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**FOR IMMEDIATE RELEASE**

21 March 2018

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

**Melrose reaches agreement with GKN Pension Scheme Trustees**

Melrose announces that it has reached an agreement with the GKN Pension Scheme Trustees (the “Agreement”) which will protect and considerably improve the position of all GKN pensioners.

This agreement is in line with Melrose’s original assumptions in respect of the GKN acquisition.

The key elements of the Agreement:

- Cash contributions of up to c.£1 billion to prudently fund the GKN schemes, comprising:
  - An initial contribution of £150 million, of which c.£60 million will be paid to the 2016 Scheme to secure self-sufficiency using a Gilts+25bps discount rate;
  - Agreement to a safer funding basis for the 2012 Scheme targeting full funding using a discount rate of Gilts+75bps, achieved by:
    - Doubling annual contributions to £60 million; and
    - An agreed formula for contributions on disposals
- Payments to the Schemes will be secured by a Melrose guarantee

**Christopher Miller, Chairman of Melrose, said:**

*“The agreement with the GKN Pension Scheme Trustees is another concrete example of Melrose’s exemplary track record with pension schemes and its desire to look after all stakeholders.*

*This agreement would significantly improve the position of the members of GKN’s pension schemes and is in line with our original plans for the business. We are delighted to secure another important step in our offer to buy GKN.”*

The Agreement is conditional on the Melrose Offer for GKN becoming wholly unconditional.

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**Important Notices**

Capitalised terms used in this announcement but not defined have the meanings given to them in the Final Offer Document.

**Financial Advisers**

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## **Notice to Overseas Shareholders**

The release, publication or distribution of this announcement, the Original Offer Document, the First Form of Acceptance, the Original Prospectus Equivalent Document, the Final Offer Document, the Second Form of Acceptance or the New Prospectus Equivalent Document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to accept the Offer or to execute and deliver a Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.

Unless otherwise determined by Melrose or required by the City Code, and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in, into or from the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this announcement, the Original Offer Document, the First Form of Acceptance, the Original Prospectus Equivalent Document, the Final Offer Document, the Second Form of Acceptance or the New Prospectus Equivalent Document and any accompanying document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from the United States or any other Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction.

The availability of the Offer to GKN Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Any such person should read paragraph 16 of Part 1 of the Final Offer Document and Section D of Part 2 (if such person holds GKN Shares in certificated form) or Section E of Part 2 (if such person holds GKN Shares in uncertificated form) of the Original Offer Document and inform themselves of, and observe, any applicable legal or regulatory requirements.

### **Rule 26.1 disclosure**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at [www.melroseplc.net](http://www.melroseplc.net) by no later than 12 noon (London time) on the business day following the date of this announcement.

The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.