or payout value of vested DSU's not paid out ($)
James S. Butyniec	14,105	190,698	Nil
Phillip C. Underwood	3,622	48,974	Nil
John B. Dekker	3,147	42,544	Nil
Larry A. Winegarden	3,020	40,825	Nil
Daniel R. Zanatta	3,013	40,731	Nil

Notes:

(1) The number and market value of DSUs reflected by the dollar amounts set forth on the 2014 share-based awards in the "*Summary Compensation Table*" are not ascertainable as such DSU's have not yet been granted.

(2) The DSU's are paid out as one-third on May 1 of the same calendar year as the grant date and one-third on each of the two anniversary dates of May 1. The numbers of DSUs reflected in the table are based on the DSUs granted in 2012 and 2013 that have not yet vested nor been paid.

(3) The market value of the DSUs that have not vested is calculated based on the December 31, 2014 closing price of the Common Shares on the TSX of $13.52.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year (1) ($)	Non-equity incentive plan compensation – Value earned during the year (2) ($)
James S. Butyniec	-	158,414	235,290
Phillip C. Underwood	-	40,444	115,016
John B. Dekker	-	35,121	70,932
Larry A. Winegarden	-	33,986	66,490
Daniel R. Zanatta	-	33,553	66,996

Notes:

(1) One-third of the DSUs vest on the date of grant and on each of the first and second anniversaries of the date of grant. The value vested for the share-based awards reflected in the above table are the amounts paid on May 1, 2014 in respect of one-third of the DSUs granted in 2012, 2013 and 2014 in respect of 2011, 2012 and 2013 compensation, respectively. The amount is calculated based on the number of DSUs vested multiplied by the weighted average of the prices on the TSX for the 5 trading days preceding May 1, 2014. For Mr. Underwood's compensation paid in British Pounds, share-based awards – value vested during the year is calculated using the exchange rate of converting British Pounds to Canadian dollars as at the May 1, 2014 award date of £1.00 = Cdn$1.5194, and non-equity incentive plan compensation – value earned during the year is converted into Canadian dollars from British Pounds using the month end exchange rates as at December 31, 2014 of £1.00 = Cdn$1.8071.

(2) The non-equity incentive plan dollar amounts are bonus amounts earned for the year ended December 31, 2014 and reflected in the "Summary Compensation Table" under "Annual incentive plans".

Pension Plan Benefits

Defined benefit plan

Mr. Dekker and Mr. Zanatta participate in the Fleet Aerospace Pension Plan (the "Pension Plan"). On normal retirement, a participant is entitled to a monthly pension determined as 1.2% of their highest average earnings times years of credited service (to a maximum of 40% of highest average earnings). Highest average earnings are defined as the average of a person's highest 36 consecutive months of earnings during that person's service with the Corporation. Early retirement is permitted after attaining age 55 and completing two years of the Pension Plan membership. The benefit payable upon early retirement is equal to the normal retirement pension reduced by 0.5% for each month by which retirement precedes the participant's normal retirement date, to a maximum of 60 months, and by 0.25% for each month by which early retirement precedes age 60. Pensions are not reduced by Canada Pension Plan payments.

The following table summarizes the Corporation's accrued pension obligations and annual pension benefits of the Pension Plan to Mr. Dekker and Mr. Zanatta:

Name	Number of years credited service (#)	Annual benefits payable		Accrued obligation at Jan. 1 2014 ($)	Compensatory change ($)	Non-compensatory change ($)	Accrued obligation at Dec. 31 2014 ($)
		At Dec. 31 2014 ($)	At age 65 ($)				
John B. Dekker	29.50	70,000	79,000	727,000	53,000	159,000	939,000
Daniel R. Zanatta	35.67	74,000	74,000	804,000	8,000	171,000	983,000

The accrued pension obligation at January 1, 2014 for Mr. Dekker and Mr. Zanatta was $727,000 and $804,000 respectively as compared to $939,000 and $983,000 respectively as at December 31, 2014 because of changes in actuarial assumptions with respect to the discount rate. The accrued obligation is the estimated value of the pension obligation to the date indicated using the actuarial assumption and methods that are consistent with the obligations disclosed in the consolidated financial statements. The compensatory change represents the increase in the pension liability for 2014 related to service cost and any difference between estimated and actual earnings. The non-compensatory change in the accrued obligation for the period ended December 31, 2014 includes items such as interest on beginning of the year obligations, experience gains and losses and changes in actuarial assumptions. For more information in relation to the quantification of such obligations, see Note 18 as to defined benefit plans in the Corporation's consolidated financial statements which are filed on www.sedar.com and which note is hereby incorporated in this Proxy Circular by reference and is available free of charge, upon request to the Corporate Secretary of the Corporation, to any Shareholder.

Defined contribution plans

Under the defined contribution plan for Mr. Winegarden, the Corporation contributes 4% of his basic salary and a mandatory amount of 2% of his basic salary. In addition, he is eligible to contribute a voluntary pension amount of 8% of his basic salary, of which the Corporation will match 50% of these voluntary pension contributions. Under the defined contribution plan, for Mr. Underwood, the Corporation contributed, in 2014, 10% of his basic salary.

The following table presents the benefits accumulated under the Corporation's defined contribution plans for Mr. Underwood and Mr. Winegarden. The actual benefits payable upon retirement will be determined by the size of each participant's account values (based on the amount of actual contributions and realized investment returns), interest rates at the time benefits commence and the type of retirement vehicle selected (life income fund, life annuity, joint annuity, etc.).

Name	Accumulated value at January 1, 2014 ($)	Compensatory ($)	Accumulated value at December 31, 2014 ($)
Phillip C. Underwood	616,947	30,922	647,869
Larry A. Winegarden	463,375	17,332	517,422

Note:
(1) Mr. Underwood's accumulated values at January 1, 2014 and December 31, 2014 were converted to Canadian dollars from British Pounds using the month end exchange rates of £1.00 = Cdn$1.7627 and £1.00 = Cdn$1.8071, respectively. The compensatory amount was converted to Canadian dollars from British Pounds using the annual average exchange rate for fiscal year 2014 of £1.00 = Cdn$1.8190.

Termination and Change of Control Benefit

The NEOs, except the President and Chief Executive Officer, Mr. Phillip C. Underwood, do not have employment contracts or agreements with the Corporation that provide for payments to the NEOs in connection with any termination, resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities except in relation to the DSUs granted under the DSU Plan**.**

Mr. Underwood is subject to an executive employment agreement (the "Employment Agreement"). Under the Employment Agreement, the Corporation agreed to employ Mr. Underwood for an indefinite period of time, and contains provisions regarding base salary, vacation time, eligibility for benefits, annual incentives and security based compensation. Under the Employment Agreement, the Corporation can terminate Mr. Underwood's employment at any time without notice and without paying severance, other than payment of accrued salary up to the date of termination, in the event of cause. Should the Corporation terminate Mr. Underwood's employment for reasons other than cause (including upon a change of control of the Corporation), he is entitled to the following severance benefits (a) payment of his accrued and outstanding salary up to and including the date of termination; (b) payment of his accrued and outstanding vacation pay up to and including the date that vacation accrual is required to be continued under the applicable *Ontario Employment Standards Act;* (c) an amount equal to fifteen months' notice of Mr. Underwood's base salary; and (d) continuation of coverage under the Executive Benefit Program and Defined Contribution Pension Plan for the period up to and including the date that benefits are required to be continued under the applicable *Ontario Employment Standards Act.* If Mr. Underwood was terminated without cause as at December 31, 2014 the value of such benefits would have been approximately $532,757.

Under the DSU Plan, DSUs which are not yet vested become payable immediately prior to the effective date of a change of control which generally occurs upon a person, or group of persons acting together, holding, owning or controlling 66⅔% of the outstanding Common Shares of the Corporation and upon certain other events. For more information as to the amounts that would have been payable to all Named Executive Officers under the DSU Plan if a change of control had occurred on December 31, 2014, see the column entitled "Market or payout value of DSUs that have not vested" in the table under "*Statement of Executive Compensation – Outstanding Share-Based and Option-Based Awards*".

Pursuant to the DSU Plan, unless otherwise set out in a written employment agreement an agreement with respect to a grant of DSUs, if a participant (i) is terminated for cause or voluntarily resigns, all outstanding DSUs and rights to receive payment thereunder shall be immediately terminated; (ii) is terminated not for cause, the participant shall be entitled to receive the cash payments payable on such DSUs within 30 days of such termination and following such payment all outstanding DSUs and rights to receive payment thereunder shall be terminated; (iii) upon the death or disability of a participant, all DSUs shall be immediately paid out; and (iv) upon the retirement of a participant, all DSUs shall be paid out on the 90th day following retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under the equity compensation plans of the Corporation as at December 31, 2014

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans approved by security holders (1)	Nil	Nil	1,673,341
Equity Compensation Plans not approved by security holders	Nil	Nil	Nil

Note:

(1) The only equity compensation plan of the Corporation is the Option Plan described in this Proxy Circular. The number of Common Shares that were originally approved to be optioned at any time was limited to 2,240,000 in total. No Options under the Option Plan are presently outstanding.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of preference shares, issuable in series, and an unlimited number of Common Shares, of which no preference shares and 58,209,001 Common Shares are issued and outstanding as at March 20, 2015. Each Common Share carries one vote in respect of each matter to be voted upon at the Meeting. Holders of outstanding Common Shares of record at the close of business on March 20, 2015 are entitled to vote at the Meeting except to the extent that a person has transferred any Common Shares after that date and the transferee of such Common Shares establishes proper ownership and requests not later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders eligible to vote at the Meeting.

To the knowledge of the directors and officers of the Corporation, other than as set out in the table below, no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to all of the issued and outstanding Common Shares.

Name of Shareholder	Class of shares	Type of ownership	Number of Common Shares	Percentage of Common Shares
N. Murray Edwards	Common Shares	Direct and Indirect	43,056,979	74.0%

The directors and senior officers of the Corporation, as a group, hold 45,424,682 Common Shares representing approximately 78.0% of the issued and outstanding Common Shares of the Corporation as at March 20, 2015.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

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

The Board and management of the Corporation believe that effective corporate governance is essential to enhancing and protecting shareholder value and have monitored and, where appropriate, responded to regulatory developments aimed at improving corporate governance, increasing corporate accountability and enhancing the transparency of public company disclosure. Both National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "Disclosure Rule") and National Policy 58-201 - *Corporate Governance*

Guidelines (the "Governance Policy") apply to the Corporation. Attached as Schedule "A" is a discussion, which addresses the Corporation's position with respect to corporate governance practices and has been prepared in accordance with the Disclosure Rule.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, proposed director of the Corporation and no associate or affiliate of such informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction, which, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries except as described in our Annual Information Form as set forth below.

Reference is made to the following sections of our Annual Information Form which is filed on SEDAR at www.sedar.com: "Borrowings", "Interest of Management and Others In Material Transactions" and "Material Contracts", all of which sections are incorporated by reference in this Proxy Circular and are filed on SEDAR at www.sedar.com and is available free of charge, upon request to the Corporate Secretary of the Corporation, to any Shareholder.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest of any director or executive officer or anyone who has held office as such since the beginning of our last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than for the election of directors.

DIRECTORS' AND OFFICERS' INSURANCE

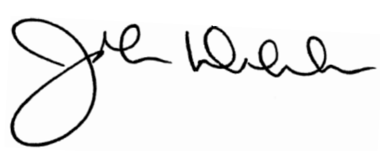
Directors' and officers' liability insurance has been purchased by the Corporation for the benefit of the directors and officers of the Corporation and its subsidiaries. The current insurance coverage is for the term November 1, 2014 to November 1, 2015. The premium for such insurance was $96,310, which was paid by the Corporation. Neither directors nor officers will pay any portion of the premium. The aggregate insurance coverage obtained under the policy is limited to $20,000,000 for any one loss. The deductible which will be borne by the Corporation is $1,000,000 in respect of any one loss.

ADDITIONAL INFORMATION

Copies of this Proxy Circular, the 2014 Annual Report which contains the consolidated financial statements and management's discussion and analysis of the Corporation for the most recently completed fiscal year and the Annual Information Form may be obtained from SEDAR at www.sedar.com or free of charge upon request from the Corporate Secretary of the Corporation at the head office, Magellan Aerospace Corporation, 3160 Derry Road East, Mississauga, Ontario, L4T 1A9. Telephone: (905) 677-1889; Facsimile: (905) 677-5658.

APPROVAL

The contents and the sending of this Proxy Circular have been approved by the Board of Directors of the Corporation.



John B. Dekker
Chief Financial Officer and Corporate Secretary
March 20, 2015

SCHEDULE "A"

CORPORATE GOVERNANCE DISCLOSURE

The Canadian Securities Administrators have approved the governance guidelines set out in National Policy 58-201 *Corporate Governance Guidelines* (the "Governance Policy") and the disclosure of governance practices in accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the "Disclosure Rule").

The Board of Directors (the "Board") has reviewed the corporate governance practices in the Governance Policy and National Instrument 52-110 – *Audit Committees* ("NI 52-110") and is of the view that the Corporation complies with substantially all of the recommended practices. The following discussion addresses the Corporation's position with respect to corporate governance practices and has been prepared in accordance with the Disclosure Rule.

1. Board of Directors

(a) The Board, acting through the Governance and Nominating Committee (the "**Governance Committee**"), is responsible for determining whether or not each director is an "independent" director within the meaning of section 1.4 of NI 52-110. In summary, a director is "independent" under the Corporation's standards as set forth in section 1.4 if the Board determines that the director has no material relationship with the Corporation or any of its affiliates, or with the Corporation's auditors, either directly or indirectly, or is a partner, shareholder or officer of the Corporation's auditor. In addition, certain relationships deem a director not to be "independent". The determinations are based on information concerning the personal, business and other relationships and dealings between the directors and the Corporation. To do this the Governance Committee analyzes the relationships of the directors with the Corporation and its affiliates based on information collected through biographical material, reports and questionnaires completed by the directors. The Board has determined that the following directors are "independent": Beth M. Budd Bandler, William G. Davis, William A. Dimma, Bruce W. Gowan and Steven Somerville. The Board has determined that all the members of the Audit Committee (William A. Dimma, Bruce W. Gowan and Steven Somerville) meet the additional independence requirements for membership on public company audit committees.

(b) Each of the following directors is not an "independent" director within the meaning of section 1.4 of NI 52-110:

(i) N. Murray Edwards has a material relationship with the Corporation.

(ii) Larry G. Moeller is an officer of Edco Financial Holdings Ltd, a private company controlled by Mr. Edwards.

(iii) James S. Butyniec appointed Vice Chairman, effective January 1, 2015 was the President and Chief Executive Officer of the Corporation from January 28, 2008 to May 12, 2014 and Chief Executive Officer from May 13, 2014 to December 31, 2014.

(iv) Phillip C. Underwood is the President and Chief Executive Officer of the Corporation.

(c) A majority of the directors are "independent" within the meaning of section 1.4 of NI 52-110.

(d) The following table sets forth the name of each director of the Corporation who, as at March 20, 2015, is a director of another issuer that is a reporting issuer and the name of the other issuer. The information below has been provided by each director.

Name of the Director	Name of the other issuer
N. Murray Edwards	Canadian Natural Resources Limited Ensign Energy Services Inc.
William G. Davis	Home Capital Group Inc.(*Chairman Emeritus)* Revera, Inc.
William A. Dimma	GlobeStar Systems Great Canadian Gaming Corporation
Bruce W. Gowan	IWG Technologies, Inc.
Larry G. Moeller	Imperial Metals Corporation

(e) The Board has established a policy of having as part of each meeting of the Board, sessions where the Board meets independently of management and the "independent" directors meet privately. The Board has access to information independent of management through the external auditors.

(f) N. Murray Edwards is the Chairman of the Board and he is not an "independent" director. The Corporation does not have a lead director. The "independent" directors are all experienced directors, fully versed in corporate governance issues, given an opportunity at each Board meeting to meet independently and encouraged to discuss issues privately.

(g) Reference is made to "*Business of the Meeting – Election of Directors – Board of Directors Attendance*" for the attendance record of each director during the year ended December 31, 2014.

2. Board Mandate

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.

A copy of the general guidelines of the Board is attached as Appendix "I" hereto.

3. Position Descriptions

(a) **Chairman of the Board:** The Board has developed a written position description for the chairman of the Board. The fundamental responsibilities of the chairman are to provide leadership, manage the board, act as liaison between management and the Board, and represent the Corporation to external groups. The chairman is explicitly accountable for ensuring the Board carries out its responsibilities effectively. This includes ensuring that the responsibilities of the Board are well understood by both the Board and management and that the boundaries between the Board and management are clearly understood and respected; the Board works as a cohesive team; resources available to the Board (in particularly timely and relevant information) are adequate to support its work; and a system is in place that provides for maintaining liaison and communication with all directors and committee chairs to co-ordinate input from directors, and optimize the effectiveness of the Board and its committees.

Chair of Board Committees: The Board has developed a written position description for the chair of Board committees. The fundamental responsibilities of the committee chair are to manage the business of the committee and ensure that the committee's activities are consistent with, and fulfill, the committee's mandate. In addition, the chairman of each committee is required to: report to the Board at its next meeting following any meeting of the committee or the signing of a written resolution evidencing a decision or recommendation of the committee; ensure that the committee has access to such members of senior management as may be required by the committee; attend every meeting of shareholders and respond to such questions from shareholders as may be put to the chairman of the committee; and provide leadership to enable the committee to act as an effective team in carrying out its responsibilities.

(b) **President and Chief Executive Officer:** The Board and President and Chief Executive Officer ("CEO") have developed a written position description for the CEO. The CEO's fundamental responsibility is the general direction and management of the business and affairs of the Corporation in accordance with the corporate strategy and objectives approved by the Board, within the authority limitations delegated by the Board. Specific duties are to: develop and execute corporate strategy designed to achieve sustained, profitable growth with an objective of maximizing shareholder value which takes into account, among other things, the opportunities and risks of the business; establish, maintain and regularly review an effective system of internal controls designed to safeguard the Corporation's assets, and the integrity of its financial and other reporting systems; establish and maintain an effective system to identify all significant risks to the Corporation's businesses and ensure that procedures are established to mitigate the impact of the risks in the best interest of shareholders; in conjunction with the Human Resources and Compensation Committee of the Board, establish and maintain a comprehensive compensation strategy, including competitive industry positioning, weighting of compensation elements, a system of performance appraisals and the relationship of compensation to performance; establish and maintain appropriate systems to address all applicable regulatory, corporate, securities and other compliance matters, and ensure that due diligence processes and appropriate controls are in place with respect to applicable requirements including, without limitation, certification requirements, regarding the Corporation's financial and other disclosure; ensure that procedures are in place for proper external and internal corporate communications to all stakeholders; establish a system that provides for corporate management succession, compensation and development including monitoring corporate management performance against established objectives; and foster a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility.

4. Orientation and Continuing Education

The composition of the Board consists of directors who are familiar with the industry, or who bring particular expertise to the Board from their professional experience. All new directors are provided with an orientation program that includes the provision of published and non-published information that details the financial position and describes the business and organizational structures of the Corporation. The directors have had opportunities to tour the operating facilities and to meet with corporate and divisional management.

5. Ethical Business Conduct

(a) The Board has adopted a written code of ethics and business conduct (the "Code") for its directors, officers and employees. The Board has the responsibility of reviewing and monitoring controls and procedures within the Corporation to maintain the integrity and accuracy of its financial reporting, internal controls and disclosure controls, and management information systems, and compliance with its Code. Complaints or questions concerning the Code are directed to the Audit Committee and the Audit Committee reports to the Board. The Board ensures compliance with the Code by requiring directors and management to set an example of ethical conduct. The Board has adopted whistleblower protection procedures which allow employees who feel that a violation of the Code has occurred to report violations on a confidential and anonymous basis. The procedure also allows concerns regarding accounting, internal accounting controls or auditing matters to be reported on a confidential and anonymous basis. Complaints can be made directly to the Chairman of the Audit Committee or the Vice President Human Resources.

No material change report has been filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

A copy of the Corporation's Code has been filed on SEDAR at www.sedar.com.

(b) To ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has or may have a material interest, the interested director or executive officer discloses his or her interest to the Board and in the absence of such interested director or executive officer, the Board conducts its discussions and deliberations on the matters. If thought fit, a special committee of the Board comprised of non-interested directors is formed and deliberates on such matters with such independent advisors as are thought advisable. In accordance with applicable law, an interested director does not vote on the matter.

6. Board Composition and Nomination of Directors

(a) The Governance Committee is responsible for identifying and recommending candidates for nomination for election as directors based on selection criteria and individual characteristics. As well, the Committee reviews annually the credentials of nominees for re-election as directors against criteria and conflicts of interest, changes in occupation and issues of independence and makes recommendations to the Board on corporate governance matters such as the size and composition of the Board and the structure, responsibility and composition of committees of the Board.

(b) The Governance Committee is composed of all "independent" directors.

7. Compensation

(a) The Human Resources and Compensation Committee is responsible for reviewing on an annual basis the compensation and benefits paid to the directors, the CEO, the Chairman of the Board and other senior officers of the Corporation. For more information, reference is made to "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

(b) The Human Resources and Compensation Committee is composed of all "independent" directors.

(c) In addition to the responsibilities referred to in Section 7(a), the Human Resources and Compensation Committee is responsible for monitoring executive management's performance assessment and succession planning, reviewing compensation and human resources issues including new benefits, and reviewing the evaluation of the CEO's performance and submitting to the Board for oversight of the CEO's compensation. The Committee meets at least once a year, may perform certain of its duties during the year by means of circulating resolutions in writing and is empowered to engage outside resources, as it deems advisable, at the expense of the Corporation.

(d) In 2014 the Human Resources and Compensation Committee did not retain a compensation consultant to assist in determining compensation for any of the directors or officers.

8. Other Board Committees

The Board has four committees: Audit, Governance, Human Resources and Compensation, and Environmental and Health & Safety. Each committee has a written mandate. Each committee is empowered to engage outside resources, as it deems advisable, at the expense of the Corporation. All the Committees except the Environmental and Health & Safety Committee are composed of entirely "independent" directors. The Environmental and Health & Safety Committee is composed of a majority of "independent" directors.

The Audit Committee oversees the integrity of the Corporation's financial reporting, its internal control, disclosure control and internal audit processes, and its compliance with legal and regulatory requirements. The Committee also reviews and assess the qualifications, independence and performance of the Corporation's external auditors. In addition to being "independent", the Board has determined that each member of the Audit Committee is "financially literate", as such term is defined under NI 52-110.

The Governance Committee is responsible for developing and maintaining governance principles consistent with high standards of corporate governance. The Governance Committee identifies and recommends candidates for nomination to the Board, as described above, monitors the orientation program for new directors and is responsible for developing and instituting processes to assess the performance of the Board, its Committees and individual directors. The Governance Committee annually reviews the Corporation's governance practices and disclosures to ensure that the Corporation maintains a high standard.

The Human Resources and Compensation Committee is responsible for assisting the Board in ensuring that human resources strategies support the Corporation's objectives and sustain shareholder value. Section 7 above describes in more detail the responsibilities of the Human Resources and Compensation Committee.

The Environmental and Health & Safety Committee has the responsibility of overseeing the development and implementation of environmental and health & safety policies, procedures and guidelines, assessing corporate environmental and health & safety practices and reviewing the Corporation's business plan to ascertain whether environmental and health & safety issues are adequately taken into consideration.

9. Assessments

The Governance Committee is responsible for monitoring the effectiveness of the Board and the performance of the directors. The process is facilitated by evaluation forms sent on behalf of the Chair of the Governance Committee to enable individual directors to provide feedback on the effectiveness of the Board and its committees. The Governance Committee assesses the operation of the Board and the committees, the adequacy of information given to directors and processes of the Board and committees. The Governance Committee recommends changes to enhance the performance of the Board based on the responses to the evaluation forms.

10. Director Term Limits and Other Mechanisms of Board Renewal

The Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of Magellan. Therefore it has not specifically adopted term limits or other mechanisms for board renewal. However, when considering nominees for the Board, the Governance Committee reviews the skills and experience of the current directors of Magellan to assess whether the Board's skills and experience need to be strengthened in any area. In addition to considering the skills and experience of the Board, the Governance Committee also assesses the knowledge and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Governance Committee considers both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Corporation. The Governance Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.

11. Policies Regarding the Representation of Women on the Board

The Board has not adopted any policies that address the identification and nomination of directors and executive officer appointments of the Corporation that contribute to diversity amongst its board members and executive officers (including gender, as well as age, geography, members of minority groups, aboriginal heritage, and persons with disabilities). The Board believes that Board nominations and executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board and management at the time. Magellan is committed to a meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve our business objectives, without reference to their age or gender is in the best interests of Magellan and all of its stakeholders.

12. Consideration of the Representation of Women in the Director Identification and Selection Process

As a result of the Corporation's commitment to meritocracy the level of representation of women on the Board is not considered in identifying and nominating candidates for election or re-election to the Board; however, the Board encourages the consideration of women who have the necessary, skills, knowledge, experience and character when considering new potential candidates for the Board.

13. Consideration Given to the Representation of Women in Executive Officer Appointments

As a result of the Corporation's commitment to meritocracy the level of representation of women in executive officer positions is not considered when making executive officer appointments; however, the Board encourages the consideration of women who have the necessary, skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not imposed quotas or targets regarding the representation of gender or other diversity representation on the Board and in executive officer positions. The Board believes that imposing quotas or targets regarding the diversity representation would compromise the principles of meritocracy.

15. Number of Women on the Board and in Executive Officer Positions

There is presently one woman serving on the Board, which represents approximately 11% of the number of directors on the Board.

There are presently three women serving in executive officer positions at the Corporation, which represents approximately 38% of the number of executive officer positions at the Corporation and its major subsidiaries.

APPENDIX "I"

MAGELLAN AEROSPACE CORPORATION

BOARD OF DIRECTORS

GENERAL GUIDELINES

GENERAL

The fundamental responsibility of the Board of Directors (the “Board”) 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 the integrity of the CEO and other senior officers and ensure that they foster a corporate culture of ethical practices and integrity.
- Adopt a strategic planning process and approve, on at least an annual basis, and monitor the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Corporation’s business.
- Ensure that a system is in place to identify significant risks to the Corporation and that appropriate systems are in place to manage these risks.
- Ensure that resources are available to implement and maintain an adequate system of internal control and management information 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 appropriate controls are in place with respect to all applicable requirements including, certification requirements, regarding the Corporation’s financial disclosure.
- Maintain a system for corporate communications to all stakeholders.
- Maintain a system for receiving feedback from stakeholders.
- 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.
- Describe the expectations and responsibilities with respect to attendance at Board meetings.
- 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.