



Dear Shareholder

## 1. PROVISIONAL ALLOTMENT

Subject to and in accordance with the terms and conditions of the Prospectus, and subject to the articles of association of the Company, you have been provisionally allotted, but conditional upon (amongst other things) Admission occurring by no later than 8.00 a.m. on 17 July 2012 (or such later time and/or date as the Company and the Sponsors may agree in writing), the number of New Melrose Shares set out in Box 2 on page 1 of this document. New Melrose Shares have been provisionally allotted to Qualifying Shareholders on the basis of 2 New Melrose Shares for every 1 Melrose Share held and registered in the name of the Qualifying Shareholder at the close of business on 12 July 2012. You have the right to subscribe for the New Melrose Shares provisionally allotted to you at a price of 142 pence per New Melrose Share, payable in full on acceptance, in the manner set out in note 2 below, by no later than 11.00 a.m. on 31 July 2012. The New Melrose Shares will, when issued and fully paid, rank pari passu in all respects with the Melrose Shares, including the right to receive all future dividends or other distributions made, paid or declared after the date of allotment of the New Melrose Shares.

## 2. ACCEPTANCE AND PAYMENT

Except as provided in paragraph 8 in relation to Overseas Shareholders below, if you wish to accept the provisional allotment of all of the New Melrose Shares to which you are entitled, you should return the whole of this PAL completed in accordance with the instructions herein, together with a cheque or banker's draft in pounds sterling for the full amount payable shown in Box 3 on page 1, by post or by hand only (during normal business hours) to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 31 July 2012, being the latest time and date for acceptance and payment in full. A reply-paid envelope is enclosed for the purpose of delivering this PAL by post. If you post your PAL within the United Kingdom by first class post it is recommended that you allow at least four days for delivery.

If requested, by indicating in Box 4 on page 4 of this document, this PAL duly received will subsequently be returned to the first named registered holder (or to the person making the payment detailed in Box 5 on page 4). Return of the PAL with payment in full will constitute acceptance of the provisional allotment upon the terms and subject to the conditions in the Prospectus and this PAL and subject to the articles of association of the Company.

Save as stated in the Prospectus, if this PAL, accompanied by payment in full for the New Melrose Shares provisionally allotted has not been received by 11.00 a.m. on 31 July 2012, whether from the original allottee or any other person in whose favour the rights have been renounced, this provisional allotment will be deemed to have been declined and will lapse. The Sponsors will severally use all reasonable endeavours to procure, by no later than 2.00 p.m. on the second dealing day after the last date for acceptance of the Rights Issue, subscribers in the market for all those New Melrose Shares not validly taken up by 11.00 a.m. on 31 July 2012 at a price per New Melrose Share which is no less than the Rights Issue Price and the expenses of procuring such subscribers (including any commissions and amounts in respect of value added tax which are not in the reasonable opinion of the Underwriters recoverable). Notwithstanding the above, the Sponsors may cease to endeavour to procure any such subscribers if, in the reasonable opinion of the Sponsors, it is unlikely that any such subscribers can be procured at such a price and by such time. If and to the extent that subscribers cannot be procured on the basis outlined above, the relevant New Melrose Shares not taken up and for which subscribers are not procured will be subscribed for by the Underwriters or sub-underwriters procured by the Underwriters at the Rights Issue Price pursuant to the terms and conditions of the Underwriting Agreement. Any premium over the aggregate of the Rights Issue Price and the expenses of procuring subscribers (including any commissions and amounts of value added tax which are not recoverable) shall be paid (without interest) to the person whose name and address appears on page 1 pro rata to the relevant lapsed provisional allotments, save that amounts of less than £5.00 per holding will not be so paid, but will be aggregated and retained for the benefit of the Company. Holdings of Melrose Shares in certificated and uncertificated form will be treated as being held by different persons for these purposes. None of the Company, the Underwriters, nor any person responsible for procuring subscribers or seeking to procure such subscribers shall be responsible, or have any liability whatsoever, for any loss or damage (actual or alleged) arising from the terms, amount or timing of any such acquisitions, or the procuring thereof, or any decision not to endeavour to procure subscribers or any failure to procure any subscribers.

The Company reserves the right, but shall not be obliged to treat as valid: (a) PALs and accompanying remittances for the full amount due which are received through the post not later than 8.00 a.m. on 1 August 2012 (the cover bearing a legible postmark not later than 11.00 a.m. on 31 July 2012); and (b) applications in respect of which remittances are received prior to 11.00 a.m. on 31 July 2012 from an authorised person (as defined in section 31(2) of FSMA) specifying the number of New Melrose Shares to be acquired and undertaking to lodge the relevant PAL duly completed in due course. The Company also reserves the right (in its sole discretion) to treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney (where required).

You may accept all or any of the New Melrose Shares offered to you. If you wish to accept only part of your allotment, you should first apply for split PALs in accordance with the instructions on page 3 of this document. All payments made must be made in pounds sterling by cheque or banker's draft and should be made payable to "Equiniti Limited re: Melrose PLC Rights Issue" and crossed "A/C payee only".

All payments must be made by cheque or banker's draft in pounds sterling drawn on a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited, or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for the members of any of these companies and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank, respectively, has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. All documents, cheques, banker's drafts and certificates posted to, by or from Qualifying Shareholders and/or their transferees or renounees (or their agents, as appropriate) will be posted at their own risk. The Company reserves the right to instruct Equiniti to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due and any interest on such payments will ultimately accrue for the benefit of the Company. It is a term of the Rights Issue that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will be accepted. You should not send cash.

It is a term of the Rights Issue that, to ensure compliance with the Money Laundering Regulations, Equiniti may require verification of the identity of the person by whom or on whose behalf a PAL is lodged with payment. The person(s) (the **acceptor**) who, by lodging a PAL with payment, as described above, accept(s) the allotment of the New Melrose Shares (the **relevant shares**) comprised in such PAL (being the provisional allottee or, in the case of renunciation, the person named in Form Y on page 4 of such PAL) shall thereby be deemed to agree to provide Equiniti and/or the Company with such information and other evidence as they or either of them may require to satisfy the verification of identity requirements.

If Equiniti determines that the verification of identity requirements apply to an acceptance of an allotment and the verification of identity requirements have not been satisfied (which Equiniti shall in its absolute discretion determine) by 11.00 a.m. on 31 July 2012, the Company may, in its absolute discretion, and without prejudice to any other rights of the Company, treat the acceptance as invalid or may confirm the allotment of the relevant shares to the acceptor but (notwithstanding any other term of the Rights Issue) such shares will not be issued to him or registered in his name until the verification of identity requirements have been satisfied (which Equiniti shall in its absolute discretion determine). If the acceptance is not treated as invalid and the verification of identity requirements are not satisfied within such period, being not less than seven days after a request for evidence of identity is despatched to the acceptor, the Company may in its absolute discretion treat the relevant application as invalid, in which event, the application moneys will be returned (at the applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

**Return of a PAL with the appropriate remittance will constitute a warranty from the acceptor that the Money Laundering Regulations will not be breached by acceptance of such remittance. If the verification of identity requirements apply, failure to provide the necessary evidence of identity may result in the acceptance being treated as invalid or in delays in the despatch of a receipted fully-paid PAL or a share certificate.**

## 3. WITHDRAWAL RIGHTS

Qualifying Shareholders wishing to exercise their rights under section 87Q(4) of FSMA after publication by the Company of a supplementary prospectus (if any) must do so by lodging a written notice of withdrawal (which shall not include a notice sent by facsimile or any other form of electronic communication), which must include the full name and address of the person wishing to exercise such statutory withdrawal rights and, if such person is a CREST member, the participant ID and the member account ID of such CREST member, by post or by hand only (during normal business hours) to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to be received no later than before the end of the period of two business days after the date on which the supplementary prospectus is published, withdrawal being effective as at the posting of the written notice of withdrawal. Notice of withdrawal of acceptance given by any other means or which is deposited with or received by Equiniti after the expiry of such period will not constitute a valid withdrawal. Furthermore, based on advice received by the Company as to the effect of statutory withdrawal rights where the allotment contract is fully performed, the Company will not permit the exercise of withdrawal rights after payment by the relevant Shareholder of its aggregate subscription price in full and the allotment of the New Melrose Shares to such Shareholder becoming unconditional. In such circumstances, Shareholders are advised to consult their professional advisers. Provisional allotments of entitlements to New Melrose Shares which are the subject of a valid withdrawal notice will be deemed to be declined. Such entitlements to New Melrose Shares will be subject to the provisions of paragraph 6 of Part XII (*Terms and Conditions of the Rights Issue*) of the Prospectus as if the entitlement had not been validly taken up.

## 4. RENUNCIATION, CONSOLIDATION, SPLITTING, REGISTRATION AND DEPOSIT OF RIGHTS INTO CREST

Further options for dealing with this PAL, which are to be regarded as part of this PAL, are set out in notes 1 to 5 on page 3 and should be studied carefully. These instructions are to be regarded as part of this PAL.

## 5. DEFINITIVE SHARE CERTIFICATES AND CREDITS TO CREST STOCK ACCOUNTS

Definitive share certificates in respect of the New Melrose Shares to be held in certificated form are expected to be despatched by post by no later than 8 August 2012 to relevant accepting Shareholders (or their transferees who hold Fully Paid Rights in certificated form), or, in the case of joint holdings, to the first-named Shareholders at their registered address (unless lodging agent details have been completed in Box 5 on page 4). If this PAL is lodged, fully paid, with the lodging agent's name and address inserted in Box 5 on page 4, the definitive share certificate will be despatched to the lodging agent. Where this PAL has been renounced following full payment a definitive share certificate will be sent to the person named in Form Y on page 4 unless (a) the CREST Deposit Form (on page 4) has been completed, in which case a share certificate will not be issued but the relevant CREST account will be credited, or (b) a lodging agent's stamp appears on page 4, in which case the certificate will be despatched to that agent. If the CREST Deposit Form (on page 4) has been completed, a share certificate will not be issued but the relevant CREST account will be credited. All certificates will be despatched through the post at the risk of the person entitled thereto. Where the CREST Deposit Form on page 4 has been completed, New Melrose Shares are expected to be credited to the relevant CREST account on 1 August 2012. After despatch of the share certificates or crediting of CREST accounts, this PAL will cease to be valid for any purpose whatsoever.

## 6. TRANSFERS

In respect of all transfers of New Melrose Shares fully paid after 11.00 a.m. on 31 July 2012 and pending despatch of definitive share certificates representing New Melrose Shares, instruments of transfer will be certified by Equiniti against the Register.

## 7. STAMP DUTY AND STAMP DUTY RESERVE TAX (SDRT)

Please refer to Part IX (*Taxation Considerations*) of the Prospectus. If you are in any doubt as to your liability to stamp duty or SDRT, you should consult your professional adviser without delay.

## 8. OVERSEAS SHAREHOLDERS

**The offer of Nil Paid Rights, Fully Paid Rights, this PAL and/or New Melrose Shares pursuant to the Rights Issue and the distribution of this PAL or any other document relating to the Rights Issue to persons located in a jurisdiction other than the United Kingdom may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.**

It is the responsibility of all persons (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom receiving this PAL and wishing to take up the offer of New Melrose Shares to satisfy themselves as to the full observance of the laws of the relevant territory, including obtaining all necessary governmental or other consents which may be required, observing all other requisite formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

Persons (including, without limitation, custodians, nominees, agents and trustees) receiving this PAL should not distribute or send this PAL to any person, in or into, the United States or an Excluded Territory. If this PAL is received by any person who is located in the United States or any Excluded Territory or by their agent or nominee in any such territory, they may only take up the rights referred to in this PAL to the extent that the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees, agents and trustees) who does forward this PAL into any such territories (whether under contractual or legal obligation or otherwise) should contact the Shareholder helpline before taking any further action.

The Company may treat as invalid any acceptance or purported acceptance of the offer of the rights which appears to the Company or the Receiving Agent or their respective agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if this PAL provides for an address for delivery of definitive share certificates for New Melrose Shares in the United States or an Excluded Territory, or if the Company believes or its agents believe that the same may violate applicable legal or regulatory requirements.

THIS PAL, THE FULLY PAID RIGHTS, THE NIL PAID RIGHTS AND THE NEW MELROSE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT, OR UNDER ANY SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND CONSTITUTE RESTRICTED SECURITIES FOR THE PURPOSES OF THE US SECURITIES ACT WHICH MAY NOT BE OFFERED, SOLD, TAKEN UP, EXERCISED, RESOLD, PLEDGED, RENOUNCED, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF, THE US SECURITIES ACT AND IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THE RIGHTS ISSUE IS NOT BEING MADE INTO THE UNITED STATES (UNLESS AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT IS AVAILABLE) AND NO OFFER IS BEING MADE TO THE PUBLIC IN ANY OTHER EXCLUDED TERRITORY.

ANY PERSON REPRESENTING AND WARRANTING THAT IT IS AN ELIGIBLE US HOLDER MUST DELIVER A US INVESTOR LETTER OF REPRESENTATION. IF SUCH A LETTER OF REPRESENTATION WAS NOT SENT TO YOU PLEASE CALL THE SHAREHOLDER HELPLINE NUMBER (SET OUT ON PAGE 1) FOR A COPY.

Registered office:  
Precision House  
Arden Road  
Alcester  
Warwickshire B49 6HN

By order of the Board  
Garry Barnes  
Secretary

16 July 2012

## RENUNCIATION, SPLITTING, CONSOLIDATION, REGISTRATION AND DEPOSIT OF RIGHTS INTO CREST

### 1. RENUNCIATION

This PAL may, unless prohibited by the laws of certain overseas jurisdictions, be renounced by an original allottee in whole, but not in part only, in favour of one person (or several persons as joint holders) by completing and signing Form X on page 4 (if not already marked "Original Duly Renounced") and passing the entire PAL (but not into any Excluded Territory or the United States, subject to certain exceptions) to your stockbroker or bank or other appropriate financial adviser or to the transferee. If this PAL has been renounced before the payment due on or before 11.00 a.m. on 31 July 2012 has been made, you must lodge the entire PAL accompanied by the appropriate remittance due together with Form Y duly completed by post or by hand only (during normal business hours) to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 11.00 a.m. on 31 July 2012. If you wish to deposit shares into CREST, in addition to Form X, please complete the CREST Deposit Form on page 4 and, on receipt of a credit in respect of your Nil Paid Rights to your CREST account, arrange to make payment through CREST by no later than 11.00 a.m. on 31 July 2012. Registration of renunciation cannot be effected unless and until payment of the amount has been made in full as set out in note 2 on page 2. This PAL will cease to be renounceable at 11.00 a.m. on 31 July 2012 and thereafter the Nil Paid Rights comprised in this PAL will be transferable only by a written instrument of transfer in the usual common form, or if they have been issued or converted into uncertificated form, in electronic form under the CREST system. If you wish to take up some of the New Melrose Shares represented by your Nil Paid Rights only and sell or transfer the remainder, or you wish to transfer all of the Nil Paid Rights or (if appropriate) Fully Paid Rights but to different persons, you should first apply for split PALs in accordance with the instruction in note 2 on this page 3. The Company reserves the right to refuse to register any renunciation by or in favour of any person in respect of whom it believes such renunciation may violate applicable legal or regulatory requirements, including (without limitation) any renunciation in the name of a person located outside the United Kingdom.

#### Notes for completion of Form X

All joint allottees must sign. Any forms completed under a power of attorney must be accompanied by a certified copy of the power of attorney. A company should execute under its common seal (where available) which should be affixed in accordance with its articles of association or other regulations. Alternatively, a company to which section 44 of the Companies Act 2006 applies may execute this PAL by a director and the company secretary, by two directors of the company or by a director of the company in the presence of a witness who attests the signature, signing the PAL and bearing the name of the company above their or his signatures. Each of the officers signing the PAL should state the office which he or she holds under their signatures and any witness should state his name and address. Before signing, please read note 8 on page 2 relating to Overseas Shareholders. If all the New Melrose Shares are to be registered in the name of the person(s) on page 1, Form X should not be completed. In the case of split PALs, Form X will be endorsed "Original Duly Renounced".

### 2. SPLITTING AND TRANSFER

This PAL cannot be renounced in part only but if you wish to take up some but not all of the New Melrose Shares represented by your Nil Paid Rights and to transfer the remainder, or you wish to transfer all of the Nil Paid Rights or (if appropriate) Fully Paid Rights to different persons, this PAL must be split. To split this PAL, it must be lodged by post or by hand only (during normal business hours) to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by no later than 3.00 p.m. on 27 July 2012, with Form X on page 4 duly completed and signed, to be cancelled and exchanged for the split PALs required. The number of split PALs required and the number of Nil Paid Rights or (as appropriate) Fully Paid Rights to be comprised in each split PAL must be stated in an accompanying letter. The aggregate number of Nil Paid Rights or (as appropriate) Fully Paid Rights comprised in the split PALs must equal the number of New Melrose Shares in Box 2 on page 1. Form X on the split PALs will be marked "Original Duly Renounced" before issue. On receipt of the split PALs you should keep the one representing any Nil Paid Rights or (as appropriate) Fully Paid Rights which you wish to retain (if any) and send the other(s) to the person(s) to or through whom you are disposing of the remainder of the New Melrose Shares provisionally allotted to you.

Alternatively, if you wish to take up some of the New Melrose Shares represented by your Nil Paid Rights without transferring the remainder, you should complete Form X on page 4 and return it by post or by hand only (during normal business hours) to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA together with a covering letter confirming the number of New Melrose Shares represented by your Nil Paid Rights to be taken up and a cheque for the appropriate amount to be paid for this number of New Melrose Shares. In this case, the PAL and payment must be received by Equiniti by 11.00 a.m. on 31 July 2012.

### 3. REGISTRATION UNDER RENOUNCED OR SPLIT PALs

If this PAL has been renounced or is a split PAL and your name(s) does not/do not appear as the original allottee(s) on page 1, to apply for registration of Fully Paid Rights in your name, Form Y or the CREST Deposit Form on page 4 (if the renouncee is a CREST member who wishes to hold his shares in uncertificated form) must be completed and this PAL fully paid must be lodged by no later than 11.00 a.m. on 31 July 2012, by post or by hand only (during normal business hours) to Corporate Actions, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA and, provided payment has been made by 11.00 a.m. on 31 July 2012, registration will be effected by Equiniti. Registration cannot be effected unless and until the New Melrose Shares comprised in the PAL are fully paid. After 11.00 a.m. on 31 July 2012, renunciations will not be accepted for registration and the New Melrose Shares comprised in this PAL will be transferable only by transfer in the usual or common form (or in such other form as the directors of the Company may approve), such transfer attracting stamp duty.

### 4. CONSOLIDATION

The Nil Paid Rights comprised in two or more PALs (duly renounced where applicable) may be registered in the name of one holder (or joint holders). To consolidate Nil Paid Rights comprised in two or more PALs, complete on one PAL Form Y on page 4 (the **Principal Letter**) and attach a letter detailing each PAL Allotment Number (as shown on page 1 of each PAL), the number of New Melrose Shares represented by each PAL, the total number of PALs to be consolidated and the total number of Nil Paid Rights to be consolidated. All the PALs to be consolidated must be lodged in one batch together. Each PAL so lodged (including the Principal Letter) must bear the PAL Allotment Number of the Principal Letter in the box provided in Form Y on page 4.

### 5. DEPOSIT OF NIL PAID RIGHTS OR FULLY PAID RIGHTS INTO CREST

- (i) The Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL may be converted into uncertificated form, that is, deposited into CREST (whether such conversion arises as a result of a renunciation of those rights or otherwise). Similarly, Nil Paid Rights or Fully Paid Rights held in CREST may be converted to certificated form, that is, withdrawn from CREST. Subject as provided in paragraph (ii) below, normal CREST procedures and timings apply in relation to any such conversion. You are recommended to refer to the CREST Manual for details of such procedures. If you are a CREST sponsored member, you should contact your CREST sponsor.
- (ii) The procedure for depositing the Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL into CREST, whether such rights are to be converted into uncertificated form in the name(s) of the person(s) whose name(s) and address(es) appear(s) on page 1 of this PAL or in the name(s) of the person(s) to whom this PAL has been renounced, is as follows: Form X and the CREST Deposit Form (both on page 4) will need to be completed and the PAL deposited by you or your CREST sponsor (as appropriate) with the CREST Courier and Sorting Service (CCSS). In addition, the normal CREST Stock Deposit procedures will need to be carried out, except that (a) it will not be necessary to complete and lodge a separate CREST Transfer Form (prescribed under the Stock Transfer Act 1963) with the CCSS and (b) only the whole of the Nil Paid Rights or Fully Paid Rights represented by this PAL may be deposited into CREST. If you wish to deposit only some of the Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL into CREST, you must first apply for split PALs in accordance with the instructions in note 2 on this page bearing in mind the latest time and date for depositing the Nil Paid Rights or Fully Paid Rights represented by this PAL into CREST. If the rights represented by more than one PAL are to be deposited, the CREST Deposit Form on each PAL must be completed and deposited. The consolidation procedure described in note 4 on this page must not be used. If you are a CREST sponsored member, you should contact your CREST sponsor.
- (iii) A holder of Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL who is proposing to convert those rights into uncertificated form (whether following a renunciation of such rights or otherwise) is recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person who is to hold or acquire the Nil Paid Rights or Fully Paid Rights in CREST following the conversion to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 31 July 2012. In particular, having regard to normal processing times in CREST and on the part of Equiniti, the latest recommended time for depositing a renounced PAL (with Form X and the CREST Deposit Form on page 4 duly completed) with the CCSS (in order to enable the person holding or acquiring (as appropriate) the Nil Paid Rights or the Fully Paid Rights in CREST, as a result of the conversion, to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 31 July 2012) is 3.00 p.m. on 26 July 2012. If you are a CREST sponsored member, you should contact your CREST sponsor.
- (iv) When Form X and the CREST Deposit Form (both on page 4) have been completed, the title to the Nil Paid Rights or Fully Paid Rights represented by this PAL will cease forthwith to be renounceable or transferable by delivery, and for the avoidance of doubt, any entries in Form Y will not subsequently be recognised or acted upon by Equiniti. All renunciations or transfers of the Nil Paid Rights or Fully Paid Rights must be effected through the CREST system once such Nil Paid Rights or Fully Paid Rights have been deposited in CREST.

**Note:** Surrender of this PAL with (a) Form X purporting to have been signed by the same person(s) in whose name(s) it was issued or, in the case of a split PAL, marked "Original Duly Renounced", and (b) where applicable, Form Y or the CREST Deposit Form duly completed, shall be conclusive evidence in favour of the Company and Equiniti of: (i) the right of the person(s) named in Form Y or the CREST Deposit Form of this PAL or such split PAL to be registered as the holder(s) of the Nil Paid Rights comprised in this PAL; (ii) the title of the person(s) lodging this PAL to deal with the same and to receive split PALs and/or a share certificate or a deposit to their CREST member's account (as appropriate); and (iii) the authority of the person(s) completing Form Y or the CREST Deposit Form. All documents will be despatched by post at the risk of the person(s) entitled to them. Despite any other provision of this PAL, the Company reserves the right to allot and/or issue any Nil Paid Rights, Fully Paid Rights or New Melrose Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruptions, failure or breakdown of CREST (or any part of CREST) or of the facilities and/or systems operated by Equiniti in connection with CREST.

For the avoidance of doubt, each PAL deposited with the CCSS is not considered to be a bearer document unless delivered and liability is limited to standard stock deposit replacement costs in accordance with Euroclear's standard terms and conditions.

**IF YOU DO NOT ACCEPT THE NEW MELROSE SHARES REPRESENTED BY YOUR NIL PAID RIGHTS IN ACCORDANCE WITH NOTE 2 ON PAGE 2 AND YOU DO NOT WISH TO RENOUNCE YOUR NIL PAID RIGHTS AS SET OUT IN NOTE 1 ON THIS PAGE 3, YOUR NIL PAID RIGHTS WILL LAPSE AND THE NEW MELROSE SHARES PROVISIONALLY ALLOTTED TO YOU MAY BE OFFERED FOR ACQUISITION TO OTHER PERSONS IN ACCORDANCE WITH THE ARRANGEMENTS SET OUT IN NOTE 2 ON PAGE 2.**

**NOTE: This form is issued only to the addressee(s) and is specific to the class of security and the unique designated account printed hereon. This personalised form is not transferable between different (i) account holders, (ii) classes of security, or (iii) uniquely designated accounts. Equiniti accept no liability for any instruction that does not comply with these conditions.**

**FORM X: FORM OF RENUNCIATION (PLEASE COMPLETE THIS FORM IN BLACK INK ONLY)**

PLEASE REFER TO THE NOTES ON PAGE 3 BEFORE COMPLETING THIS FORM. To be completed if the original allottee(s) desire(s) to renounce the right to the New Melrose Shares comprised herein by no later than 11.00 a.m. on 31 July 2012 or to obtain split PALs by no later than 3.00 p.m. on 27 July 2012.

To the Directors of Melrose PLC: I/We hereby renounce my/our right to the New Melrose Shares comprised in this PAL for the purposes of splitting or in favour of the person(s) named in either the Registration Application Form (Form Y) or the CREST Deposit Form below.

Signature(s) of registered shareholder(s) named on page 1

Date 

D	D
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 / 

M	M
---	---

 / 

Y	Y	Y	Y
---	---	---	---

1	
2	
3	
4	

If you wish to split this PAL, do not complete Form Y but place a cross in this box and attach a letter stating the denominations of the split PALs required. Forms of Renunciation on split PALs will be marked "Original Duly Renounced".

**INSTRUCTIONS: IN THE EVENT OF RENUNCIATION, EITHER FORM Y OR THE CREST DEPOSIT FORM MUST BE COMPLETED BY OR ON BEHALF OF THE PERSON(S) IN WHOSE NAME(S) THE NEW MELROSE SHARES ARE TO BE REGISTERED.**

PLEASE ADD SEAL HERE (IF APPLICABLE)

Return of PAL: If you wish to accept your rights and then require the fully paid PAL to be returned to you, place a cross in Box 4 in black ink. You will need to have the fully paid PAL returned to you only if you want to deal in your Fully Paid Rights. However, if you do not wish to deal in your Fully Paid Rights and want to hold your New Melrose Shares in certificated form please do not place a cross in Box 4 and the next document you will receive will be a share certificate for your New Melrose Shares. **Box 4**

If signing under a power of attorney or other authority please print your full name here:

**FORM Y: REGISTRATION APPLICATION FORM – FOR CONSOLIDATION PLEASE REFER TO NOTE 4 ON PAGE 3**

BEFORE COMPLETING THIS FORM, PLEASE REFER TO THE NOTES ON PAGE 3. In the event of renunciation, Form Y must be completed by or on behalf of the person(s) in whose name(s) the New Melrose Shares are to be registered unless such person(s) is/are (a) CREST member(s) and wish(es) to hold the New Melrose Shares in CREST, in which case the CREST Deposit Form below must be completed. FORM Y SHOULD NOT BE COMPLETED IN THE NAME(S) OF THE ORIGINAL ALLOTTEE(S).

To the Directors of Melrose PLC: Registration is requested in the name(s) set out below, subject to the articles of association of the Company and on the terms and conditions contained in the Prospectus and in this PAL, of the New Melrose Shares specified in Box 2 on page 1 or comprised in this PAL and in the PALs enclosed with this PAL (if any) as detailed in the letter enclosed with this PAL.

Principal Letter Allotment Number 



  
(see note 4 on page 3)

Name(s) in full

1	
2	
3	
4	

Full postal address of first-named applicant or full registration details of corporate body.



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 Post Code

If the PAL and/or certificate is to be sent to an alternative address to that shown on page 1 place a cross in Box 5 in black ink and add the details opposite. **Box 5**

House Number 

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Post Code 

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Address

**CREST DEPOSIT FORM**

BEFORE COMPLETING THIS FORM, PLEASE REFER TO NOTES 3 AND 5 ON PAGE 3 OF THIS PAL AND TO THE NOTES BELOW. This form should only be completed by either (1) the original allottee(s) (where the original allottee is a CREST member) if he/she wishes to convert the Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL into uncertificated form (that is deposit them into CREST); or (2) a person(s) to whom this PAL has been renounced and who (being a CREST member) wish(es) to hold the Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL in uncertificated form. Form X above must therefore also have been completed. Do not complete Form Y if you are completing the CREST Deposit Form.

To the Directors of Melrose PLC: I/We (being the person(s) lodging this form) request you enter on the relevant register of securities that the Nil Paid Rights or Fully Paid Rights (as appropriate) represented by this PAL are held in uncertificated form by the CREST member specified above to whom such rights have been renounced or as a result of conversion of Nil Paid Rights or Fully Paid Rights (as appropriate) from certificated form into uncertificated form.

Full name(s) of the person(s) who wish(es) to convert Nil Paid Rights or Fully Paid Rights (as appropriate) into uncertificated form or to whom the Nil Paid Rights or Fully Paid Rights have been renounced. Such person(s) must be a CREST member(s). Note (c).



Counter Location Stamp. Note (a). <table border="1" style="width: 100%; height: 30px; margin-top: 5px;"></table>	SDRN Bar Code or Reference. Note (b). <table border="1" style="width: 100%; height: 30px; margin-top: 5px;"></table>	Stamp of depositing CREST participant. Note (c). <table border="1" style="width: 100%; height: 30px; margin-top: 5px;"></table>														
CREST participant ID. Note (d). <table border="1" style="width: 100%; height: 20px; margin-top: 5px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>									Member Account ID. Note (d). <table border="1" style="width: 100%; height: 20px; margin-top: 5px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>							

**Notes for completion of this CREST deposit form**

- (a) The Counter Location Stamp identifies the CCSS Counter where this PAL has been processed and is applied by the Counter.
  - (b) The Stock Deposit reference Number (SDRN) should be written or barcoded in this space.
  - (c) No address is required as the CREST member will be identifiable by its participant ID.
  - (d) Insert the participant ID of the CREST member to whom this PAL has been renounced and the member account ID under which the Nil Paid Rights or Fully Paid Rights will be held in CREST.
  - (e) This should contain the Broker ID of the depositing CREST participant.
- By delivering this PAL to Euroclear, the depositing CREST participant authorises Euroclear to deliver this PAL to the Company and agrees to be deemed for all purposes to be the person(s) actually so delivering this PAL. Euroclear is delivering this PAL at the direction and on behalf of the depositing CREST participant whose stamp appears herein and/or original allottee(s), and Euroclear does not in any manner or to any extent warrant or represent the validity, genuineness or correctness of the instructions contained herein or the genuineness of the signature(s) of the transferor(s) or original allottee(s)