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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

12 March 2018

**INCREASED AND FINAL OFFER
FOR
GKN PLC (“GKN”)
BY
MELROSE INDUSTRIES PLC (“MELROSE”)**

Highlights

- **Final offer valued at 467 pence per share, valuing GKN at £8.1 billion**
- **GKN shareholders to own 60% of Melrose, a UK listed manufacturing powerhouse, and receive £1.4 billion in cash**
- **Attractive immediate premium of 43%**
- **All recent attempts to engage in constructive discussions have been refused by the GKN Board**
- **Dana transaction is prejudicial to GKN’s UK shareholders and is, in our view, a bad deal for other stakeholders including UK PLC**
- **Deadline for acceptances is 1.00 p.m. on Thursday, 29 March 2018**
- **Offer will not be increased under any circumstances**

Set out below is a letter from Christopher Miller, Chairman of Melrose, to be sent to GKN Shareholders in the Final Offer Document:

Dear Shareholder

Much has been said and written since 12 January 2018 when the GKN Board made our approach public. We are nearing the end of the customary offer timetable and it is now time for you to decide.

On the one hand you can join us on a journey of value creation by investing in a UK listed manufacturing powerhouse worth over £10 billion today and receiving £1.4 billion of cash.

On the other hand your Board is attempting a hasty fire-sale of GKN businesses before they have been given a chance to reach their potential and with damaging consequences, we believe, for all stakeholders.

The potential transaction with Dana, if it is allowed to go ahead in the last quarter of this year, would leave you with a minority stake in a foreign listed group run by a Dana management team based in Ohio. Many of you may not be able to hold the shares being offered by Dana as part of the consideration as they will not be listed in the UK. It is surprising that the GKN Board would recommend such a transaction knowing that it is likely to require a forced sale of Dana shares, a fact that will be anticipated by the US markets. Private UK shareholders should also be aware that they would be liable to income tax on the value of any new Dana shares they receive. This transaction would involve a lengthy and uncertain completion process, including anti-trust clearances in the EU,

US and China, as well as Dana's shareholder approval, which is not expected until the last quarter of 2018.

The outcome of the Disposals would leave behind a GKN Aerospace business burdened by a disproportionate, and very substantial, amount of gross pension liabilities, inappropriate for the size of the underlying business. We believe this transaction poses real risks for GKN pensioners and employees in both Driveline and Aerospace and would be a bad outcome for UK Industrial Strategy.

The GKN Board has admitted their failure to manage your businesses, most recently evidenced by its full year 2017 performance which fell short of (already lowered) consensus expectations, delivering only £1 million of additional profit despite an increase in sales of approximately £1 billion.

The GKN Board has had four conflicting strategies for GKN in the last two months:

- Their initial “4Ps” strategy (1 February 2018); abruptly abandoned without as much as a backward glance
- Within approximately two weeks they announced the details of Project Boost to improve margins by 2020 and including the hasty sale of Powder Metallurgy, previously referred to as “a gem”
- This was then followed by plans for a formal demerger to take place in 2019
- Finally they announced a proposed sale of Driveline to a foreign buyer, scheduled for the fourth quarter of 2018

As recently as January this year, the GKN Board urged shareholders to retain the full benefits of the “clear upside potential” in GKN – instead, it is now recommending a hasty sale of two of its three largest businesses.

We continue to believe that Melrose has the right team to deliver the fundamental cultural change that GKN so desperately needs, maximising the benefit for GKN's shareholders, employees, customers and pensioners, and for UK industry as a whole. We have a clear plan; GKN does not. We note that the GKN management team has adopted many of the ideas that we set out in our initial approach in terms of its strategy for the only business it is not scrambling to sell.

From the very beginning, our preference has been to reach an agreement rather than carrying out a public debate. We have recently made attempts to engage in constructive discussion with the GKN Board with a view to agreeing the terms of a recommended offer. Your Board has unequivocally declined each time to enter into any such discussions with us and, as recently as Friday 9 March, was unwilling to even enquire on your behalf as to the terms of any revised proposal, a decision that no doubt you will find both surprising and disappointing.

Instead of £1.4 billion in cash and a majority investment in a stronger combined Melrose / GKN business, it appears the GKN Board prefers a minority stake in a foreign business (Dana) with no GKN management involvement. The GKN Board is suggesting this is the best option for shareholders, employees, pensioners and other stakeholders.

In the interests of decisively resolving the future of GKN, we are pleased to set out the terms of an increased and final offer which would give GKN Shareholders 60 per cent of the Enlarged Group and £1.4 billion in cash.

Under the terms of our Final Offer, as a GKN shareholder you will receive:

81 pence in cash
and 1.69 New Melrose Shares

For each GKN Share you hold

In addition, GKN Shareholders on the register on 6 April 2018 will be entitled to receive the final dividend of 6.2 pence per GKN share as announced by the GKN Board on 27 February 2018 (the “Announced Dividend”).

Based on Melrose’s Closing Price of 224.7 pence per Melrose Share on 9 March 2018 (being the last Business Day before the date of this Announcement), the Final Offer, together with the Announced Dividend:

- values each GKN Share at **467 pence**;
- values the entire issued and to be issued ordinary share capital of GKN at approximately £8.1 billion; and
- represents an attractive immediate premium of approximately 43 per cent to the Closing Price of 326.3 pence per GKN Share on 5 January 2018 (being the last Business Day prior to the approach made by Melrose to the GKN Board in connection with the Offer).

We are more convinced than ever that the Melrose team, who have decades of experience in successfully transforming businesses, are the only real choice of team to re-energise and re-focus GKN to unlock its full potential.

GKN's transaction with Dana: a bad deal for shareholders

On 9 March 2018, the GKN Board announced the proposed sale of GKN Driveline to Dana. In that announcement your Chairman, Mike Turner, stated that “this is a great deal for shareholders”. Melrose believes the opposite is true.

The Dana transaction:

- Sells the majority of the potential of GKN Driveline before any of the improvement that all parties agree is achievable
- Forces GKN shareholders, if they are so able, to accept shares in a foreign listed company, managed and controlled outside the UK. Many GKN Shareholders will have no alternative but to sell these shares
- Forces individual, UK tax-paying GKN shareholders to pay tax on receipt of Dana shares without any cash payment to fund it
- Leaves the remaining GKN Group with approximately £3.0 billion of gross pension liabilities. Post the hasty sale of Powder Metallurgy this could result in these gross pension liabilities being over 10 times the size of the Aerospace management profits, a ratio three times the average for the FTSE 100, prior to implementing more controversial methods to incentivise pension scheme members to give up some of their benefits
- Commits GKN to a lengthy and uncertain process in relation to anti-trust, a controversial and increasingly regulated US tax inversion and other conditions. We note that Dana shareholders have an option to “walk away” at a cost of only \$54 million if they decide not to approve the transaction in the last quarter of 2018

Melrose believes that this hasty and ill-thought-through transaction is prejudicial to GKN’s shareholders.

Melrose creates: a UK publicly listed £10 billion manufacturing powerhouse
GKN: plans to sell all but one of its businesses prior to any improvement

We are confident GKN shareholders will benefit from creating a new £10 billion UK manufacturing powerhouse listed on the London Stock Exchange and managed under the successful Melrose operating model.

We believe this is a very exciting opportunity and will create a world leading company run by a proven team which will deliver opportunities for substantial business improvement for the benefit of all stakeholders.

Melrose delivers: record improvement achieved at Nortek

GKN: consistent misses of margin performance targets

Following the previous three successful acquisitions that Melrose has made, which have on average increased shareholders' investment by 2.7x, our latest acquisition, Nortek, is shaping up to be our fastest ever improvement.

With the announcement of our full year results for 2017, we reached another milestone with Nortek, achieving a faster rate of delivery of improvement than any of our previous acquisitions, exceeding even our own expectations of the pace of margin uplift and cash generation.

Nortek remains a great example of Melrose's strategy in action; we are creating substantial long-term value through our significant investment in increased productivity, new technology, new products and operations, alongside a divisional management team freed from a bureaucratic, centralised culture.

GKN Shareholders can benefit from further value accretion of these businesses (current value £4.4 billion); a fact that your Board has chosen to ignore.

Melrose invests: investment is at the heart of our strategy

GKN: expensed R&D spend approximately half of Melrose's

We invest significantly in our businesses, as if we were to own them forever, to ensure that they remain leaders in their markets and at the forefront of innovation, making them stronger and therefore more valuable.

We welcome investment proposals from all areas of our businesses, regardless of where they are in their respective improvement or ownership cycles. We analyse proposals on a case by case basis (there is no central "investment pot" that the businesses must compete for) and as long as the expected returns are adequate, we will make the necessary capital available. Indeed, we have never refused a request from any of our businesses for investment that met our return criteria.

On average Melrose spends a third again of its original equity purchase price on capital expenditure and business improvement. We equip our businesses for the future, with our development plans for them ranging well beyond our typical investment horizon to position them for long-term success.

Further, it is the Melrose philosophy to invest in research and development; at Elster and Nortek this has meant an R&D investment of approximately 4% of sales, fully expensed, over the last five years, equating to over £230 million. This is investment for the long-term.

Melrose empowers: giving authority back to operational management

GKN: inefficiently controlling from the centre, demotivating operational management

The success of the Melrose operating model includes freeing up the front line operators, the people who run the businesses on a day to day basis, to do their jobs, unconstrained by the burden of excessive central control. The managers of businesses owned by Melrose are able to devote more time to their customers, employees and suppliers, ensuring that the businesses are run to the best of their potential. We prefer to work with and strengthen incumbent management and indeed three out of

four Nortek businesses are still run by the same management teams that were in place when we bought the company.

We improve the performance of the businesses we acquire through a time-tested approach of concentrating on operational efficiencies followed by production optimisation and a focused investment programme. Once improved, we pride ourselves on timing any exits of the businesses under our ownership very carefully, taking into account the interests of all stakeholders.

Melrose protects: an impeccable steward of pension schemes

GKN: increasing the risks for pensioners and the remaining pension scheme members

The deal signed with Dana means that over two thirds of the Group's gross pension liabilities, including approximately 85% of the gross UK pension liabilities, will remain with the GKN group following the sale even though less than half of the profits of the Group are retained. This brings a material increase in risk to the remaining group.

As a result of this transaction and the expected hasty sale of the Powder Metallurgy business, the ratio of total gross pension liabilities to management trading profits could double from over 5 times to over 10 times, approximately 3 times the average ratio of companies in the FTSE 100, which will burden the remaining Aerospace company significantly more than it is today.

To try to overcome this issue GKN are relying on two more controversial exercises which require individual pension members to give up some of their benefits for an upfront incentive. The Pensions Regulator, and other bodies, have previously warned about the risks and responsibilities of doing such exercises, namely:

- an enhanced transfer value exercise – whereby UK scheme members are incentivised to give up the future security provided by their defined benefit pension scheme by transferring out of the scheme
- pension increase exchanges – whereby UK pensioners are incentivised to give up the future inflation protection provided by their defined benefit pension scheme in return for a one-off increase in their annual pension payment

A more appropriate use of the \$1.6 billion cash transaction proceeds would have been to better fund the scheme and to increase the ongoing contributions to improve the position for the scheme members.

It is our view that it is irresponsible of the GKN Board to proclaim a value maximising strategy whilst overburdening its only remaining business with liabilities of this nature. Shareholders should be concerned that the future GKN Aerospace business may be hampered in its ability to compete and invest on the global stage.

By contrast, Melrose has been an impeccable steward of the pension schemes of the companies it has owned and is committed to looking after all stakeholders. We have strengthened every single pension scheme we have acquired.

We are pleased to confirm that we are in constructive talks with the GKN Pension Scheme Trustees. We have already committed to make annual payments to the GKN pension schemes at a level greater than that which GKN pays into the schemes today, over and above the substantial voluntary cash contribution of £150 million that we announced previously.

Melrose's model: consistently creating high shareholder returns

GKN: Melrose's final offer is significantly above the highest price that GKN has traded in the past 10 years

Our primary objectives are to transform the companies we own and in doing so create material value for shareholders. Since our first acquisition in 2005, we have generated a total net shareholder value increase of £4.9 billion and have returned £4.3 billion of cash to shareholders. The Melrose Board believes that the acquisition of GKN will meet our strict criteria for investment returns.

Shareholders who invested £1 with us on our first acquisition and participated in subsequent capital raisings, would now have approximately £18. Over the same period, we have achieved a total shareholder return of over 3,000%, compared to an average of approximately 230% across the FTSE 350 constituents, making us the third best performer in the index.

We have always put our faith in public markets and financed our transactions mostly using equity. Unlike private equity companies, we do not rely on debt to boost returns and use only modest and prudent levels of leverage, well within UK industrial norms.

Our Final Offer: a deliverable and valuable proposition

Under our Offer there exists today a real opportunity to build a better, stronger, more valuable GKN, giving you the shareholders the opportunity to participate in the success of a UK listed manufacturing powerhouse with very significant future potential.

Our Final Offer is deliverable; we have already received clearance in respect of US, Canadian and European anti-trust as well as Melrose shareholder approval. There is no further shareholder approval required to make and implement the Final Offer. All remaining required regulatory approval processes, including CFIUS, have been initiated and are progressing well. We remain highly confident that we will obtain these approvals within the parameters of the offer timetable.

Melrose's approach has already created £1.9 billion for GKN shareholders. We are the best team to realise GKN's full potential and would welcome the opportunity to deliver this value for you.

We invite you to accept our Final Offer without delay and in any event by no later than 1.00 p.m. on Thursday, 29 March 2018.

Yours sincerely

Christopher Miller

Additional important information

The financial terms of the Final Offer are final and will not be increased. **The deadline for acceptances of the Final Offer (being 1.00 p.m. on Thursday 29 March 2018) will not be extended, save as set out below⁽¹⁾.** If sufficient acceptances in respect of the Offer are not received by Melrose on or prior to such time in order to satisfy the Acceptance Condition, then the Offer will lapse.

Should Melrose receive sufficient acceptances in respect of the Offer on or prior to 1.00 p.m. on Thursday 29 March, Melrose expects the Offer to become or be declared wholly unconditional by no later than Thursday 19 April 2018 (or such later date as may be agreed with Panel).

Acceptances of the Original Offer shall be deemed to be an acceptance of the Final Offer. Therefore, GKN Shareholders who have already validly accepted the Original Offer are not required to take any further action in respect of the Final Offer.

If, after the date of this Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the GKN Shares (other than the announced dividend of 6.2p), the offer consideration will be reduced by the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid, in which case any reference in this Announcement or the Final Offer Document to the offer consideration for the GKN Shares will be deemed to be a reference to the offer consideration as so reduced.

Melrose confirms that the Mix and Match Facility will apply to the terms of the Final Offer. Accordingly Eligible GKN Shareholders are entitled to elect, subject to offsetting elections, to vary the proportions in which they receive new Melrose Shares and cash in respect of their GKN Shares. Melrose reserves the right to close the Mix and Match facility at 1.00 p.m. (London time) on 29 March 2018 without further notice.

The Melrose Directors, who have been so advised by Rothschild and RBC Europe Limited as to the financial terms of the Final Offer, consider the terms of the Final Offer to be fair and reasonable. In providing their advice to the Melrose Directors, Rothschild and RBC Europe Limited have taken into account the Melrose Directors' commercial assessment of the Acquisition.

Rothschild and RBC Europe Limited are satisfied that sufficient resources are available to Melrose to satisfy in full the cash consideration that may become payable to GKN Shareholders pursuant to the Final Offer.

Melrose Shareholder approval of the Offer was received at the Melrose General Meeting held on 8 March 2018 and no further shareholder approval is required to make and implement the Final Offer. Melrose confirms it has, together with the approvals obtained at its 2017 AGM and at the Melrose General Meeting held on 8 March 2018, sufficient authority to issue the further shares to be issued pursuant to the terms of the Final Offer.

A final offer document will be posted to GKN Shareholders and a new prospectus equivalent document published in respect of the Final Offer as soon as practicable, but in any event not later than Thursday, 15 March 2018.

Code reservation

⁽¹⁾ Melrose reserves the right to extend this deadline if GKN consents to such extension for the purposes of gaining CFIUS approval only (as GKN said it would be willing to consider doing in its announcement of 9 February 2018).

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APPENDIX I

FURTHER DETAILS

1. How to accept the Final Offer

The deadline for acceptances of the Final Offer is 1.00 p.m. (London time) on Thursday 29 March 2018.

GKN Shareholders who have not yet accepted the Original Offer and who wish to accept the Final Offer are urged to do so as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 29 March 2018.

GKN Shareholders wishing to accept the Final Offer in respect of certificated GKN Shares, should complete either: (i) before the Final Offer Document is posted, the First Form of Acceptance accompanying the Original Offer Document; or (ii) once the Final Offer Document is posted, the Second Form of Acceptance accompanying the Final Offer Document.

GKN Shareholders wishing to accept the Final Offer in respect of uncertificated shares should do so electronically through CREST. GKN Shareholders who hold GKN Shares as a CREST sponsored member should refer to their CREST sponsor as only the CREST sponsor will be able to send the necessary instruction to Euroclear.

Acceptances of the Original Offer shall be deemed to be acceptances of the Final Offer, and, if a GKN Shareholder has made a Mix and Match Election in its acceptance, to be a Mix and Match Election under the terms of the Final Offer. Therefore, GKN Shareholders who have already validly accepted the Original Offer are not required to take any further action in respect of the Final Offer.

If you have any questions relating to the Final Offer or documents published by Melrose relating to the Final Offer, or if you are in any doubt as to how to complete the First Form of Acceptance or the Second Form of Acceptance (if you hold GKN Shares in certificated form), or how to make an Electronic Acceptance (if you hold GKN Shares in uncertificated form), please contact the Receiving Agent, Equiniti Limited, on 0333 207 6524 or, if calling from outside the United Kingdom, +44 121 415 0909. Lines are open 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Final Offer nor give any financial, legal or tax advice.

2. Compulsory acquisition, delisting of GKN Shares and re-registration of GKN

If Melrose receives acceptances under the Offer in respect of, and/or otherwise acquires, both 90 per cent. or more in value of the GKN Shares to which the Offer relates and 90 per cent. or more of the voting rights carried by those shares, and assuming that all of the other Conditions have been satisfied or waived (if capable of being waived), Melrose intends to apply the provision of sections 974 to 991 of the Companies Act to compulsorily acquire any outstanding GKN Shares to which the Offer relates and in respect of which the Offer has not been accepted. Any GKN Shares compulsorily acquired will be acquired on the same terms as the Final Offer.

If the Offer becomes or is declared unconditional in all respects and Melrose has, by virtue of acceptances of the Offer, acquired GKN Shares carrying 75 per cent. or more of the voting rights of GKN, it is intended that an application will be made to the London Stock Exchange for the cancellation of the trading of GKN Shares on its main market for listed securities and the UKLA will be requested to cancel the listing of GKN Shares on the Official List.

As soon as possible after the cancellation of the trading of GKN Shares on the London Stock Exchange's main market for listed securities and the cancellation of the listing of GKN Shares on the Official List, it is intended that GKN will be re-registered as a private limited company.

Delisting of the GKN Shares and the re-registration of GKN as a private limited company will significantly reduce the liquidity and marketability of any GKN Shares in respect of which the Offer has not been accepted at that time. Any remaining GKN Shareholders would become minority shareholders in a majority-controlled private limited company and may therefore be unable to sell their GKN Shares. There can be no certainty that GKN would pay any further dividends or other distributions or that such minority GKN Shareholders would again be offered an opportunity to sell their GKN Shares on terms which are equivalent to or no less advantageous than those under the Offer.

3. **Additional information**

In accordance with Rule 32.1 of the City Code, the Final Offer Document containing the full terms of and conditions to the Final Offer together with the Second Form of Acceptance will be posted to GKN Shareholders and persons with information rights by no later than 15 March 2018 and will be made available, subject to certain restrictions relating to persons resident in certain jurisdictions, on Melrose's website at www.melroseplc.net in due course.

Melrose will also be publishing a New Prospectus Equivalent Document relating to the issuance of the New Melrose Shares in connection with the Final Offer, which replaces the prospectus equivalent document published by Melrose on 1 February 2018. Copies of the New Prospectus Equivalent Document will not be posted to GKN Shareholders but will be made available, subject to certain restrictions relating to persons resident in certain jurisdictions, on Melrose's website at www.melroseplc.net in due course.

GKN Shareholders are urged to read the Final Offer Document, the Second Form of Acceptance and the New Prospectus Equivalent Document carefully when they become available because they will contain important information in relation to the Final Offer, the New Melrose Shares and the Enlarged Group.

Save as set out in this Announcement (including in Appendix I), the Final Offer will be subject to the same terms and conditions as the Original Offer set out in the Original Offer Document. The Final Offer will be a revision to the Original Offer and shall be construed accordingly.

Appendix II sets out the conditions to and further terms of the Final Offer. Appendix III contains the sources and bases of certain information used in this Announcement. Appendix IV contains a list of defined terms used in this Announcement, and where not included in Appendix IV, capitalised terms in this Announcement have the same meanings as set out in the Original Offer Document.

APPENDIX II

CONDITIONS AND FURTHER TERMS OF THE FINAL OFFER

Section A: Conditions of the Final Offer

The Offer is made subject to the Conditions set out in Section A of Part 2 of the Original Offer Document (which conditions shall be deemed to be incorporated into and form part of Appendix 1), save that any reference in Section A of Part 2 of the Original Offer Document to 9 March 2018 will now be construed as a reference to 29 March 2018 and any reference to the Offer will now be construed as a reference to the Final Offer.

No Conditions have been added to those set out in the Original Offer Document, and EU, US and Canada anti-trust approvals have been satisfied.

Section B: Further terms of the Final Offer

1. The Final Offer is a revision of the Original Offer and shall be construed accordingly.
2. The Final Offer is, save as set out in this Announcement, made on and subject to the further terms of the Original Offer set out in Sections B, C and D and E of Part 2 to the Original Offer Document, which shall be deemed to be incorporated into, and form part of, this Appendix 1, except that the following paragraphs of Section C of Part 2 to the Original Offer Document shall be amended as follows:

- (i) paragraph 7(b) shall be replaced with:

“The maximum aggregate amount of cash (being £1.4 billion) to be paid and the maximum aggregate amount of New Melrose Shares to be issued (being 2,947,744,041) under the Final Offer will not be varied as a result of elections under the Mix and Match Facility. The available cash and New Melrose Shares will be allocated in accordance with this paragraph 7 among Eligible GKN Shareholders who make valid Mix and Match Elections.”

- (ii) paragraph 7(e) shall be replaced with:

“Each Eligible GKN Shareholder will automatically receive the Base Consideration (81 pence and 1.69 New Melrose Shares). The Mix and Match Facility, however, allows Eligible GKN Shareholders to either:

(i) elect the “More Shares” option (equating to approximately 2.0505¹ New Melrose Shares for every GKN Share so elected if other GKN Shareholders make equal and opposite Mix and Match Elections), so as to surrender some or all of their entitlement to the cash component under the terms of the Final Offer (being 81 pence per GKN Share held) in exchange for additional New Melrose Shares (being approximately 0.3605² New Melrose Shares per 81 pence if other GKN Shareholders make equal and opposite Mix and Match Elections) in addition to the 1.69 New Melrose Shares due; or

(ii) elect the “More Cash” option (equating to 460.7 pence for every GKN Share so elected if other GKN Shareholders make equal and opposite Mix and Match Elections), so as to surrender some or all of their entitlement to New Melrose Share under the terms of the Final Offer (being 1.69 New Melrose Shares per GKN Share held) in exchange for additional cash (being 379.7 pence per 1.69 New Melrose Shares if other GKN Shareholders make equal and opposite Mix and Match Elections) in addition to the 81 pence per GKN Share due.

The ratio for making elections under the Mix and Match Facility has been determined by reference to the base consideration of 461 pence per GKN Share.

¹ The full number of New Melrose Shares for every GKN Share under the “More Shares” option is 2.05048064085447.

² The full number of New Melrose Shares for every 81 pence under the “More Shares” option is 0.36048064085447.

IMPORTANT: An election under the Mix and Match Facility does not guarantee that you will receive either 2.0505 New Melrose Shares under the “More Shares” option or 460.7 pence under the “More Cash” option in respect of each GKN Share so elected. Elections under the Mix and Match Facility could be scaled back pro rata, with any unsuccessful elections for the “More Cash” option or “More Shares” option being treated as an election to receive the Base Consideration of 1.69 pence and 81 New Melrose Shares. Adjustments to the entitlements of GKN Shareholders pursuant to the Mix and Match Elections may be made by Equiniti Limited under instruction from Melrose on a basis that Melrose consider to be fair and reasonable to the extent necessary to satisfy all entitlements pursuant to the Mix and Match Elections as nearly as may be practicable. Such adjustments shall be final and binding on GKN Shareholders.”

(iii) at the end of paragraph 10(p) the addition of the words “save for the Announced Dividend”;

(iv) paragraph 10(q) shall be replaced with:

“Save in respect of the Announced Dividend if, after 17 January 2018, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the GKN Shares, Melrose shall reduce the offer consideration by an amount up to the amount of such dividend and/or distribution and/or return of capital so announced, declared or paid, in which case any reference to the offer consideration for the GKN Shares will be deemed to be a reference to the offer consideration as so reduced and GKN Shareholders will be entitled to receive and retain that dividend and/or distribution and/ or return of capital. For the avoidance of doubt, any payments made in cash or by way of the delivery of shares on the vesting of awards calculated by reference to dividends accrued in respect of those underlying vested shares are not to be construed as a dividend, distribution or return of capital for these purposes. In the event of any such dividend and/or other distribution and/or other return of capital being announced, declared or paid in respect of the GKN Shares, an appropriate adjustment will be made to the Mix and Match Facility.”

(v) the reference to 6 p.m. on 30 January 2018 in Section D of Part 2 of the Original Offer Document shall be amended to refer to 6 p.m. on 9 March 2018; and

(vi) in accordance with Rule 12.1(a) of the City Code, it is a term of the Offer that if the Offer comes within the statutory provisions for a possible Phase 2 CMA reference, the Offer will lapse if there is a Phase 2 CMA reference before the First Closing Date or the date when the Offer becomes or is declared unconditional as to acceptances, whichever is the later.

3. Unless the context requires otherwise, any reference in the Original Offer Document, including in particular Sections B, C and D and E of Part 2 to the Original Offer Document, and in the First Form of Acceptance to:

(i) the “Offer” shall mean the offer made by Melrose to acquire the entire issued and to be issued share capital of GKN on the terms and subject to the conditions set out in the Original Offer Document (as amended by the Final Offer Document) and the First Form of Acceptance and the Second Form of Acceptance (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer including any election or alternative available in connection with it);

(ii) the “Offer Document” shall, where the context requires, mean the Original Offer Document and/or the Final Offer Document;

(iii) “acceptances of the Offer” includes acceptances and deemed acceptances of the Original Offer and the Final Offer;

(iv) 2 April 2018 in the definition of “Day 60” shall be replaced and shall mean 29 March 2018;

- (v) the “Form of Acceptance” shall, where the context requires, mean the First Form of Acceptance and the Second Form of Acceptance; and
 - (vi) “Base Consideration” shall mean the base consideration payable to relevant Eligible GKN Shareholders following the Effective Date of 1.69 New Melrose Shares and 81 pence in cash for each GKN Share held.
4. Acceptances of the Original Offer shall be deemed to be acceptances of the Final Offer, and, if you have made a Mix and Match Election in your acceptance, to be a Mix and Match Election under the terms of the Final Offer described in the Final Offer Document. Therefore, if you have already validly accepted the Original Offer, you are not required to take any further action in respect of the Final Offer.
5. Payment of the Announced Dividend is subject to the approval of GKN Shareholders. In the event the Offer is declared wholly unconditional before GKN holds its 2018 annual general meeting to approve (among other things) the Announced Dividend, Melrose confirms that it will vote its GKN Shares in favour of the resolution approving payment of the Announced Dividend and thereafter the Announced Dividend will become payable on 14 May 2018 to those GKN Shareholders on the register at 6 April 2018. In the event the Announced Dividend is not tabled for approval at GKN’s 2018 annual general meeting and the Offer is declared wholly unconditional, Melrose will procure that the GKN Board will instead declare a special interim dividend equal to the value of the Announced Dividend per GKN Share so that those GKN Shareholders who were on the register on 6 April 2018 will receive the Announced Dividend.

APPENDIX III

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement:

1. the maximum number of issued GKN Shares of 1,744,227,243 is based on 1,718,442,520 shares in issue (excluding treasury shares) plus 25,784,723 of total options as provided by GKN subject to Rule 10, Note 3 of the City Code, and adjusted for share issuances since the latest information provided;
2. the number of issued Melrose Shares is based on 1,941,200,503 shares in issue, as announced by Melrose on 5 March 2018;
3. unless otherwise stated, all prices quoted for Melrose Shares and GKN Shares have been derived from the Daily Official List;
4. the current implied offer value per GKN Share of 467 pence per GKN Share is calculated by multiplying the number of Melrose Shares to be received per GKN Share held, being 1.69, by the closing price of a Melrose share on 9 March 2018 of 224.7 pence and adding the 81 pence per GKN share to be received in cash and the final dividend of 6.2 pence payable to GKN Shareholders on the register on 6 April 2018;
5. the value of the GKN ordinary share capital of approximately £8.1 billion is calculated by multiplying the current implied offer value of 467 pence per GKN Share by the number of New Melrose Shares to be issued to GKN Shareholders (being 1.69 multiplied by the number of issued GKN Shares);
6. the percentage of the ordinary share capital of Melrose that will be owned by former GKN Shareholders of 60% is calculated by dividing the number of New Melrose Shares to be issued to GKN Shareholders (being 1.69 multiplied by the number of issued GKN Shares) by the sum of the total of the number of issued Melrose Shares plus the number of New Melrose Shares to be issued to GKN Shareholders;
7. the immediate cash payment of £1.4 billion is calculated by multiplying the value of cash that a GKN Shareholder will receive under the Offer per GKN Share, being 81 pence, by the number of issued GKN Shares (as set out in note 1 above);
8. the calculation of the 43% premium to the price per GKN Share has been calculated by reference to the closing price on 5 January 2018 (being the last Business Day before the approach made by Melrose to the GKN Board in connection with the Acquisition) of 326.3 pence in respect of a GKN Share;
9. the value of the combined group of over £10 billion today is calculated by multiplying the total number of New Melrose Shares issued as a result of the Offer (being the number of issued GKN Shares multiplied by 1.69) and adding to this the number of issued Melrose Shares. This is subsequently multiplied by the Closing Price of a Melrose Share on 9 March 2018 (being the latest practicable date prior to this announcement) of 224.7 pence;
10. GKN management revenue full-year 2016 of £9,414 million and full-year 2017 of £10,409 million, GKN management trading profit full-year 2016 of £773 million and full-year 2017 of £774 million (excluding the £112 million North American Aerospace balance sheet review adjustments). Figures are as set out in GKN's results presentation dated 27 February 2018;
11. the approximately £3.0 billion of gross pension liabilities that will remain with the GKN group following the proposed sale of Dana is calculated by taking GKN's reported full-year 2017 total gross pension liabilities of £4,405 million and subtracting the amount of gross pension liabilities that GKN has confirmed will transfer to Dana, being £1,375 million, leaving £3,030 million of total gross pension liabilities in the remaining group as shown on slide 21 of GKN's presentation on 9 March 2018;

12. the full-year 2017 total gross pension liabilities of £4,405 million is over 5 times the size of full-year 2017 management trading profit for GKN Group of £774 million. The total gross pension liabilities of £3,030 million that will remain with the GKN Group post the Disposals is over 10 times the 2017 management trading profit for Aerospace of £283 million (referred to on p.10 of GKN's announcement on 14 February 2017);
13. the average ratio of gross pension liabilities to reported operating profit for FTSE 100 companies was 3.6x in 2016. Gross pension liabilities for 2016 have been sourced from: LCP Accounting for Pensions 2017. Reported operating profit for 2016 has been sourced from Factset;
14. the average return on shareholders' investment of 2.7x in respect of the previous three acquisitions that Melrose has made is calculated based on the following; initial equity outlay of £244 million and total cash return of £734 million in respect of the McKechnie/Dynacast acquisition (3.0x return); initial equity outlay of £499 million and total cash return of £1,431 million in respect of the FKI acquisition (2.9x return), and initial equity outlay of £1,168 million and total cash return of £2,643 million in respect of the Elster acquisition (2.3x return);
15. the current value of Melrose's businesses is equivalent to its market capitalisation, being the closing price of a Melrose share on 9 March 2018 of 224.7 pence multiplied by the number of issued Melrose Shares;
16. the gross pension liabilities that will remain with the GKN Group of £3,030 million are over two thirds of the full-year 2017 total gross pension liabilities of £4,405 million. the UK related gross pension liabilities that will remain with the GKN Group of £2,776 million (being the reported full-year 2017 UK related gross pension liabilities of £3,309 million less the amount of UK related gross pension liabilities that GKN has confirmed will transfer to Dana, being £533 million) are approximately 85% of the UK-related full-year 2017 total gross pension liabilities of £3,309 million;
17. the maximum price of a GKN Share over the last 10 years is 414.9 pence (24 February 2014), based on share prices between 4 January 2008 and 5 January 2018 (being the last Business Day before the approach made by Melrose to the GKN Board in connection with the Offer) adjusted for the effects of the rights issue in July 2009 on share prices prior to that date;
18. the total Melrose net shareholder value increase of £4.9 billion is calculated based on total money invested of £3.64 billion and total money returned to investors of £4.35 billion in addition to the market capitalisation of £4.22 billion as at 5 January 2018, the last business day prior to the approach made by Melrose to GKN's board in connection with the Acquisition;
19. £1.00 of original investment in Melrose at the time of the first acquisition plus additional investment in subsequent capital raisings of £11.85 gives a net return of £17.65 after accounting for capital returns of £13.24, ordinary dividends of £2.05 and the market value of shares held of £14.21, based on the Closing Price of a Melrose Share on 5 January 2018 (being the last Business Day before the approach made by Melrose to the GKN Board in connection with the Acquisition);
20. TSR source data from Datastream, from October 2003 (date of Melrose formation) to close of business on 5 January 2018; and
21. the GKN value uplift of £1.9 billion is based on the difference between the closing GKN Share price 435.1 pence on 9 March 2018 and the closing GKN Share price of 326.3 pence on 5 January 2018 (being the last business day prior to the approach made by Melrose to the GKN Board in connection with the Acquisition), using basic shares outstanding (excluding shares held in Treasury) of 1,718,442,520 as announced by GKN on 1 March 2018.

Certain figures have been subject to rounding adjustments.

APPENDIX IV

DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

Announced Dividend	the final dividend of 6.2 pence per GKN Share as recommended by the GKN Board and announced on 27 February 2018
Dana	Dana Incorporated
Disposals	the proposed sale of Driveline to Dana plc and the proposed future sale of Powder Metallurgy and assumes that no pension liabilities are transferred on the disposal of Powder Metallurgy
Final Offer	the offer made by Melrose to acquire the entire issued and to be issued share capital of GKN on the terms and subject to the conditions to be set out in the Final Offer Document and the Second Form of Acceptance (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer including any election or alternative available in connection with it)
Final Offer Document	the document to be dispatched to Eligible GKN Shareholders containing (among other things) the terms and conditions of the Final Offer
First Form of Acceptance	the form of acceptance to accept the Original Offer
New Prospectus Equivalent Document	the new prospectus equivalent document relating to the issuance of the New Melrose Shares in connection with the Final Offer
Offer	the offer made by Melrose to acquire the entire issued and to be issued share capital of GKN on the terms and subject to the conditions set out in the Original Offer Document (as amended by the Final Offer Document) and the First Form of Acceptance and the Second Form of Acceptance (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer including any election or alternative available in connection with it)
Original Offer	the offer made by Melrose to acquire the entire issued and to be issued share capital of GKN on the terms and subject to the conditions set out in the Original Offer Document and the First Form of Acceptance
Original Offer Document	the offer document published and sent to GKN Shareholders by Melrose on 1 February 2018
Second Form of Acceptance	the form of acceptance to accept the Final Offer

APPENDIX V

IMPORTANT INFORMATION

Important notices relating to financial advisers

N M Rothschild & Sons Limited (“Rothschild”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Melrose and for no one else in connection with the Final Offer and will not be responsible to anyone other than Melrose for providing the protections afforded to its clients or for providing advice in connection with the Final Offer.

RBC Europe Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Melrose and for no one else in connection with the Final Offer and will not be responsible to anyone other than Melrose for providing the protections afforded to its clients or for providing advice in connection with the Final Offer.

Investec Bank plc (“Investec”), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Melrose and no one else in connection with the Final Offer and will not be responsible to anyone other than Melrose for providing the protections afforded to its clients or for providing advice in connection with the Final Offer.

Further information

This Announcement is not intended to and does not constitute or form part of any offer to sell or subscribe for or any invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of Melrose pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Final Offer will be implemented solely pursuant to the terms of the Final Offer Document and the accompanying Second Form of Acceptance which will contain the full terms and conditions of the Final Offer, including details of how to accept the Final Offer. Any decision in respect of, or other response to, the Final Offer should be made only on the basis of the information contained in the Final Offer Document (read in conjunction with the Original Offer Document), the New Prospectus Equivalent Document and the Second Form of Acceptance.

This Announcement is an advertisement and does not constitute a prospectus or prospectus equivalent document, and no investment decision in relation to the Final Offer or the New Melrose Shares should be made except on the basis of information in the Final Offer Document (which amends the Original Offer Document) and the New Prospectus Equivalent Document (which replaces the Original Prospectus Equivalent Document) which are expected to be published in due course.

Information relating to GKN Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by GKN Shareholders, persons with information rights and other relevant persons for the receipt of communications from GKN may be provided to Melrose during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

Overseas jurisdictions

The release, publication or distribution of this Announcement and all documents relating to the Original Offer or the Final Offer 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 Final Offer or to execute and deliver the First Form of Acceptance or the Second Form of Acceptance may be affected by the laws of the relevant jurisdictions in which they are located.

This Announcement has been prepared for the purpose of complying with English law and the City Code, and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Melrose or required by the City Code, and permitted by applicable law and regulation, the Final 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 Final 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 Final Offer may not be capable of acceptance by any such use, means, instrumentality or facilities. Accordingly, copies of this Announcement and all documents relating to the Original Offer or the Final Offer 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 the details in relation to overseas shareholders in the Original Offer Document and inform themselves of, and observe, any applicable legal or regulatory requirements.

Notice to US investors

The Offer relates to the shares of an English company and is subject to UK procedural and disclosure requirements that are different from certain of those of the US. Any financial statements or other financial information included in this Announcement may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. It may be difficult for US holders of shares to enforce their rights and any claims they may have arising under the US federal securities laws in connection with the Acquisition, since Melrose and GKN are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the United States. US holders of shares in Melrose or GKN may not be able to sue Melrose, GKN or their respective officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel Melrose, GKN and their respective affiliates to subject themselves to the jurisdiction or judgment of a US court.

No document relating to the Final Offer or the Acquisition will be posted into the US, but a “Qualified Institutional Buyer” (as such expression is used in Rule 144A under the US Securities Act) or an “Accredited Investor” (as such expression is used in Rule 501(a) under the US Securities Act) may be permitted to participate in the Offer upon establishing its eligibility to receive New Melrose Shares by completing an eligibility questionnaire available on www.melroseplc.net and returning any required supporting documentation. The Final Offer will qualify for “Tier II” exemptions from the tender offer rules included in Regulation 14E under the US Exchange Act. Accordingly, the Final Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be different from those applicable under US domestic tender offer procedures and law. A person who receives New Melrose Shares pursuant to the Final Offer may not resell such securities without: (i) effective registration under the US Securities Act, or (ii) an applicable exemption from registration or in a transaction not subject to registration requirements of the US Securities Act and, in each case, in compliance with any applicable securities laws of any state or other jurisdiction of the United States (including a transaction that satisfies the applicable requirements of Rule 144A or Regulation S under the US Securities Act).

Nothing in this Announcement shall be deemed an acknowledgement that any SEC filing is required or that an offer requiring registration under the US Securities Act may ever occur in connection with the Acquisition.

The New Melrose Shares have not been, and will not be, registered under the securities laws of any state or jurisdiction in the United States and, accordingly, will only be issued to the extent that exemptions from the registration or qualification requirements of state “blue sky” securities laws are available or such registration or qualification requirements have been complied with. US investors should closely read the Original Offer Document for further details. In particular, US investors should note that once the Final Offer is declared unconditional in all respects, Melrose will accept all GKN Shares that have by that time been validly tendered (or deemed to have been validly tendered) in acceptance of the Final Offer and will, in accordance with the City Code, settle the relevant consideration for all such accepted GKN Shares within 14 calendar days of such date, rather than the three trading days that US investors may be accustomed to in US domestic tender offers. Similarly, if the Final Offer is terminated or withdrawn, all documents of title will be returned to shareholders within 14 calendar days of such termination or withdrawal.

The receipt of cash pursuant to the Final Offer by a US GKN Shareholder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each GKN Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Final Offer.

Forward looking statements

This Announcement contains certain forward looking statements with respect to the financial condition, results of operations and businesses of Melrose and GKN and their respective groups, and certain plans and objectives of Melrose with respect to the Enlarged Group. All statements other than statements of historical fact are, or may be deemed to be, forward looking statements. Forward looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward looking statements include, among other things, statements concerning the potential exposure of Melrose, the Melrose Group, GKN, the GKN Group and/or the Enlarged Group to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions, including as to future potential cost savings, synergies, earnings, cash flow, return on average capital employed, production and prospects. These forward looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “goals”, “intend”, “may”, “objectives”, “outlook”, “plan”, “probably”, “project”, “risks”, “seek”, “should”, “target”, “will” and similar terms and phrases.

There are a number of factors that could affect the future operations of Melrose, the Melrose Group, GKN, the GKN Group and/or the Enlarged Group and that could cause results to differ materially from those expressed in the forward looking statements included in this Announcement, including (without limitation): (a) changes in demand for Melrose’s and/or GKN’s products; (b) currency fluctuations; (c) loss of market share and industry competition; (d) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; and (e) changes in trading conditions.

All forward looking statements contained in this Announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward looking statements. For a discussion of important factors which could cause actual results to differ from forward looking statements in relation to the Melrose Group or the GKN Group, refer to the annual report and accounts of the Melrose Group for the financial year ended 31 December 2016 and of the GKN Group for the financial year ended 31 December 2016, respectively, as well as the section entitled “Risk Factors” in the Original Prospectus Equivalent Document or, once available, the New Prospectus Equivalent Document.

Unless otherwise specified, each forward looking statement speaks only as of the date of this Announcement. Neither Melrose nor the Melrose Group undertakes any obligation to publicly update or revise any forward looking statement as a result of new information, future events or otherwise,

except to the extent legally required, including without limitation pursuant to the Listing Rules, the Prospectus Rules, the Disclosure Guidance and Transparency Rules and the Market Abuse Regulations. In light of these risks, results could differ materially from those stated, implied or inferred from the forward looking statements contained in this Announcement.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments.

No Profit Forecasts or Estimates

No statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast, estimate or quantified financial benefits statement for any period and no statement in this Announcement should be interpreted to mean that cash flow from operations, free cash flow, earnings or earnings per share for Melrose, GKN or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published cash flow from operations, free cash flow, earnings or earnings per share for Melrose or GKN as appropriate.

Publication on website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in the United States or any other Restricted Jurisdiction, for inspection on Melrose's website www.melroseplc.net. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Subject to certain restrictions relating to persons in the United States or any other Restricted Jurisdiction, Melrose and GKN Shareholders may request a hard copy of this Announcement by contacting the Receiving Agent, Equiniti Limited by telephone between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding English and Welsh public holidays) on 0333 207 6524 or, if calling from outside the United Kingdom, +44 121 415 0909. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Final Offer nor give any financial, legal or tax advice. You may also request that all future documents, announcements and information to be sent to you in relation to the Final Offer should be in hard copy form. A hard copy of such documents, announcements and information will not be sent unless so requested in accordance with the above.

For the purpose of this section (Publication on website and availability of hard copies) of this Announcement, "Business Day" means a day on which the London Stock Exchange is open for the transaction of business.

Disclosure requirements of the City Code

Under Rule 8.3(a) of the City Code, any person who is interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to midnight on the day before the deadline for making an Opening Position Disclosure must instead make a dealing disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested (directly or indirectly) in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a dealing disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A dealing disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8 and have not changed. A dealing disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and dealing disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the City Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and dealing disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a dealing disclosure.

For the purpose of this section (*Disclosure requirements of the City Code*) "Business Day" means a day on which the London Stock Exchange is open for the transaction of business.