

# Notice of Annual General Meeting

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK, SOLICITOR, ACCOUNTANT, FUND MANAGER OR OTHER APPROPRIATE INDEPENDENT FINANCIAL ADVISER.**

If you have sold or otherwise transferred all of your shares in Melrose PLC you should send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

Notice is hereby given that the ninth Annual General Meeting of the Company will be held at Barber-Surgeons' Hall, Monkwell Square, Wood Street, London, EC2Y 5BL at 11.00 am on 9 May 2012 for the following purposes. Resolutions 1 to 13 will be proposed as ordinary resolutions and resolutions 14 to 16 as special resolutions.

## Ordinary resolutions

1. To receive the Company's audited financial statements for the financial year ended 31 December 2011, together with the Directors' report and the auditor's report on those financial statements.
2. To approve the Directors' Remuneration report contained in the Company's Annual Report and financial statements for the year ended 31 December 2011.
3. To declare a final dividend of 8.4p per ordinary share for the year ended 31 December 2011.
4. To re-elect Mr Christopher Miller as a Director of the Company.
5. To re-elect Mr David Roper as a Director of the Company.
6. To re-elect Mr Simon Peckham as a Director of the Company.
7. To re-elect Mr Geoffrey Martin as a Director of the Company.
8. To re-elect Mr Miles Templeman as a Director of the Company.
9. To re-elect Mr Perry Crosthwaite as a Director of the Company.
10. To re-elect Mr John Grant as a Director of the Company.
11. To elect Mr Justin Dowley as a Director of the Company.
12. To reappoint Deloitte LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid and to authorise the Directors to determine their remuneration.
13. That, in substitution for all existing authorities, the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares in the Company:
  - (A) up to an aggregate nominal amount of £331,724; and
  - (B) comprising equity securities (as defined in section 560(1) of the Companies Act 2006 (the 'Act')) up to an aggregate nominal amount of £663,448 (such amount to be reduced by the aggregate nominal amount of any allotments or grants made under paragraph (A) of this resolution) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary, and so that the Directors may impose any limits or restrictions and

make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the end of the Company's next Annual General Meeting after this resolution is passed (or, if earlier, until the close of business on 30 June 2013) but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority expires and the Directors may allot shares or grant rights under any such offer or agreement as if the authority had not expired.

## Special resolutions

14. That, in substitution for all existing powers and subject to the passing of resolution 13, the Directors be generally empowered to allot equity securities (as defined in the Act) for cash pursuant to the authority granted by resolution 13 and/or to sell ordinary shares in the capital of the Company held by the Company as treasury shares for cash in each case free of the restriction in section 561(1) of the Act, such power to be limited:
  - (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (B) of resolution 13, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only):
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities, as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

  - (B) to the allotment (otherwise than in the circumstances set out in paragraph (A) of this resolution) of equity securities pursuant to the authority granted by paragraph (A) of resolution 13 and/or the sale of treasury shares for cash up to a nominal amount of £49,758,

such power to apply until the end of the Company's next Annual General Meeting after this resolution is passed (or, if earlier, until the close of business on 30 June 2013) but so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power expires and the Directors may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not expired.


15. That the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of section 693 of the Act) of ordinary shares in the capital of the Company provided that:

- (A) the maximum aggregate number of ordinary shares authorised to be purchased is 39,096,104 (representing 10% of the issued ordinary share capital);
- (B) the minimum price which may be paid for an ordinary share shall not be less than the nominal value of an ordinary share at the time of such purchase;
- (C) the maximum price which may be paid for an ordinary share is not more than the higher of:
  - (i) 105 per cent of the average of the middle market quotation for an ordinary share as derived from the London Stock Exchange plc's Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venue where the purchase is carried out,

in each case, exclusive of expenses;

- (D) this authority will expire at the end of the next Annual General Meeting of the Company following the passing of this resolution (or, if earlier, at the close of business on 30 June 2013);
- (E) the Company may make a contract to purchase ordinary shares under this authority before expiry of the authority which will or may be executed wholly or partly after the expiry of that authority, and may make a purchase of ordinary shares in pursuance of any such contract; and
- (F) any ordinary shares purchased pursuant to this authority may either be held as treasury shares or cancelled by the Company, depending on which course of action is considered by the Directors to be in the best interests of shareholders at the time.

16. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.



Registered office  
Precision House  
Arden Road  
Alcester  
B49 6HN

**Garry Barnes**

Company Secretary  
7 March 2012

**Notes**

1. The holders of ordinary shares and 2009 Incentive Shares in the Company are entitled to attend the Annual General Meeting, but only holders of ordinary shares are entitled to vote. The holders of Non-Cumulative Redeemable Preference Shares of 75 pence each and C Deferred Shares of 75 pence each in the capital of the Company shall not be entitled to attend, speak or vote at the Annual General Meeting. A member entitled to attend and vote may appoint a proxy to exercise all or any of their rights to attend, speak and vote at a general meeting of the Company. Such a member may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares. A proxy need not be a member of the Company.
2. A form of proxy is enclosed with this notice. To be effective, a form of proxy must be completed and returned, together with any power of attorney or authority under which it is completed or a certified copy of such power or authority, so that it is received by the Company's registrars at the address specified on the form of proxy not less than 48 hours (excluding any part of a day that is not a working day) before the time for holding the meeting. Returning a completed form of proxy will not preclude a member from attending the meeting and voting in person.
3. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in paragraphs 1 and 2 can only be exercised by ordinary shareholders of the Company.
4. To be entitled to attend and vote at the Annual General Meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 6.00 pm on 4 May 2012 (or, in the event of an adjournment, on the date which is two days before the time of the adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at 7 March 2012, the Company's issued share capital consists of (i) 390,961,043 ordinary shares, carrying one vote each, and (ii) 50,000 2009 Incentive Shares of £1 each, 1,392,194 Non-Cumulative Redeemable Preference Shares of 75 pence each and 34,331,656 C Deferred Shares of 75 pence each in the capital of the Company, each of which shall not carry a right to vote on the resolutions to be considered at the Annual General Meeting. Therefore, the total voting rights in the Company as at 7 March 2012 are 390,961,043.

## Notice of Annual General Meeting continued

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 11.00 am on 4 May 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
11. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.
12. Any member holding ordinary shares attending the meeting has the right to ask questions. The Company must answer any such questions relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. A copy of this notice, and other information required by section 311A of the Act, can be found at [www.melroseplc.net](http://www.melroseplc.net).
14. You may not use an electronic address provided in either this Notice of Annual General Meeting or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.
15. The following documents will be available for inspection at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for 15 minutes prior to and during the meeting:
  - (A) copies of all service agreements under which Directors of the Company are employed by the Company or any subsidiaries; and
  - (B) a copy of the terms of appointment of the non-executive Directors of the Company.
16. You may register your vote online by visiting Equiniti's website at [www.sharevote.co.uk](http://www.sharevote.co.uk). In order to register your vote online, you will need to enter the Task ID, together with your Voting ID and Shareholder Reference Number which are set out on the enclosed Proxy Form. The return of the Proxy Form by post or registering your vote online will not prevent you from attending the Annual General Meeting and voting in person, should you wish. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and then clicking on the link to vote under their Melrose PLC holding details. The on-screen instructions give details on how to complete the appointment process. A proxy appointment made electronically will not be valid if sent to any address other than those provided or if received after 11.00 am on 4 May 2012.