

Management Proxy Circular

Notice of Annual Meeting of Shareholders
to be held on May 6, 2025



NOTICE OF 2025 ANNUAL MEETING OF SHAREHOLDERS

When

Tuesday, May 6, 2025
11:00 a.m. Eastern Time

Where

Magellan Aerospace
3160 Derry Road East
Mississauga, ON L4T 1A9

Your Vote is important

If you held common shares of Magellan Aerospace Corporation (the “**Corporation**”) on March 21, 2025 (the “**Record Date**”), you are entitled to receive notice of and vote at the annual meeting of shareholders (the “**Meeting**”).

You can vote in advance or at the Meeting. We encourage shareholders to vote by proxy in advance of the Meeting because that is the easiest way to vote your shares.

See pages 5 through 7 of the attached management proxy circular for information about how to vote. To be valid, Computershare Investor Services Inc., our transfer agent, must receive your voting instructions **before 11:00 a.m. on EST on Friday, May 2, 2025.**

The Corporation has elected to use the notice-and-access to deliver the meeting materials to shareholders. This means that the Corporation will post the meeting materials online for shareholders to access electronically. You will receive a package in the mail with a notification explaining how to access the meeting materials electronically and how to request a paper copy at no charge. Your package will include a proxy form or a voting instruction form so you can vote your shares. Electronic delivery reduces the cost and environmental impact of producing and distribution paper copies and provides shareholders with faster access to information.

Please read the proxy materials carefully. The Corporation appreciates your cooperation in considering and acting on the matters presented.

By Order of the Board of Directors of the Corporation

Elena M. Milantoni
Chief Financial Officer and Corporate Secretary
Mississauga, Ontario

March 21, 2025

FOR MORE INFORMATION

At Meeting, the shareholders will:

- receive the consolidated financial statements of the Corporation for its financial year ended December 31, 2024, together with the report of the auditors thereon;
- elect the directors of the Corporation for the ensuing year;
- appoint the auditors for the ensuing year and authorize the directors to fix their remuneration; and
- consider any other business as may properly come before the Meeting.

Read more about the business of the Meeting beginning on page 3 of the attached management proxy circular.

Access our 2024 annual report and other documents and information online:

- magellan.aero
- sedarplus.com (SEDAR+)

COMMON SHARES OUTSTANDING

| | |
|------------|----------------------|
| 57,138,980 | at December 31, 2024 |
| 57,138,580 | at March 21, 2025 |

TRANSFER AGENT

If you have questions or require assistance voting, please contact:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1
1-800-564-6253

MANAGEMENT PROXY CIRCULAR

The purpose of this management proxy circular (the “**Circular**”) is to provide shareholders with important information to make voting decisions at the annual meeting of holders of Common Shares of the Corporation, which will be held on May 6, 2025 (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 circular has been provided as you owned Magellan common shares on March 21, 2025. **Management is soliciting your proxy for the Meeting**, and all proxy solicitation costs will be borne by the Corporation.

As a shareholder of record, you have the right to attend the Meeting, and to vote your shares. You can vote your shares in advance by proxy (see the voting instructions starting on page 4) or at the Meeting.

The Board approved the content of this Circular and has authorized us to distribute it to you. We have also sent a copy to each of our directors and to our auditors. We are using notice and access to deliver the meeting materials to Shareholders. Shareholders who have elected to receive the meeting materials electronically will receive them by email according to their instructions.

The information in this circular is as of March 21, 2025, except where otherwise noted. All dollar amounts are in Canadian dollars, unless indicated otherwise.

Copies of this Proxy Circular, the 2024 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.sedarplus.ca or free of charge upon request from the Chief Financial Officer and Corporate Secretary of the Corporation at its head office, 3160 Derry Road East, Mississauga, Ontario, L4T 1A9. Telephone: (905) 677-1889; Facsimile: (905) 677-5658; Email: ir@magellan.aero

1 BUSINESS OF MEETING

Read about the four items of business and how to vote your shares

Pages 3 to 7

2 BOARD OF DIRECTORS

Read about Board’s composition

Pages 8 to 11

3 EXECUTIVE COMPENSATION

Find out what we paid our executive officers in 2024

Pages 12 to 22

4 ADDITIONAL INFORMATION

Information on securities and governance practices

Pages 23 to 32

BUSINESS OF THE MEETING

A quorum is required to hold the meeting and transact business. A quorum is met when at least two people attending the meeting hold, or represent by proxy, at least 10% of Magellan's total issued and outstanding Common Shares.

RECEIVE THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended December 31, 2024 and management's discussion and analysis and the auditors' report were included in the Corporation's 2024 annual report (the "**2024 Annual Report**").

A copy of the 2024 Annual Report is available for download on Magellan's website (www.magellan.aero) and has been filed on SEDAR+ (www.sedarplus.ca). A paper copy of the 2024 Annual Report will be received only if it was requested. No formal action is required or proposed to be taken at the Meeting with respect to these financial statements.

ELECT THE DIRECTORS

The Board recommends you vote *for* each nominated director. To be validly elected, directors will require a majority of the votes cast at the meeting *for* their election.

This year six nominees are standing for election to the Board to serve for a term of one year. All elected directors will hold office until the next annual meeting of shareholders or until their successors are elected or appointed. All are qualified and currently serve on the Board:

N. Murray Edwards

Phillip C. Underwood

Beth M. Budd Bandler

Larry G. Moeller

Steven Somerville

James P. Veitch

REAPPOINT THE AUDITORS

The Board proposes that BDO Canada LLP, Chartered Accountants, of Toronto, Ontario ("**BDO**") be reappointed as the auditors of the Corporation until the close of the next annual meeting of Shareholders and that the Board be authorized to fix the remuneration of the auditors. The auditors were first appointed auditors of the Corporation on October 17, 2022. The Board has invited a representative of BDO to attend the meeting. You can vote for reappointing BDO and authorizing the directors to fix their remuneration, or you can withhold your vote.

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 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.sedarplus.ca and a copy is available free of charge, upon request by any Shareholder to the Chief Financial Officer and Corporate Secretary of the Corporation.

OTHER BUSINESS

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 Form of Proxy will vote the Common Shares represented by such proxy with respect to such matters in accordance with their best judgement.

Delivery of meeting materials

We are using notice and access to deliver the meeting materials to Shareholders. This means that Magellan will post the meeting materials online for Shareholders to access electronically. You will receive a package in the mail with a notification explaining how to access the meeting materials electronically and how to request a paper copy at no charge. Your package will include a proxy form or a voting instruction form so you can vote your shares. Shareholders who have previously elected to receive the meeting materials electronically will receive them by email according to their instructions. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation is sending proxy-related materials directly to non-objecting beneficial owners.

Notice and access and electronic delivery are efficient, environmentally friendly and cost-effective ways to distribute our meeting materials because they reduce printing, paper and postage costs.

You can access the meeting materials on our website at www.magellan.aero and on SEDAR+ (www.sedarplus.ca). Shareholders are encouraged to read the meeting materials in their entirety before voting.

How to request a paper copy

Please call Toll Free, within North America 1-866-962-0498 or direct outside of North America 1-514-982-8716 and enter the 15-digit control number as indicated on the form of proxy.

Before the meeting

Starting on April 4, 2025, shareholders can request a free paper copy of the meeting materials. To receive the paper copy in advance of the proxy deadline and meeting date, make your request right away and no later than 11:00 a.m. (Eastern Time) on April 29, 2024.

Please keep the original proxy form or voting instruction form sent to you so you can vote your shares. If you request a paper copy of the meeting materials, it will not come with a new form.

After the meeting

If you would like to receive a paper copy of the meeting materials after the meeting, you can make your request up to one year from the date the meeting materials are filed on SEDAR+ (www.sedarplus.ca).

If you have questions about notice and access, please call our transfer agent, Computer Share Investor Services Inc., toll free at 1-866-964-0492.

Voting

Who can vote

Shareholders of record as at the close of business on March 21, 2025 (the “**Record Date**”) can attend the Meeting. Each Common Share is entitled to one vote on those items of business identified in the Notice of Annual Meeting of Shareholders.

Shares transferred after March 21, 2025

The person who acquired such shares after March 21, 2025 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 those shares at the Meeting.

How to vote

If you are a registered Shareholder you may vote either in advance of the Meeting or at the Meeting. Prior to the Meeting, you may vote by telephone or on the internet or you may sign the Form of Proxy mailed to you 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 you are not a registered Shareholder, please follow the voting instructions provided by your nominee and also refer to *"How to vote if your shares are held in the name of a nominee (a bank, trust company, securities broker, trustee or other)"*.

If you are a non-registered shareholder located in the United States, in addition to the steps described in the foregoing paragraph, you must obtain a valid legal proxy from your nominee. Follow the instructions from your nominee included with the legal proxy form and the voting information form sent to you, or contact your nominee to request a legal proxy form if you have not received one. After obtaining a valid legal proxy from your nominee, you must then submit such legal proxy to Computershare. Requests for registration from non-registered shareholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to: uslegalproxy@computershare.com or by courier to:

Computershare Investor Services Inc.
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1

and in both cases, must be labeled "Legal Proxy" and received no later than the voting deadline of 11:00 a.m. (Eastern time) on May 2, 2025.

Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest. This is because the Corporation and Computershare, do not have a record of the non-registered shareholders of the Corporation, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as proxyholder. If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions, including the deadline, provided by your nominee. See *"Can I appoint someone other than these named officers to vote my shares?"*

How to vote if your shares are held in the name of a nominee (a bank, trust company, securities broker, trustee or other)

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 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.

Signing the Form of Proxy

Signing the Form of Proxy gives authority to Phillip C. Underwood, President and Chief Executive Officer of the Corporation, or failing him, Elena M. Milantoni, Chief Financial Officer and Corporate Secretary of the Corporation, or to another person you have appointed, to vote your shares at the Meeting.

Appointing someone other than these named officers to vote your shares

You have the right to appoint a person or company to represent you at the Meeting. **Shareholders who wish to appoint someone other than the named officers as their proxyholder to attend and participate at the Meeting as their proxy and vote their shares MUST submit their Form of Proxy or voting instruction form, as applicable, appointing that person, who need not be a Shareholder, as proxyholder.**

To appoint someone other than the named officers as proxyholder, insert that person's name in the blank space provided in the Form of Proxy or voting instruction form (if permitted) and follow the instructions for submitting such Form of Proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your Form of Proxy or voting instruction form.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your nominee, and follow all of the applicable instructions provided by your nominee. By doing so, you are instructing your nominee to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your nominee.

Returning your completed proxy

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 11:00 a.m. (Eastern time) on Friday, May 2, 2025. This will ensure that your vote is recorded.

You can revoke your proxy if you change your mind

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 Chief Financial Officer and Corporate Secretary of the Corporation at the following address no later than 11:00 a.m. (Eastern time) on the day preceding the Meeting (Monday, May 5, 2025) or any adjournment or postponement thereof.

Magellan Aerospace Corporation
Attention: Elena Milantoni, Chief Financial Officer and Corporate Secretary
3160 Derry Road East
Mississauga, Ontario L4T 1A9
Fax: (905) 677-5658

How your shares will be voted if you give your proxy

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 reappointment of auditors, and authorization of the Board to fix the auditors' remuneration.

If amendments are made to these matters or if other matters are brought before the Meeting

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.

Number of shares entitled to vote

As of the Record Date, there were 57,138,980 Common Shares of the Corporation outstanding. Each Shareholder has one vote for each Common Share held at the close of business on the Record Date.

To the knowledge of the directors and officers of the Corporation, as of the Record Date, only 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 as set out under the heading "*Voting Shares And Principal Holders Thereof*".

Counting the votes

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.

Contacting our Transfer Agent

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

Computershare Investor Services Inc.
100 University Avenue
8th Floor
Toronto, Ontario M5J 2Y1
Email: ir@magellan.aero
1-800-564-6253

BOARD 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 nominees listed below is proposed to be elected as a director of the Corporation to serve until the next annual meeting of Shareholders or until their successor is elected or appointed. The Board has determined that the Board will be comprised of six (6) 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. All nominees are currently directors of the Corporation and four of the six directors will be independent following the Meeting.

The rules of the Toronto Stock Exchange (“TSX”) 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 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 TSX and is thereby exempt from the requirements for adopting a majority voting policy. The Corporation has chosen to avail itself of the exemption from 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, as of the date of this Circular, has served continuously as a director since the date they were 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 (5) years, except as disclosed in the notes to 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, except as disclosed in the notes to the following table, no proposed director of the Corporation is, or has been in the last ten (10) years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that: while that person was acting in that capacity, (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days and (b) was subject to an event that resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Corporation, except as disclosed in the notes to the following table, no proposed director of the Corporation is, or has been within the last ten (10) years, a director or executive officer of any issuer (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 was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge 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 and country of residence and year first became director | Biographical Information and Principal Occupation | Position with the Corporation | Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed on March 21, 2025 |
|--|---|---|---|
| N. Murray Edwards ⁽⁴⁾ St. Moritz, Switzerland (1995) | Mr. N.M. Edwards is an investor and corporate director. Prior to December 2015, he was President, Edco Financial Holdings Ltd., a private management and consulting company. Prior thereto, he was a partner of the law firm Burnet, Duckworth and Palmer LLP in Calgary. He holds a Bachelor of Commerce degree (Great Distinction) from the University of Saskatchewan and a Bachelor of Laws degree (Honours) from the University of Toronto and is a recipient of the Order of Canada. | Chairman and Director | 43,056,979 |
| Phillip C. Underwood Ontario, Canada (2015) | Mr. Underwood was appointed President and Chief Executive Officer of Magellan Aerospace Corporation on January 1, 2015. Prior to 2015, Mr. Underwood led Magellan's UK operation and oversaw the corporation's manufacturing partnership in India. Most recently holding the title, Vice President, European Operations, he was responsible for the strategic and operational direction across six operational divisions. Prior to joining Magellan, Mr. Underwood held a number of senior aerospace industry positions with GKN Aerospace in the UK and the USA. Mr. Underwood holds a Bachelor of Science degree. | President, Chief Executive Officer and Director | 1,900 |
| Beth M. Budd Bandler ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ Ontario, Canada (2014) | Ms. Bandler was appointed President of Bandler Corporation a private management consulting company on January 1, 2025. She was President of Beth Bandler Professional Corporation, a private business law practice providing a variety of legal services and business advice to international companies including corporate governance and implementation of multi-jurisdictional acquisitions from 2010 to 2024. She was Senior Vice President and General Counsel, Legal and Human Resources at Dominion Diamond Corporation (previously Harry Winston Diamond Corporation and Aber Diamond Corporation) from 2006 to 2010. Mrs. Bandler holds a Bachelor of Science and Master of Science (Applied) from McGill University and a LL.B., J.D., from Osgoode Hall Law School, York University and is a Chartered Director. | Director | 3,000 |
| Larry G. Moeller ⁽³⁾⁽⁵⁾ Alberta, Canada (1995) | Mr. Moeller, a Chartered Professional Accountant and a Chartered Business Valuator, is President of Kimball Capital Corporation, a private consulting and management company based in Calgary, Alberta. Mr. Moeller is a director of Imperial Metals Corporation and Orbus Pharma Inc. and is a former Partner of Deloitte where he practiced in the areas of business valuation, damage quantification and litigation support. Mr. Moeller holds a Bachelor of Commerce degree from the University of Saskatchewan. | Director | 2,246,766 |

| Name, province and country of residence and year first became director | Biographical Information and Principal Occupation | Position with the Corporation | Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed on March 21, 2025 |
|--|--|-------------------------------|---|
| Steven Somerville ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾ Ontario, Canada (2013) | Mr. Somerville was appointed President of CCM Capital Corporation, a private consulting and management company, on January 1, 2023. He was previously President of Kerr Industries Limited, a private vehicle equipment installation company from 2016 to 2022. He has also served as Co-President at Spectrum Capital Partners Inc., a private equity investment company from 2012 to 2016. Prior to establishing Spectrum Capital Partners Inc., he was President of Bank of Montreal Capital Corporation ("BMOC") from 2001 to 2012. 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. Mr. Somerville holds both a Bachelor of Arts (Economics) and MBA with distinction from the Ivey School of Business, University of Western Ontario. He is also an ICD.D. | Director | 5,200 |
| James P. Veitch ⁽¹⁾⁽²⁾⁽⁴⁾⁽⁵⁾ Alberta, Canada (2021) | Mr. Veitch has extensive experience in institutional equity sales. He is a director and secretary/treasurer of a private consultancy company, Partner Two Corp. since 2018, a director of Imperial Metals Corporation and prior was executive advisor to the CEO of an energy services company. | Director | Nil |

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Governance and Nominating Committee.
- (3) Member of the Human Resources and Compensation Committee.
- (4) Member of the Pension Committee.
- (5) Member of the Environmental and Health & Safety Committee.
- (6) Mr. Somerville was a director of CanAm Coal Corporation and resigned effective June 30, 2014. The company and its subsidiaries filed on May 28, 2015 voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Alabama. On May 7, 2015 and on May 8, 2015, the Alberta Securities Commission and British Columbia Securities Commission, respectively, issued cease trade orders in connection with the CanAm Coal Corporation's failure to file its audited consolidated financial statements for the year-ended December 31, 2014 and its related management discussion and analysis and management certifications. On May 7, 2015 the shares of CanAm Coal Corporation were suspended from trading on the TSX Venture Exchange for failure to meet continued listing requirements.

Board of Directors Attendance

The attendance records for directors at meetings of the Board or its committees for the year ended December 31, 2024 are set out below:

| Number of Meetings Attended / Held | | | | | | |
|---|-------|-------|-------------------------|--------------------------------|-------------------|-----------------------------------|
| Director | Board | Audit | Governance & Nominating | Human Resources & Compensation | Pension Committee | Environmental and Health & Safety |
| N. Murray Edwards <i>(Board Chairman)</i> | 5/5 | | | | 0/0 | |
| Phillip C. Underwood ⁽¹⁾ | 5/5 | | | | | |
| Beth M. Budd Bandler <i>(Human Resources and Compensation Committee Chair & Environmental and Health & Safety Committee Chair)</i> | 5/5 | 6/6 | 1/1 | 3/3 | | 1/1 |
| Larry G. Moeller | 5/5 | | | 2/3 | | 1/1 |
| Steven Somerville <i>(Audit Committee & Pension Committee Chair)</i> | 5/5 | 6/6 | 1/1 | 3/3 | 0/0 | |
| James P. Veitch <i>(Governance & Nominating Committee Chair)</i> | 5/5 | 6/6 | 1/1 | | 0/0 | 1/1 |

Notes:

(1) As a member of management Mr. Underwood did not serve on any of the standing committees of the Board.

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 "Compensation Committee"). All members of the Compensation Committee are independent directors. The Compensation Committee is currently comprised of the following members: Beth M. Budd Bandler, Larry Moeller, and Steven Somerville.

The Compensation Committee members have experience in top leadership roles, as well as tenure as directors of various companies. This background provides the Compensation Committee with the collective experience, skills and qualities to effectively support the Board in carrying out their mandate. The education and related experience of each of the members of the Compensation Committee that is relevant to the performance of their responsibilities as a member of the Compensation Committee is set out in the section hereof entitled "Board of Directors".

As part of its mandate, the Compensation 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 Compensation 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 Compensation 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 Compensation Committee also reviews the design and competitiveness of the Corporation's compensation plan.

During the financial year ended December 31, 2024, the Compensation Committee held three meetings. The Compensation 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 executive officers; and reviewed and approved the consulting agreement between Edco Financial Holdings Ltd. (a company controlled by N. Murray Edwards, the Chairman of the Board) 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 Compensation Committee's responsibilities in assisting the Board's risk oversight mandate, the Compensation 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 tolerance. 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 Plan"). The DSU awards are linked to the fair market value of the Common Shares and are vested over a three-year period.

The recommendations of the Compensation 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 Compensation 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 Compensation 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 |
|---|---|
| <p>Human Resources</p> <ul style="list-style-type: none"> • 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 <p>Executive Management Team</p> <ul style="list-style-type: none"> • Composed of senior leaders from human resources, finance and operations • Ensures individual compensation provides appropriate performance recognition and alignment with the Corporation's risk tolerance • Reviews incentive plan targets and design, and business performance underlying the annual bonus plan <p>CEO</p> <ul style="list-style-type: none"> • 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 | <p>The Compensation Committee</p> <ul style="list-style-type: none"> • Reviews and finalizes recommendation of appointment and remuneration of CEO and executive officers • Evaluates the performance of the senior executive officers and reviews the design and competitiveness of their compensation plan <p>Board of Directors</p> <ul style="list-style-type: none"> • Appoints CEO and executive officers • Oversees CEO and executive 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 long-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 ("**NEO**"), including the CEO, consists of a base amount and performance-oriented incentive compensation. Incentive compensation is contingent upon both the short-term and the long-term performance of the Corporation and the Named Executive Officer's contribution towards that performance. Each year, the Compensation Committee reviews the total annual compensation payable to each NEO, including the CEO, with respect to all elements of their compensation. The review includes a competitive analysis of the elements of the compensation, including base salary, annual bonus, long-term incentive program, retirement and pension benefits and other compensation, along with the objectives and principles used to design the compensation philosophy and program, and the alignment to compensation and performance of peer groups. The CEO's eligible annual bonus is 80% of annual base salary and the DSU's payout percentages is 60% of the annual incentive awarded. All other NEO's annual bonus is 50% of their annual base salary and their DSU percentage is 50% of their annual incentive awarded.

The CEO's annual compensation is determined by the Compensation 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 Compensation 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

Compensation 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:

| Program | Total Direct Compensation | | | Indirect Compensation |
|---------------------------|---|---|--|--|
| | Base Salary | Annual Bonus | Mid-Term Incentives | Group Benefit, Pension, and Perquisite Programs |
| Purpose | Compensation based on responsibilities, performance, management skills, leadership and market value | 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 each of the first, second and third anniversaries of the date of grant and are 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 NEOs, are eligible for annual incentive awards which are determined and reviewed by the Compensation 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 incentive 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 payable. 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 profit before interest and taxes ("PBIT") versus budgeted group-wide PBIT;
- 50% is weighted on actual business unit PBIT and cash generation versus budgeted business unit PBIT and cash generation;
- 10% is weighted on achievement of business unit Magellan Operating System™ ("MOS™") compliance score; and
- 10% is weighted on achievement of agreed upon individual 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 75% of budgeted group-wide corporate PBIT, no incentive award payout will be made related to that criterion. If group-wide corporate PBIT is 150% or more of budgeted group-wide corporate PBIT, the incentive

award payout for that criterion is limited to 100% of the criterion's defined weight. If group-wide corporate PBIT is between 75% and 150% of budgeted group-wide PBIT, the incentive award payout for that criterion is between 40% and 100% of the criterion's defined weight. This measurement is also similar for the calculation of the actual business unit PBIT and cash generation versus budgeted business unit PBIT and cash generation. Each individual business unit's PBIT and cash generation incentive award payout is prorated based on the percentage of total actual revenue represented by that business unit's actual revenue. Each individual business unit's MOS™ compliance score reflects the effective adherence to Magellan's manufacturing operating standards by that business unit. If the MOS™ compliance score is below 75%, no incentive award payout will be made related to that criterion. Achievement of agreed upon individual performance goals is a subjective measure and awarded based on the success of the individual achieving those goals. 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 those executive officers and to encourage those 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 long-term shareholder returns. The DSU Plan is administered by the Compensation Committee. 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.

DSU awards are reported under the column "Share-based awards" under the Summary Compensation Table. Each DSU is a right to a cash payment that is equivalent to the value of one Common Share on the award payment date of May 1 of any year, determined in accordance with, and subject to any adjustment provided under, the DSU Plan. If during any applicable year May 1 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 calculated under the DSU Plan by the weighted average of the closing market prices of the Common Shares on the TSX for the 5 trading days preceding the award date. The award remuneration under the DSU Plan is determined as the amount equal to 60% of the annual bonus awarded to the CEO for the financial year preceding the award date. The award remuneration under the DSU Plan for all other Named Executive Officers is determined as the amount equal to 50% of the annual bonus awarded for the financial year preceding the award date. With respect to the award of any DSU, one third of the cash payment of the DSU is made on May 1 of the first calendar year following the date of grant of the DSU, another one third of the cash payment is made on May 1 of the second calendar year following the date of grant of the DSU and the remaining one third cash payment is made on May 1 of the third calendar year following the date of grant of the DSU.

The number of DSUs determined will be further adjusted by comparing the Corporation's three year Total Shareholder Return ("TSR") relative to a group of companies selected by the Compensation Committee (collectively, "TSR Comparator Group") and as presented in the table below so that the actual cash payment is between 0% and 200% of the amount determined in the preceding paragraph.

| TSR Relative to TSR Comparator Group | Payout |
|---|---------------|
| 80th Percentile and above | 200% |
| 60th to 79th Percentile | 150% |
| 50th to 59th Percentile | 100% |
| 35 th to 49 th Percentile | 75% |
| 26 th to 34 th Percentile | 40% |
| Less than 25 th Percentile | 0% |

TSR measures the performance of the Corporation's Common Shares over a period of time. It combines share price appreciation and dividends, if any, paid over the period to determine the total return to the shareholder expressed as a percentage of the initial investment. With respect to each TSR Comparator (as discussed below),

TSR is calculated as the change in share price over the three year performance period (plus any dividends paid in respect of the common shares of such TSR Comparator over that period) ending May 1 of each calendar year. TSR is measured relative to other aerospace and defence companies which are peers to the Corporation. The Compensation Committee determines a peer group, which provides reasonable market alignment and is broadly representative of the North American aerospace and defence sector and includes some of the Corporation's customers, suppliers, and competitors for talent. As part of such determination, the Corporation's market capitalization is positioned around the median of the TSR Comparators.

Peer companies were drawn from a pool of potential companies identified by management and approved by the Compensation Committee. The primary factors used to generate the TSR Comparator Group are as follows:

- Similar business mix to that of the Corporation;
- Similar end markets;
- Competitors for executive talent; and
- Market capitalization.

The Compensation Committee reviews these peer companies regularly to assure alignment and will add or remove companies as peers as it deems appropriate and necessary to maintain competitive and balanced alignment. The Compensation Committee uses the peer group data to assist in compensation decisions around base pay, short-term incentives and mid-term incentives, as well as in benchmarking other executive compensation matters.

The value a participant ultimately receives would be determined by the number of DSUs earned, multiplied by the fair market value of the Common Shares at the end of the performance period. For example, if the number of DSUs earned were 20,000 and the fair market value of Common Shares increased from \$8.00 to \$12.00 over the performance period, resulting in a TSR relative to the TSR Comparator of 100th percentile, then the value earned would be \$480,000 (20,000 DSUs x 200% (for maximum performance) x \$12.00). If, however, the fair market value of the Common Shares declined to \$6.00, resulting in a TSR relative to the TSR Comparator of 40th percentile, the value earned would be \$90,000 (20,000 DSUs x 75% x \$6.00).

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 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 approved to be optioned at any time is 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) to increase the maximum number of Common Shares issuable on exercise of Options in excess of the limits 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 Option 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 the Option Plan; (E) to 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 each of the three-year periods ending December 31, 2022, December 31, 2023 and December 31, 2024. All Options issued under the Option Plan in prior financial years have expired.

Pension: The Compensation 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. Underwood, Ms. Milantoni, Ms. Yoshiki-Gravelsins, and Mr. Roberts participate in defined contribution plans. Mr. Martin participates in a private pension plan. For more information, see "Pension Plan Benefits".

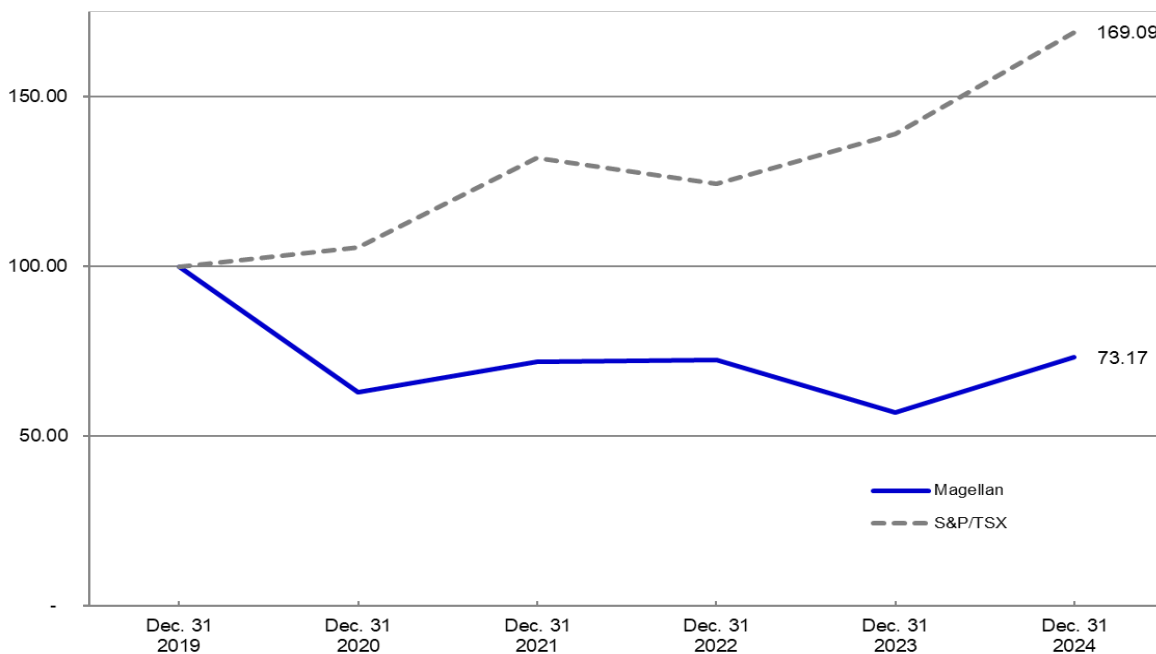
Special Incentive Plan: Certain employees who are participants in the annual bonus awards and DSUs have been designated by the Board to be eligible to participate in a non-precedent setting special incentive plan ("SIP") for the years ending December 31st, 2023 and 2024. The purpose of the SIP is to provide an incentive for the designated participants to obtain specific amendments on current contracts and focus management of the Corporation on sustainability of the organization with the current market conditions including inflationary pressure on labour and material. The SIP is administered by the Corporation's Compensation Committee. Pay-outs under the SIP are calculated on pre-determined monetary values as determined by the Corporation's Compensation Committee for defined amendments achieved for current contracts amended in the year.

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.

The NEOs are not permitted to purchase financial instruments that are designed to hedge the value of securities they hold in the Corporation.

Performance Graph

The following graph illustrates the Corporation's five-year cumulative shareholder return, as measured by the Closing Market Price of the Common Shares at the end of each financial year, assuming an initial investment of \$100 on December 31, 2019, compared to the S&P/TSX Composite Index, assuming the reinvestment of dividends where applicable.



| Investment | Dec. 31 2019 | Dec. 31 2020 | Dec. 31 2021 | Dec. 31 2022 | Dec. 31 2023 | Dec. 31 2024 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Magellan Common Shares | \$100 | \$63 | \$72 | \$72 | \$57 | \$73 |
| S&P/TSX Composite Index ⁽¹⁾ | \$100 | \$106 | \$132 | \$124 | \$139 | \$169 |

(1) 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 2019 to 2024 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 Corporation's growth and profitability, rather than on the basis of factors tied to the performance of the Corporation's shares in the market.

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2022, December 31, 2023 and December 31, 2024, information concerning the total compensation package for (1) the CEO, Mr. Phillip C. Underwood, (2) the Chief Financial Officer, Ms. Elena M. Milantoni, and (3) the three other most highly compensated executive officers of the Corporation, the Vice President, Business Development, Marketing and Contracts, the Vice President, Corporate Stewardship and Operational Excellence, and the Vice President, Information Technology (each a "Named Executive Officer" or "NEO", and, collectively, the "Named Executive Officers" or "NEOs"):

| Name and principal position | Year | Salary | Share-based awards ⁽¹⁾ | Option-based awards | Non-equity incentive plan compensation | | Pension value ⁽²⁾ | All other compensation ⁽³⁾ | Total compensation |
|---|------|---------|-----------------------------------|---------------------|--|---------------------------|------------------------------|---------------------------------------|--------------------|
| | | | | | Annual incentive plans ⁽⁵⁾ | Long-term incentive plans | | | |
| | | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| Phillip C. Underwood ⁽⁷⁾ <i>President and Chief Executive Officer</i> | 2024 | 596,177 | 203,852 | - | 364,753 | - | 59,618 | - | 1,224,400 |
| | 2023 | 567,788 | 124,618 | - | 257,697 | - | 56,779 | - | 1,006,882 |
| | 2022 | 540,750 | 108,323 | - | 135,404 | - | 54,075 | - | 838,552 |
| Elena M. Milantoni ⁽⁷⁾ <i>Chief Financial Officer and Corporate Secretary</i> | 2024 | 286,215 | 50,471 | - | 113,442 | - | 25,759 | - | 475,887 |
| | 2023 | 267,490 | 30,578 | - | 86,155 | - | 24,074 | - | 408,297 |
| | 2022 | 252,350 | 20,693 | - | 41,385 | - | 22,712 | - | 337,140 |
| Haydn R. Martin ⁽⁴⁾⁽⁷⁾ <i>Vice President, Business Development, Marketing and Contracts</i> | 2024 | 309,457 | 57,144 | - | 195,289 | - | - | - | 561,890 |
| | 2023 | 311,560 | 31,887 | - | 201,985 | - | - | - | 545,432 |
| | 2022 | 285,556 | 21,001 | - | 42,002 | - | - | - | 348,559 |
| Karen Yoshiki-Gravelsins <i>Vice President, Corporate Stewardship and Operational Excellence</i> | 2024 | 251,160 | 45,671 | - | 91,342 | - | 22,604 | - | 410,777 |
| | 2023 | 241,500 | 27,607 | - | 55,213 | - | 21,735 | - | 346,055 |
| | 2022 | 222,500 | 18,245 | - | 36,490 | - | 20,025 | - | 297,260 |
| Ian Roberts ⁽⁶⁾ <i>Vice President, Information Technology</i> | 2024 | 251,125 | 44,409 | - | 88,818 | - | 22,601 | - | 406,953 |
| | 2023 | 241,003 | 21,558 | - | 43,116 | - | 21,690 | - | 327,367 |
| | 2022 | 230,625 | 10,309 | - | 20,618 | - | 10,378 | - | 271,930 |

Notes:

- (1) Share-based awards granted to an NEO in respect of any fiscal year represent the fair value of the DSUs awarded to that NEO on the award payment date immediately following that fiscal year, calculated in accordance with the terms of the DSU Plan. For more information see "Incentive Plan Awards - Deferred Share Unit Plan".
- (2) Pension values for Mr. Underwood, Ms. Milantoni, Ms. Yoshiki-Gravelsins, and Mr. Roberts reflect the Corporation's contributions in relation to the defined contribution plans.
- (3) Aggregate compensation amounts for other benefits and perquisites are worth less than \$50,000 or 10% of a NEO's salary for the financial year.

- (4) Mr. Martin's total compensation is paid in British Pounds. The following table shows the amounts paid in British Pounds and the amounts paid in Canadian dollars for such years. Compensation amounts have been converted using the annual average exchange rates for fiscal years (2024 £1.00 = Cdn. \$1.7510; 2023 £1.00 = Cdn. \$1.6782; 2022 £1.00 = Cdn. \$1.6082), except for annual incentive amounts, share-based awards and pension values which have been converted using month end exchange rates as at December 31 (2024 £1.00 = Cdn. \$1.7510; 2023 £1.00 = Cdn. \$1.6837; 2022 £1.00 = Cdn. \$1.6322).

| Non-equity incentive plan compensation of Haydn M. Martin | | | | | | | | |
|---|-----------|--------------------|---------------------|---------------------------------------|--------------------------|---------------|------------------------|--------------------|
| Year | Salary | Share-based awards | Option-based awards | Annual incentive plans ⁽⁵⁾ | Mid-term incentive plans | Pension value | All other compensation | Total compensation |
| 2024 | £176,736 | £31,698 | - | £108,323 | - | - | - | £316,757 |
| 2024 | \$309,457 | \$57,148 | - | \$195,295 | - | - | - | \$561,900 |
| 2023 | £185,651 | £18,939 | - | £119,965 | - | - | - | £324,555 |
| 2023 | \$311,560 | \$31,887 | - | \$201,985 | - | - | - | \$545,432 |
| 2022 | £177,559 | £12,867 | - | £25,733 | - | - | - | £216,159 |
| 2022 | \$285,556 | \$21,001 | - | \$42,002 | - | - | - | £348,559 |

- (5) The Annual incentive plans amounts in 2024 for Mr. Underwood, Ms. Milantoni and Mr. Martin include a SIP amount of \$25,000, \$12,500 and \$81,000 respectively [2023 – \$50,000, \$25,000 and \$138,000 respectively].

Outstanding Share-Based Awards and Option-Based Awards

The Corporation did not issue any option-based awards during the years ended December 31, 2022, December 31, 2023 and December 31, 2024 nor were there any option-based awards outstanding as at December 31, 2024. The following table sets forth for each Named Executive Officer all share-based awards outstanding as at the year ended December 31, 2024:

| 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 |
| | (#) | (\$) | (\$) |
| Phillip C. Underwood | 26,921 | 542,179 | Nil |
| Elena M. Milantoni | 6,591 | 132,752 | Nil |
| Haydn R. Martin | 6,769 | 136,336 | Nil |
| Karen Yoshiki-Gravelsins | 5,793 | 116,677 | Nil |
| Ian Roberts | 3,820 | 76,928 | Nil |

Notes:

- (1) The number and market value of DSUs reflected by the dollar amounts set forth on the 2024 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 each of the three following anniversary dates of the date of grant. The numbers of DSUs reflected in the table are based on the DSUs granted in the three prior years 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, 2024 closing market price of the Common Shares on the TSX of \$10.07 and assumes that the maximum level of performance is achieved with respect to the Corporation's TSR performance relative to the TSR Comparator Group.

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, 2024 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2024:

| 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⁾ (\$) |
|--------------------------|---|---|--|
| Phillip C. Underwood | - | 69,812 | 339,753 |
| Elena M. Milantoni | - | 17,425 | 100,942 |
| Haydn R. Martin | - | 17,474 | 114,289 |
| Karen Yoshiki-Gravelsins | - | 14,171 | 91,342 |
| Ian Roberts | - | 4,009 | 88,818 |

Notes:

- (1) The value vested for share-based awards are amounts paid in respect of DSUs that have vested on each of the first, second, and third anniversaries of the date of grant.
- (2) The non-equity incentive plan dollar amounts are bonus amounts earned for the year ended December 31, 2024 and reflected in the "Summary Compensation Table" under "Annual Incentive Plans".

Pension Plan Benefits

Defined contribution plans

Under the defined contribution plan for Mr. Underwood, he is eligible to contribute 5% of his base salary, and the Corporation contributes 10% of his base salary. Under the defined contribution plan for Ms. Milantoni, Ms. Yoshiki-Gravelsins, and Mr. Roberts, the Corporation contributes a mandatory 5% of their base salary and the employee contributes a mandatory amount of 2% of their base salary to the plan. In addition, they are eligible to contribute a voluntary pension amount of 8% of their base salary, of which the Corporation will match 50% of those voluntary pension contributions.

The following table presents the benefits accumulated under the Corporation's defined contribution plans for Mr. Underwood, Ms. Milantoni, Ms. Yoshiki-Gravelsins, and Mr. Roberts. 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, 2024 (\$) | Compensatory (\$) | Accumulated value at December 31, 2024 (\$) |
|-------------------------------------|---|----------------------|---|
| Phillip C. Underwood ⁽¹⁾ | 1,925,218 | 59,618 | 2,397,203 |
| Elena M. Milantoni | 825,004 | 25,759 | 1,011,931 |
| Karen Yoshiki-Gravelsins | 834,262 | 22,604 | 1,004,141 |
| Ian Roberts | 72,067 | 22,601 | 129,971 |

Note:

- (1) In 2024, \$59,618 of Mr. Underwood's compensatory amount was paid in Canadian dollars, and \$1,177,625 of the accumulated value at December 31, 2024 was in Canadian dollars. Mr. Underwood's accumulated values in British Pounds at January 1, 2024 and December 31, 2024 were converted to Canadian dollars from British Pounds using the December 31, 2023, and December 31, 2024 month end exchange rates of £1.00 = Cdn\$1.6837 and £1.00 = Cdn\$1.8029, respectively.

Termination and Change of Control Benefits

The NEOs, except the CEO, Mr. Phillip C. Underwood, and the CFO, Ms. Elena M. Milantoni, 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 and Ms. Milantoni are each subject to an executive employment agreement (the "**Employment Agreement**"). Under the Employment Agreements, the Corporation agrees to employ Mr. Underwood and Ms. Milantoni for an indefinite period of time, and contain provisions regarding base salary, vacation time, eligibility for

benefits, annual incentives and security based compensation. Under the Employment Agreements, the Corporation can terminate Mr. Underwood's and Ms. Milantoni's employment for cause 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 and Ms. Milantoni's employment for reasons other than cause (including upon a change of control of the Corporation), they are entitled to the following severance benefits (a) payment of their accrued and outstanding salary up to and including the date of termination; (b) payment of their accrued and outstanding vacation pay up to and including the date that vacation accrual is required to be continued under the *Ontario Employment Standards Act*; (c) an amount equal to fifteen months' notice of Mr. Underwood's base salary; and one month's notice for each year of completed service to a maximum of eighteen months' of Ms. Milantoni'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 *Ontario Employment Standards Act*. If Mr. Underwood and Ms. Milantoni were terminated without cause as at December 31, 2024 the value of such benefits would have been approximately \$937,175 and \$509,676 respectively.

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, 2024, 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 or 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 vest, if not already vested, and be immediately paid out; and (iv) upon retirement, the participant will retain the rights to receive payment as outstanding DSU's become vested.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2024, information concerning the compensation paid to directors of the Corporation 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 | 100,000 |
| Larry G. Moeller | 80,000 |
| Steven Somerville | 105,000 |
| James P. Veitch | 90,000 |

Note:

(1) In 2024, the Corporation paid Edco Financial Holdings Ltd. (a corporation wholly-owned by Mr. Edwards) \$200,000 for consulting and cost recovery fees.

Non-executive directors are paid an annual fee of \$80,000, 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 \$10,000 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 2024, to the directors of the Corporation.

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

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

For each of the Corporation's directors, other than the one director who was also a Named Executive Officer, there were no outstanding option-based or share-based awards as at December 31, 2024.

Incentive Plan Awards – Value Vested or Earned During the Year

For each of the Corporation's directors, other than the one director who was also a Named Executive Officer during the year ended December 31, 2024, no option-based or share-based awards or non-equity incentive plan compensation vested during the year ended December 31, 2024.

ADDITIONAL INFORMATION

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, 2023:

| 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 approved to be optioned at any time was limited to 2,240,000 in total. No Options issued 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 57,138,580 Common Shares are issued and outstanding as at the Record Date. 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 the Record Date 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 | 75.4% |

The directors and executive officers of the Corporation, as a group, hold 45,314,470 Common Shares representing approximately 79.3% of the issued and outstanding Common Shares of the Corporation as at the Record Date.

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.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers or former directors or executive officers of the Corporation or proposed management nominee for election as a director of the Corporation, nor any associate of any such director, officer, or proposed management nominee, is or has been indebted to the Corporation at any time during the most recently completed financial year ended.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation or 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.

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 commencement of the Corporation's last completed 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 or the appointment of auditors.

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 auditors. 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, Larry G. Moeller, Steven Somerville, and James P. Veitch. The Board has determined that all the members of the Audit Committee (Beth M. Budd Bandler, Steven Somerville, and James P. Veitch) 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) 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 7, 2025, 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. |
| Larry G. Moeller | Imperial Metals Corporation Orbus Pharma Inc. |
| James P. Veitch | 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, 2024.

2. Board Mandate

The Board of Directors (the "Board") of Magellan Aerospace Corporation (the "Corporation") is responsible for the stewardship and oversight of the management of the business and affairs of the Corporation with a view to the best interests of the Corporation and ensuring corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal control.

The Board has the power to delegate its authority and duties to committees of the Board as it determines appropriate, as permitted by applicable law. Board committees are accountable to the Board, which at all times retains its oversight function and ultimate responsibility for all delegated responsibilities.

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 principal role of the Chairman of the Board of the Corporation is to provide leadership, manage the Board, act as liaison between management and the Board, and represent the Corporation to external groups. The chairman shall ensure 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. Board meetings may also include presentations or briefings by the Corporation's management and employees to give the directors additional insight into the Corporation's business activities.

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.sedarplus.ca.

- (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 Chairman, any Vice Chairman, CEO 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 2023 the Human Resources and Compensation Committee did not retain a compensation consultant to assist in determining compensation for any of the directors or officers.
- (e) The Governance Committee is responsible for reviewing, on an annual basis, the compensation and benefits paid to the directors.

8. Other Board Committees

The Board has five committees: Audit, Governance, Human Resources and Compensation, Pension 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 Pension Committee are composed of entirely "independent" directors. The Pension 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 assesses 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 Pension Committee is responsible for assisting the Board in its oversight of the pension plans, retirement plans, deferred profit sharing plans, and related assets administered or sponsored by the Corporation or its divisions or affiliates (the "Plans"). The Pension Committee responsibilities are safeguarding the assets of the Plans, enhancing the pension governance system through the establishment of global governance policies and processes, to the extent permitted by law, and ensuring fair, consistent, efficient, and compliant treatment of pension items in the Corporation's financial statements.

The Environmental and Health & Safety Committee has the responsibility of overseeing management's 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 of the view that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve 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

The Corporation is mindful of the benefit of diversity on the Board and regards the involvement of women and their experience and input as constructive to the Board's decision-making process. The Board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for the Board. However, 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.

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

The Corporation will consider and be sensitive to the representation of women when making executive officer appointments. 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. However, the level of representation of women in executive officer positions is not considered when making executive officer appointments.

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

The Corporation has not adopted a measurable objective for achieving gender diversity on the Board and in executive officer positions. The Corporation will consider establishing measurable objectives and targets in the future.

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

There is presently one woman serving on the Board, which represents approximately 17% of the number of directors on the Board.

There are presently two women serving in executive officer positions at the Corporation, which represents approximately 22% 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 Board of Directors (the "Board") of Magellan Aerospace Corporation (the "Corporation") is responsible for the stewardship and oversight of the management of the business and affairs of the Corporation with a view to the best interests of the Corporation and ensuring corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal control.

The Board has the power to delegate its authority and duties to committees of the Board as it determines appropriate, as permitted by applicable law. Board committees are accountable to the Board, which at all times retains its oversight function and ultimate responsibility for all delegated responsibilities.

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 to oversee the management of the business and ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal control, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives.
- Foster a corporate culture of ethical practices and integrity and ensure that the CEO and other senior officers manage the business and affairs of the Corporation in an ethical and legal manner and exhibit ethical leadership throughout the Corporation.
- Review the effectiveness of the Corporation's strategic planning process which takes into account, among other things, the opportunities and risks of the Corporation's business and approve, on at least an annual basis the business plan and strategic plan.
- Ensure that a system is in place to identify significant risks to the Corporation and that appropriate systems are in place to manage and mitigate these risks.
- Review the effectiveness of the Company's internal controls and management information systems. Ensure that resources are available to implement and maintain an effective system of internal control and management information systems.
- Ensure that a comprehensive compensation strategy is maintained for the CEO and senior management which includes competitive industry positioning, weighting of compensation elements and relationship of compensation to performance.
- Review and approve the Corporation's financial statements and related management's discussion and analysis and earnings press releases.
- Oversee the Corporation's compliance with applicable audit, accounting and 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 the Corporation's operating and financial performance results relative to the corporate strategic plan, 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.