

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE

C A N A D A

PROVINCE OF/DE L' ONTARIO

TORONTO REGION
RÉGION de TORONTO

BETWEEN

HER MAJESTY THE QUEEN
SA MAJESTÉ LA REINE

- AGAINST -
- CONTRE -

THE MORGAN CRUCIBLE COMPANY PLC

STATEMENT OF ADMISSIONS
(pursuant to s. 655 of the Criminal Code)

I THE ACCUSED

1. The Morgan Crucible Company plc ("Morgan Crucible") is a company registered under the laws of the United Kingdom with its principal place of business in Windsor, United Kingdom. Morgan Crucible is a holding company whose subsidiaries manufacture and supply carbon transit brushes and current collectors in Canada, among other products.

II THE *COMPETITION ACT* INQUIRY

2. Carbon transit brushes and current collectors are used to transfer electrical current from wires or rails to vehicles that are not independently powered, such as trams and trolley cars.
3. Morgan Crucible understands that the Commissioner of Competition (the "Commissioner") was conducting an inquiry under the *Competition Act* into, among other things, allegations of a price fixing and market sharing conspiracy in the sale and supply in Canada of carbon brushes and current collectors for the transit market in Canada (the "Inquiry").

III OBSTRUCTION OF JUSTICE

4. Morgan Crucible, through the actions of certain of its senior executives, including its former Executive Director and Group Chief Executive, wilfully attempted to obstruct, pervert, or defeat the course of justice by providing false and incomplete evidence to Competition Bureau investigators during the course of the Commissioner's Inquiry. In particular,
 - a) Morgan Crucible denied its participation and the participation of its affiliates in an agreement to fix the prices of carbon transit brushes and current collectors used in municipal transit vehicles such as subways, trolley cars, and elevated rail systems in Canada (the "Agreement") and offered to produce and did produce during March and April, 2001 certain of its employees and employees of its subsidiaries on a voluntary basis for examination by Bureau investigators;
 - b) In the aforesaid interviews, the individuals produced by Morgan Crucible did not give full or truthful answers to one or more of the questions asked with respect to their knowledge of or involvement and participation in such an Agreement.

IV OTHER CONSIDERATIONS

5. Morgan Crucible's affiliate Morganite Canada Corporation has agreed to cooperate and plead guilty to the offence of implementing foreign price-fixing directives from Morganite Electrical Carbon Limited, of Swansea, Wales in the sale of carbon transit brushes and current collectors used in municipal transit vehicles in Canada contrary to section 46 of the *Competition Act*, thereby saving the costs of further investigation and trial which would otherwise have been incurred by the Government of Canada.

- 6. Morgan Crucible has agreed to submit to the jurisdiction of the Canadian courts solely for the purposes of entering a plea of guilty to the offence of obstruction of justice contrary to section 139(2) of the *Criminal Code*, thereby saving the costs of further investigation and proceedings which would otherwise have been incurred by the Government of Canada.
- 7. Morgan Crucible has promised to cooperate with the Commissioner in her continuing inquiry.

V CONCLUSION

- 8. Morgan Crucible admits the foregoing pursuant to section 655 of the *Criminal Code*.
- 9. Morgan Crucible acknowledges, on the basis of the admissions set out herein with respect to obstruction, that all constituent elements of an indictable offence under section 139(2) of the *Criminal Code* have been established.

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The Morgan Crucible Company plc

this 16th day of July, 2004.

Per: 