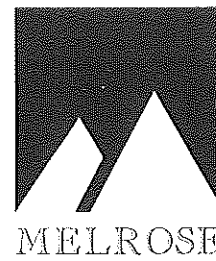


21 August 2009

Mr J Grant
The Malthouse
Manor Lane
Claverdon
Warwickshire
CV35 8NH



Dear John

Re: Appointment as Non Executive Director

I am pleased to confirm the renewal of your appointment to the Board of Melrose PLC was approved at the Board meeting held on 11 June 2009.

This letter sets out the terms and conditions of your appointment as a non-executive director of Melrose PLC (the "*Company*"). It is agreed that this is a contract for services and is not a contract of employment.

1. As a non-executive director, you are expected to bring an objective and independent view to the Board's discussions, and to help provide the Board with effective leadership in relation to the Company's strategy, performance, risk and people management as well as ensuring high standards of financial probity and corporate governance. You will be expected to advise on papers submitted to Board meetings, to attend Board meetings, the Company's annual general meetings and any extraordinary general meetings of the Company, and generally to use your best endeavours to promote and advance the interest of the Company and its subsidiary undertakings. It is anticipated that Board meetings will be held 4 times per year, although the exact dates will inevitably need to be flexible, and the annual general meeting will be held in or about May in every year. In addition, you will be welcome to attend informal business reviews with the Executive directors, which are held in the periods between Board meetings. Overall, you will be expected to devote 2-3 days per month to your duties. You will receive details of all Board meetings in advance. The prior consent of the Chairman must be sought before accepting additional commitments that might affect the time you are able to devote to the role.
2. In addition to the requirement set out in paragraph 1, you will be required to serve on committees of the Board, for example the remuneration committee, the audit committee and the nomination committee. You will be given copies of the terms of reference of these

committees and of any specific responsibilities involved and any additional fees that may be payable for sitting on these committees.

3. By accepting this appointment you undertake that you have sufficient time to carry out your duties in accordance with the terms of this letter of appointment.
4. For the services set out in paragraphs 1 and 2, the Company will pay a director's fee of £45,000 per annum (less any necessary statutory deductions), and payments will be by equal monthly instalments in arrears, paid on the 25th of each month. The level of fees will be reviewed annually. All fees will cease to accrue with effect from the date of your ceasing, for whatever reason, to be a non-executive director of the Company.
5. In addition to the fees described in paragraph 4, the Company will during your appointment reimburse you for all reasonable and properly documented travel, hotel and other incidental expenses incurred by you in the performance of your duties.
6. During your appointment as a non-executive director, you must not put yourself in a position where your duties to any other person, firm or company conflict with your duties to the Company or any of its subsidiary undertakings and, in particular, you must not accept an appointment without the prior consent of the Chairman (whether as director, agent, employee or consultant) with any company or firm engaged in a business competing with or similar to that of the Company or any of its subsidiary undertakings.
7. You must not during the period of your appointment or at any time thereafter disclose to any company or person any trade secrets or other confidential information concerning the Company or any of its subsidiary undertakings which may come to your knowledge by virtue of your position as a non-executive director. You must also comply with all legislative and regulatory requirements in relation to the disclosure of price-sensitive information.

8. You must communicate to the Board any actual or potential conflict of interest arising out of your position as a non-executive director, together with any information or knowledge acquired or gained by you in any manner whatsoever whilst you continue in that office which may be of value or which may be to the detriment of the Company or any of its subsidiary undertakings as soon as they become apparent.
9. Circumstances may arise where it is necessary to seek professional advice about the performance of your duties. You will be entitled, after consultation with the Board under the agreed procedure and jointly with any other non-executive director(s) whose interests are the same as yours, to obtain at the Company's expense such external independent professional advice as is reasonably necessary to enable you to carry out the duties of your office.
10. You must comply with all rules and codes of conduct in force from time to time required by any regulatory body in relation to your status as a director including, where applicable to the Company, the Admission and Disclosure Standards of the London Stock Exchange, the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules of the Financial Services Authority (the "FSA"), the Financial Services and Markets Act 2000, the Model Code on directors' dealing in securities set out in Annex 1 to Rule 9 of the Listing Rules of the FSA and any code of conduct relating to securities transactions by directors and specified employees issued by the Company from time to time.
11. Subject to paragraph 12, your appointment is for a fixed term of three years from the date of renewal of appointment.
12. Your appointment and any subsequent re-appointment as a director are at all times subject to and in accordance with the Company's articles of association and subject to any necessary shareholder ratification. If your appointment is terminated by resolution of shareholders in general meeting, you will not be entitled to receive any compensation or other payment in respect thereof under this letter.


To confirm your acceptance of these terms of appointment, please sign the enclosed copy of this letter and return it to me.

Yours sincerely
For and on behalf of Melrose PLC



G E Barnes
Company Secretary

I accept the appointment as a non-executive director of Melrose PLC on the terms specified above.

Signed:  Dated: 13 November 2009
J Grant