

7 April 2017

**Melrose Industries PLC (the “Company”)**

Posting of Annual Report and Circular

The Company announces that its Annual Report for the year ended 31 December 2016 and, pursuant to Listing Rule 9.6.3, a circular and notice of General Meeting (the “Circular”) in relation to Melrose’s proposed renewal of the management incentive plan arrangements have been posted to Shareholders today. In accordance with Listing Rule 9.6.1, the Circular will also be available for download on Melrose’s website at [www.melroseplc.net](http://www.melroseplc.net) and a copy will be submitted to the National Storage Mechanism where it will be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM).

As set out in the Circular, the Remuneration Committee has determined that 16,542 Options will be granted for nil consideration over 2017 Incentive Shares, conditional upon shareholder approval being obtained at the General Meeting and with effect from 31 May 2017. These included the grants outside a trading venue of 2,583 Options to each of Christopher Miller and David Roper and 2,833 Options to each of Simon Peckham and Geoffrey Martin, which were notified by the recipients to the Company today, pursuant to Article 19(1) of the Market Abuse Regulation (2014/596/EU) (“MAR”), each of whom is a “person discharging managerial responsibility”, as such term is defined in Article 3(1)(25) of MAR.

The Circular also provides background on the crystallisation of the existing incentive plan, including the Remuneration Committee’s determination to cancel a portion of the Existing Options in exchange for a cash payment to the holders of those Existing Options sufficient to meet the related tax liability, which is classified as a smaller related party transaction under Listing Rule 11.1.10 R and will reduce the dilutive effect on Shareholders of issuing Ordinary Shares that would otherwise be immediately sold to meet such a tax liability, and its determination to convert the balance of Existing Incentive Shares into Ordinary Shares on crystallisation on 31 May 2017 instead of paying a cash dividend, which ensures management remain aligned with Shareholders.

Terms used in this announcement shall have the same meanings as set out in the Circular.

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