

DATED 19 MARCH 2018

(1) COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN SCA

(2) FENNER PLC

COOPERATION AGREEMENT

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THIS AGREEMENT is made on 19 March 2018

BETWEEN:-

- (1) **COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN SCA**, a French *société en commandite par actions*, whose registered office is at 12, cours Sablon, 63040 Clermont-Ferrand, France, registered with the Trade and Company Registry of Clermont-Ferrand (France) under number 855 200 887 ("**Michelin**"); and
- (2) **FENNER PLC**, a public limited company registered in England and Wales with registered number 00329377, whose registered office is at Hesslewood Country Office Park, Ferriby Road, Hessle, East Yorkshire, HU13 0PW, United Kingdom ("**Fenner**"),

(each a "party" and together the "parties").

WHEREAS:-

- (A) Michelin proposes to announce a firm intention to make a recommended acquisition of the entire issued and to be issued share capital of Fenner pursuant to Rule 2.7 of the Code.
- (B) The Acquisition will be made on the terms and subject to the conditions set out in the Announcement and this Agreement.
- (C) The parties intend that the Acquisition will be implemented by way of the Scheme, although Michelin reserves the right, subject to the terms of this Agreement and the Announcement, to implement the Acquisition by way of the Takeover Offer.
- (D) The parties are entering into this Agreement to set out certain obligations and commitments in relation to the implementation of the Acquisition (whether by way of the Scheme or the Takeover Offer).

IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (including the recitals but excluding Schedule 1), the terms and expressions listed in this Clause 1.1 shall have the meanings set out in this Clause 1.1. Terms and expressions used in Schedule 1 shall have the meanings given to them in Schedule 1:-

"Acceptance Condition"	means the acceptance condition to any Takeover Offer
"Acquisition Document"	means (i) if the Scheme is (or is to be) implemented, the Scheme Document; or (ii) if the Takeover Offer is (or is to be) implemented, the Offer Document
"Acquisition Price"	means 610 pence per Fenner Share
"Acquisition"	means the direct or indirect acquisition of the entire issued and to be issued share capital of Fenner by Michelin, to be effected by way of: (i) the Scheme; or (ii) the Takeover Offer (as the case may be)
"Agreed Level"	means the level of employer contributions required from time to time under the rules of the Fenner UK Pension Scheme including the contributions set out in the Schedule of Contributions prepared under section 227 of the Pensions Act 2004
"Agreed Switch"	has the meaning given in Clause 6.1.1

"Announcement"	means the announcement detailing the terms and conditions of the Acquisition to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in Schedule 1
"Business Day"	means a day other than a Saturday or Sunday or public holiday in England and Wales on which banks in London are open for general commercial business
"Clearances"	means any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that are required to be obtained, all filings that are required to be made (or that are reasonably considered appropriate or desirable by Michelin) and waiting periods that need to have expired, from or under any of the Laws, regulations or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party)
"Code"	means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel
"Companies Act"	means the Companies Act 2006
"Competing Proposal"	means:- <ul style="list-style-type: none"> (a) an offer (including a partial offer for 30 per cent. or more of the issued or to be issued ordinary share capital of Fenner, exchange or tender offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued or to be issued ordinary share capital of Fenner (when aggregated with the shares already held by the acquirer and any person acting or presumed or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Code) of Fenner; (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Fenner Group calculated by reference to any of its revenue, profits or value taken as a whole; (c) a demerger and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Fenner Group calculated by reference to any of its revenue, profits or value taken as a whole; or (d) any other transaction which would be reasonably likely materially to preclude, impede or delay or otherwise prejudice, be an alternative to, or inconsistent with, the implementation of the Acquisition (including, for the avoidance of doubt, any transaction or arrangement which would constitute a Class 1 transaction for the purposes of the Listing Rules undertaken by Fenner),

in each case which is not effected by Michelin (or a person acting

in concert with Michelin) or at Michelin's express written direction or with Michelin's express written agreement, and in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise

"Conditions"

means:-

- (a) for so long as the Acquisition is being implemented by means of the Scheme, the terms and conditions to the implementation of the Acquisition (including the Scheme) as set out in Part A of Appendix I to the Announcement and to be set out in the Acquisition Document, as may be amended by Michelin with the consent of the Panel (and, for so long as the Scheme is subject to a unanimous and unqualified recommendation from the board of directors of Fenner, with the consent of Fenner); and
- (b) for so long as the Acquisition is being implemented by means of a Takeover Offer, the terms and conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition and as may be further amended by Michelin with the consent of the Panel (and in the case of an Agreed Switch, and for so long as the Offer is subject to a unanimous and unqualified recommendation from the board of directors of Fenner, with the consent of Fenner),

and **"Condition"** shall be construed accordingly

"Confidentiality Agreement"

means the confidentiality agreement dated 31 August 2017 entered into between Fenner and Manufacture Française des Pneumatiques Michelin SCA

"Court Hearing"

means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order, such hearing to take place on the date as is agreed between Michelin and Fenner, subject to the agreement of the Panel where applicable

"Court Meeting"

means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof

"Court Order"

means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act

"Court Sanction"

means the granting of the Court Order at the Court Hearing

"Court"

means the High Court of Justice in England and Wales

"Effective Date"

means:-

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if Michelin elects to implement the Acquisition by means of a Takeover Offer in accordance with the terms of this Agreement, the date that the Takeover Offer becomes or

is declared unconditional in all respects

"Fenner Board Adverse Recommendation Change"

means:-

- (a) if Fenner makes an announcement prior to the publication of the Acquisition Document(s) that: (i) the Fenner Directors no longer intend to make the Fenner Board Recommendation or intend adversely to modify or qualify such recommendation in any way; (ii) it will not convene the Court Meeting or the Fenner General Meeting; or (iii) it intends not to post the Scheme Document or (if different) the document convening the Fenner General Meeting;
- (b) if Fenner makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting, the Fenner General Meeting or the Court Hearing, in each case without the consent of Michelin, or fails promptly to register the Court Order with the Registrar of Companies;
- (c) the Fenner Board Recommendation is not included in the Acquisition Document(s); or
- (d) the Fenner Directors in any way withdraw, adversely modify or adversely qualify the Fenner Board Recommendation

"Fenner Board Recommendation"

means a unanimous and unqualified recommendation from the Fenner Directors to Fenner Shareholders in respect of the Acquisition: (i) to vote in favour of the Fenner Resolutions; or (ii) if Michelin elects to implement the Acquisition by means of a Takeover Offer in accordance with the terms of this Agreement, to accept the Takeover Offer

"Fenner Board"

means the board of directors of Fenner from time to time

"Fenner Directors"

means the directors of Fenner from time to time

"Fenner General Meeting"

means the general meeting of Fenner to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof

"Fenner Group"

means Fenner and its subsidiary undertakings and member of the Fenner Group shall be construed accordingly

"Fenner Head Office Employees"

means the 32 employees of Fenner PLC or JH Fenner & Co. Limited who are employed on terms that their main place of work is Fenner's offices in Hesse, UK or who otherwise form part of the Fenner Group's head office function, as disclosed to Michelin in virtual dataroom document 06.03 in connection with the Acquisition

"Fenner LTIP"

means the Fenner Executive Cash Long Term Incentive Plan 2017 and the US shadow long term incentive plan, as disclosed to Michelin in virtual dataroom document 06.08 and 06.18 respectively in connection with the Acquisition

"Fenner UK Pension Scheme"

means the Fenner Pension Scheme currently governed by a trust deed and rules dated 13 March 2018 (as amended from time to time)

"Fenner Redundancy Policy"	means the redundancy policy applicable (or to be applicable) to all Fenner Head Office Employees the terms of which have been disclosed to Michelin in virtual dataroom documents 06.13, 06.14 and 06.15 in connection with the Acquisition
"Fenner Remuneration Committee"	means the remuneration committee of the Fenner Board or a duly authorised committee or individual
"Fenner Resolutions"	means such shareholder resolutions of Fenner as are necessary to approve, implement and effect the Scheme and the Acquisition and changes to Fenner's articles of association
"Fenner Share Plan"	means the Performance Share Plan approved by shareholders of Fenner in January 2015 (the rules of which are as disclosed to Michelin in virtual dataroom document 06.06 in connection with the Acquisition), together with all applicable grant documentation thereunder
"Fenner Shareholder Meetings"	means the Court Meeting and the Fenner General Meeting
"Fenner Shareholders"	means the holders of Fenner Shares from time to time
"Fenner Shares"	means the ordinary shares of 25 pence each in the capital of Fenner, from time to time
"Interim Dividend"	means the interim dividend of no more than 2.1 pence per Fenner Share, proposed to be declared on or about 25 April 2018
"Law"	means any applicable statute, law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by any Relevant Authority, or any judicial or administrative interpretation thereof
"Listing Rules"	means the rules and regulations made by the Financial Conduct Authority in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority's publication of the same name
"Longstop Date"	means 14 September 2018 or such later date as may be agreed in writing by Michelin and Fenner (with the Panel's consent and (if such approval is required) as the Court may approve)
"Michelin Group"	means Michelin and its subsidiary undertakings
"Offer Document"	means, if (following the date of this Agreement) Michelin elects to implement the Acquisition by way of the Takeover Offer in accordance with Clause 6.1, the document to be sent to (among others) Fenner Shareholders setting out, among other things, the full terms and conditions of the Takeover Offer
"Panel"	means the UK Panel on Takeovers and Mergers
"Regulatory Conditions"	means the conditions set out in paragraph 3 of Part A of Appendix 1 to the Announcement
"Regulatory Information Service"	means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating

	regulatory announcements
"Relevant Authority"	means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction
"Remedies"	means any conditions, measures, commitments, undertakings, remedies (including disposal and any pre-divesture reorganisations by a party) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances and Remedy shall be construed accordingly
"Scheme Conditions"	means the conditions referred to in paragraph 2 of Part A of Appendix 1 to the Announcement
"Scheme Document"	means the document to be sent to (among others) Fenner Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Fenner General Meeting
"Scheme Shareholders"	means the holders of Scheme Shares
"Scheme Shares"	has the meaning given in the Announcement
"Scheme"	means the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Fenner and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Fenner and Michelin
"Standstill Agreement"	means the standstill agreement dated 14 November 2017 entered into between Fenner and Manufacture Française des Pneumatiques Michelin SCA
"Stay In Place Bonuses"	means the bonuses totalling £1,320,000 in aggregate payable by Fenner on the Effective Date to certain employees pursuant to the terms of letter agreements entered into by Fenner and applicable employees prior to the date of this Agreement, as disclosed to Michelin in virtual dataroom documents 06.02.01.01 and 06.02.01.02 in connection with the Acquisition
"Switch"	means Michelin electing to implement the Acquisition by means of a Takeover Offer
"Takeover Offer"	means a takeover offer (within the meaning of section 974 of the Companies Act) to be made by or on behalf of Michelin to acquire the entire issued and to be issued share capital of Fenner on the terms and conditions to be set out in the Offer Document
"Trustee"	means Fenner Pension Scheme Trustee Limited, the corporate

trustee of the Fenner UK Pension Scheme

"UK" or "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland

"Working Hours" means 9:30 am to 5:30 pm in the relevant location on a Business Day

1.2 In this Agreement, unless the context otherwise requires:-

- 1.2.1 the expressions "**subsidiary**" and "**subsidiary undertaking**" have the meanings given in the Companies Act;
- 1.2.2 the expressions "**acting in concert**" and "**concert parties**" shall be construed in accordance with the Code;
- 1.2.3 "**interest**" in shares or securities shall be construed in accordance with the Code;
- 1.2.4 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- 1.2.5 references to a "**person**" include any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- 1.2.6 references to a recital, paragraph, Clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
- 1.2.7 headings do not affect the interpretation of this Agreement, the singular shall include the plural and *vice versa*, and references to one gender include all genders;
- 1.2.8 unless otherwise specified, references to time are to London time;
- 1.2.9 any reference to a "**day**" (including within the phrase "**Business Day**") shall mean a period of 24 hours running from midnight to midnight;
- 1.2.10 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;
- 1.2.11 references to "**£**" and "**pence**" are references to the lawful currency from time to time of the United Kingdom;
- 1.2.12 any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- 1.2.13 save in relation to the Fenner LTIP, the Fenner Redundancy Policy, the Fenner Share Plan and the Stay in Place Bonuses, a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
- 1.2.14 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.

- 1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. PUBLICATION OF THE ANNOUNCEMENT

The obligations of the parties under this Agreement, other than this Clause 2 and Clauses 12 to 20 (inclusive) and 22 to 26 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service (or otherwise in accordance with Rule 30.1 of the Code) at or before 11.59 p.m. on the date of this Agreement or such later time and date as the parties may agree (and, where required by the Code, the Panel may approve). This Clause 2 and Clauses 12 to 20 (inclusive) and 22 to 26 (inclusive) shall take effect on and from execution of this Agreement.

3. REGULATORY CLEARANCES

- 3.1 Except where otherwise required by Law or a Relevant Authority, Michelin shall:-

- 3.1.1 determine the strategy for obtaining the Clearances;
- 3.1.2 promptly contact and correspond with the Relevant Authorities in relation to such Clearances (including submitting and preparing all necessary filings, notifications and submissions); and
- 3.1.3 be responsible for the payment of all filing fees required in connection with the Clearances.

- 3.2 Without prejudice to Michelin's rights to determine the strategy to be pursued in accordance with Clause 3.1, Michelin shall use all reasonable efforts to secure the Clearances required in relation to the Regulatory Conditions as soon as is reasonably practicable and, in any event, by the Longstop Date.

- 3.3 Fenner shall:-

- 3.3.1 provide Michelin, in a timely manner, such information and assistance as may be reasonably required for:-

- (a) Michelin to determine in which jurisdictions any merger control, regulatory or other filing, notification or submission with a Relevant Authority is necessary for the purposes of obtaining the Clearances; and
- (b) the identification, structuring and preparation of any Remedies; and

- 3.3.2 ensure that all information necessary:-

- (a) for the making of (or responding to any requests for further information consequent upon) any such filings, notifications, submissions (including draft versions necessary for the purpose of obtaining the Clearances); and
- (b) the identification, structuring and preparation of any Remedies,

(and that is in the possession of, or reasonably obtainable by Fenner (including from third parties through the exercise of contractual rights)) is supplied accurately and as promptly as reasonably practicable.

- 3.4 For the purposes of Clause 3.3:-

- 3.4.1 the parties acknowledge that in certain circumstances disclosure by one party to the other may nonetheless be prevented by Law; and
- 3.4.2 the provision of information shall be subject to Clause 3.8.

- 3.5 Except to the extent that to do so is prohibited by Law and subject to Clauses 3.1 and 3.8:-
- 3.5.1 Michelin or, as may be required by applicable Law, Fenner and Michelin jointly, or Fenner, as the case may be, will submit a filing, notification or submission (as required) to each Relevant Authority as soon as is reasonably practicable after the signing of this Agreement and in any event within any applicable mandatory time periods where it is necessary or expedient to do so to obtain the Clearances;
- 3.5.2 each party shall provide in a timely manner such cooperation as is reasonably required by the other in connection with the preparation of all such filings, notifications or submissions (as required) referred to in Clause 3.5.1 and in relation to the preparation of any other submissions, material correspondence or material communications to any Relevant Authority in connection with the Clearances, taking into account all applicable waiting periods;
- 3.5.3 each party shall provide, or procure the provision of, draft copies of all notifications, filings, submissions, material correspondence and material communications (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications) intended to be sent or communicated to any Relevant Authority in relation to obtaining any Clearances to the other party and its legal advisers at such time as will allow the receiving party a reasonable opportunity to provide comments on such filings, notifications, submissions, correspondence and communications before they are submitted, sent or made and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications);
- 3.5.4 each party shall have regard in good faith to comments made in a timely manner by the other party on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 3.5.3;
- 3.5.5 each party shall notify the other party, and provide copies (including, in the case of non-written communications, reasonably detailed summaries of material non-written communications), in a timely manner of any material correspondence or material communication from any Relevant Authority in relation to obtaining any Clearance;
- 3.5.6 each party shall keep the other party reasonably informed as to the progress of any filing, notification and submission submitted pursuant to Clause 3.5.1 and shall consider requests from the other party and its advisers: (i) to attend all material meetings or calls with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, Law or other person or body) relating to obtaining any Clearance; and (ii) to make reasonable oral submissions at such meetings or calls; and
- 3.5.7 where reasonably requested by a party, and insofar as permitted by the Relevant Authority, the other party shall make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearances.
- 3.6 Each party undertakes to keep the other party informed promptly of: (a) developments which are material or reasonably likely to be material to the obtaining of a Clearance; and (b) the satisfaction of the Regulatory Conditions.
- 3.7 Subject to Clause 3.1, Fenner undertakes not to:
- 3.7.1 submit a filing, submission or notification to any Relevant Authority whose consent is not required for the Acquisition to close; or
- 3.7.2 withdraw a filing, submission or notification made to any Relevant Authority whose consent is required for the Acquisition to close,

in each case, without the prior written consent of Michelin.

- 3.8 If a provision of this Agreement obliges the parties to disclose any information to the other which the disclosing party reasonably considers to be commercially or competitively sensitive, the disclosing party shall disclose the relevant information to the other party pursuant to appropriate clean team arrangements (including on an external counsel only basis) or as the disclosing party and the other party may otherwise agree.

4. SCHEME DOCUMENT

- 4.1 Subject to Clause 3.8, Michelin agrees:-

- 4.1.1 promptly to provide Fenner all such information about itself, its directors and the Michelin Group as may reasonably be requested and which is required by Fenner (having regard to the Code and other Law) for inclusion in the Scheme Document (including any information required under the Code or other Law);
- 4.1.2 promptly to provide Fenner with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, Michelin's relevant professional advisers; and
- 4.1.3 to procure that the relevant persons accept responsibility, in the terms required by the Code, for all the information (including any expressions of opinion) in the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme relating to information in the Scheme Document for which an offeror is required to accept responsibility under the Code.

5. IMPLEMENTATION OF THE ACQUISITION

- 5.1 Where the Acquisition is being implemented by way of the Scheme:-

- 5.1.1 Michelin undertakes that, by no later than 11:59 pm on the Business Day immediately preceding the Court Hearing, it shall deliver a notice in writing to Fenner either:-
- (a) confirming the satisfaction or waiver of all Conditions (other than that contained in paragraph 2(c) of Part A of Appendix 1 to the Announcement); or
 - (b) confirming Michelin's intention to invoke a Condition (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Michelin reasonably considers entitle it to invoke the Condition and why Michelin considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition; and
- 5.1.2 If all the Conditions (other than the condition set out in paragraph 2(c) of Part A of Appendix 1 to the Announcement) have been satisfied or waived, Michelin shall instruct counsel to appear on its behalf at the Court Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Michelin.

- 5.2 If Michelin becomes aware of any fact, matter or circumstance that they reasonably consider would entitle Michelin to invoke (and the Panel would permit Michelin to so invoke) any of the Conditions, Michelin shall inform Fenner (providing summary details) without delay.

6. SWITCHING TO A TAKEOVER OFFER

- 6.1 The parties currently intend that the Acquisition will be implemented by way of the Scheme. However, Michelin shall be entitled, with the consent of the Panel and notwithstanding any provision in the Confidentiality Agreement or the Standstill Agreement, to implement the Acquisition by way of the Takeover Offer rather than the Scheme (such election being a Switch) if:-

- 6.1.1 Fenner provides its prior written consent (an "Agreed Switch"), in which case Clause 6.2 shall apply;
 - 6.1.2 a Fenner Board Adverse Recommendation Change occurs;
 - 6.1.3 a third party not acting in concert with Michelin announces a Competing Proposal in accordance with Rule 2.7 of the Code; or
 - 6.1.4 Fenner announces its intention to proceed with a Competing Proposal.
- 6.2 In the event of any Switch, unless otherwise required by the Panel, the Acceptance Condition shall be set at ninety (90) per cent. (or such other percentage (being more than 50 per cent.) as Michelin may decide (subject to the Panel's consent, to the extent necessary)) of the Fenner Shares to which the Takeover Offer relates.

7. FENNER CONDUCT OF BUSINESS

- 7.1 The parties acknowledge and agree that:
- 7.1.1 the Fenner Board will declare the Interim Dividend after the date of this Agreement and that the Interim Dividend will be paid to Fenner Shareholders on such date, and by reference to such record date, as is specified in the applicable Regulatory Information Service announcement issued by the Company, but in any event so as to be paid ahead of the Effective Date;
 - 7.1.2 the declaration and payment of the Interim Dividend shall not entitle Michelin to make any reduction to the Acquisition Price; and
 - 7.1.3 Michelin has agreed to the declaration and payment of the Interim Dividend for the purposes of Rule 21 of the Code.

8. FENNER SHARE PLAN, FENNER LTIP AND CERTAIN EMPLOYMENT ARRANGEMENTS

The provisions of Schedule 2 shall apply in respect of the Fenner Share Plan, the Fenner LTIP and certain employment arrangements.

9. FENNER UK PENSION SCHEME

- 9.1 Michelin:
- 9.1.1 acknowledges and agrees that employer contributions to the Fenner UK Pension Scheme made by members of the Fenner Group shall, following the date of this Agreement, continue to be made by members of the Fenner Group in accordance with the schedule of contributions dated 2 February 2018;
 - 9.1.2 shall procure that, following the Effective Date, employer contributions continue to be made by or on behalf of relevant employers to the Fenner UK Pension Scheme at the Agreed Level but that obligation shall not extend to any member of the Michelin Group being required to make any payments to the Fenner UK Pension Scheme or to put any member of the Fenner Group in funds in order to make any such payments except in order to satisfy payments due under the schedule of contributions referred to in Clause 9.1.1 due from the Effective Date to 31 March 2023 and except as provided for in Clause 9.2 below; and
 - 9.1.3 confirms that on the basis of the information available to it as at the date of this Agreement it does not intend to make any proposal to amend current benefit terms or to cease future accrual under the Fenner UK Pension Scheme for a period of at least twelve months from the Effective Date.

9.2 Michelin shall procure that, prior to (but with effect from) the Effective Date, Michelin provides a guarantee of Fenner's obligations under the Fenner UK Pension Scheme on terms reasonably satisfactory to the Trustee (or, in the event that the form of guarantee has not been agreed by the Trustee by 9 a.m. on the second Business Day prior to the Effective Date, provides a guarantee governed by English law on terms that are substantially in the form of the guarantee provided in respect of the Michelin Pension and Life Assurance Plan dated 6 February 2018 between (1) Compagnie Financière Michelin SCmA and (2) Michelin Pensions Trust Limited with a minimum term of twenty five years and covering all present and future obligations (whether actual or contingent) of each participating employer to make payments to the Fenner UK Pension Scheme to the extent required to address any funding deficit from time to time calculated (by the scheme actuary) on the statutory technical provisions basis (using the basis and assumptions adopted for the purposes of the actuarial valuation dated 31 March 2017 and for any future actuarial valuation from time to time provided that to the extent that the Trustee adopts methods and assumptions that Michelin has not agreed to be reasonable the deficit shall continue to be calculated by reference to the methods and assumptions adopted for the purposes of the 31 March 2017 valuation or, if relevant, such later valuation as Michelin has accepted to be reasonable). The terms of the guarantee shall (notwithstanding that it is to be governed by English law) be prepared in accordance with (or otherwise shall be made subject to) any applicable limitation deriving from French law such that, for example, if a term of twenty five years is not permitted under French law, then the term shall instead be such shorter period as is the maximum permitted by French law.

10. DIRECTORS' AND OFFICERS' INSURANCE

10.1 If and to the extent such obligations are permitted by Law, for six years after the Effective Date, Michelin shall procure that the members of the Fenner Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date.

10.2 Michelin acknowledges that Fenner may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Fenner Group who have held office within 12 months preceding the date of this Agreement, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equivalent to that provided under the Fenner Group's directors' and officers' liability insurance as at the date of this Agreement.

11. TERMINATION

11.1 Subject to Clauses 11.2 to 11.4 (inclusive), this Agreement shall terminate and all obligations of the parties under this Agreement shall cease, as follows:-

- 11.1.1 if agreed in writing between the parties;
- 11.1.2 if the Announcement is not released by 11.59 p.m. on the date of this Agreement (unless, prior to that time, the parties have agreed another time in accordance with Clause 2);
- 11.1.3 upon service of written notice by Michelin to Fenner prior to the Longstop Date, if a Fenner Board Adverse Recommendation Change occurs;
- 11.1.4 upon service of written notice by Michelin to Fenner prior to the Longstop Date stating that either:-
 - (a) any Condition which has not been waived is (or has become) incapable of satisfaction by the Longstop Date and, notwithstanding that Michelin has the right to waive such Condition, Michelin will not do so; or
 - (b) any Condition which is incapable of waiver is incapable of satisfaction by the Longstop Date,

in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) has been permitted by the Panel;

11.1.5 upon service of written notice by Michelin to Fenner or by Fenner to Michelin prior to the Longstop Date, if: (i) a Competing Proposal is recommended by the Fenner Board; or (ii) a Competing Proposal completes, becomes effective or is declared or becomes unconditional in all respects;

11.1.6 if the Acquisition is, with the permission of the Panel, withdrawn with the consent of Michelin or lapses in accordance with its terms prior to the Longstop Date (other than where: (i) such lapse or withdrawal is as a result of the exercise of Michelin's right to effect a Switch; or (ii) such lapse or withdrawal either is not, in the case of a withdrawal, confirmed by Michelin, or it is otherwise to be followed within five Business Days by an announcement under Rule 2.7 of the Code made by Michelin or a person acting in concert with Michelin to implement the Acquisition by a different offer or scheme on substantially the same or improved terms); or

11.1.7 unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Longstop Date.

11.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

11.3 The following provisions shall survive termination of this Agreement: Clauses 14 to 20 (inclusive), 22 to 26 (inclusive), this Clause 11 and all related provisions of Clause 1 (*Definitions and Interpretation*). In addition, if this Agreement terminates pursuant to Clause 11.1.5(i), Clauses 3.3 and 3.5 shall also survive such termination.

11.4 If this Agreement is terminated by the service of a written notice by Fenner to Michelin pursuant to Clause 11.1.5, Fenner shall be obliged to provide to Michelin any outstanding information that is in the possession of, or reasonably obtainable by Fenner (including from third parties through the exercise of contractual rights), that has been requested by Michelin from Fenner (prior to the date of termination of this Agreement) to enable Michelin to submit any filings, notifications or submissions to a Relevant Authority for the purposes of obtaining Clearances. All such information shall be supplied accurately and as promptly as reasonably practicable and, notwithstanding anything contrary in the Confidentiality Agreement, Michelin shall be entitled to use such information for the purposes of obtaining Clearances. Clauses 3.4 and 3.8 shall apply mutatis mutandis to this Clause 11.4.

12. TAKEOVER CODE

12.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

12.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Fenner to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

12.3 Nothing in this Agreement shall oblige Fenner or the Fenner Directors to recommend a Takeover Offer or a Scheme proposed by Michelin or any member of the Michelin Group.

12.4 Without prejudice to the representations and warranties given by the parties pursuant to Clause 13, nothing in this Agreement shall be taken to restrict the directors of any member of the Michelin Group or the Fenner Group from complying with Law, orders of court or regulations, including the Code, the Listing Rules and the rules and regulations of the Panel and the UK Listing Authority.

13. REPRESENTATIONS AND WARRANTIES

- 13.1 Each party represents and warrants to the other party on the date of this Agreement that:-
- 13.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;
 - 13.1.2 this Agreement constitutes its binding obligations in accordance with its terms; and
 - 13.1.3 the execution and delivery of, and performance of its obligations under, this Agreement will not:-
 - (a) result in any breach of any provision of its constitutional documents;
 - (b) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or
 - (c) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.
- 13.2 No party shall have any claim against any other party pursuant to Clause 13.1 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).
- 13.3 Michelin acknowledges and agrees, on its own behalf and on behalf of the Michelin Group, that any information and/or assistance provided by any of the Fenner Directors, officers or employees (each a "**Fenner Representative**") to it and/or any of the Michelin Group or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of Fenner or any member of the Fenner Group under or otherwise in connection with this Agreement; or (ii) in connection with the Acquisition shall in each case be given on the basis that the relevant Fenner Representative shall not incur any liability nor owe any duty of care to any member of the Michelin Group in respect of any loss or damage that any of the Michelin Group or any of their respective directors, officers, employees or advisers may suffer as a result of the provision of any such information and/or assistance (save, in each case for loss or damage resulting from the fraud or fraudulent misrepresentation of the relevant Fenner Representative).
14. **COSTS**
- Except as otherwise provided in this Agreement, each party shall pay its own costs incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Acquisition.
15. **ENTIRE AGREEMENT**
- 15.1 Without prejudice to the terms of the Announcement or the Acquisition Document, this Agreement and the Confidentiality Agreement together set out the entire agreement between the parties relating to the Acquisition and supersede any previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Acquisition.
- 15.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement or the Confidentiality Agreement.
- 15.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or the Confidentiality Agreement.
- 15.4 For the purposes of this Clause, "**pre-contractual statement**" means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement or the

Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.

- 15.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.
- 15.6 Each party agrees to the terms of this Clause 15 on its own behalf.

16. **ASSIGNMENT**

Unless the parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

17. **NOTICES**

- 17.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier.
- 17.2 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by e-mail. Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.
- 17.3 The addresses and e-mail addresses of the parties for the purpose of Clause 17.1 are:-

Michelin

Address: 12 cours Sablon, 63040 Clermont-Ferrand, France

E-mail: [REDACTED]

For the attention of: The Directors

With a copy (which shall not constitute notice) to:-

Address: Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London, EC4Y 1HS

E-mail: [REDACTED]

For the attention of: [REDACTED]

Fenner

Address: Hessewood Country Office Park, Ferriby Road, Hesse East Yorkshire, HU13 0PW United Kingdom

E-mail: [REDACTED]

For the attention of: [REDACTED]

With a copy (which shall not constitute notice) to:-

Address: Pinsent Masons LLP, 30 Crown Place, London, EC2A 4ES

E-mail: [REDACTED]

For the attention of: [REDACTED]

17.4 Each party shall notify the other party in writing of any change to its details in Clause 17.3 from time to time.

18. LANGUAGE

Each language of communication under or in connection with this Agreement shall be in English.

19. WAIVERS, RIGHTS AND REMEDIES

19.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.

19.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single or partial exercise of any right under this Agreement or provided by Law shall not preclude any further exercise of it.

19.3 Without prejudice to any other rights or remedies that the other party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

20. NO PARTNERSHIP

No provision of this Agreement creates a partnership between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

21. FURTHER ASSURANCES

At the cost of the requesting party, each party shall (and shall procure that members of its respective group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting party.

22. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

23. VARIATIONS

23.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

23.2 If this Agreement is varied:-

23.2.1 the variation shall not constitute a general waiver of any provisions of this Agreement;

23.2.2 the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and

23.2.3 the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

24. INVALIDITY

24.1 Each of the provisions of this Agreement is severable.

24.2 If and to the extent that any provision of this Agreement:-

24.2.1 is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but

24.2.2 would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this Clause 24.2.

25. THIRD PARTY ENFORCEMENT RIGHTS

25.1 Each of the persons to whom Clauses 9.1.2 and/or 9.2 (being, in the case of Clauses 9.1.2 and 9.2, the Trustee) and/or 10.1 and/or 10.2 and/or 13.3 applies or otherwise benefits may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clauses 9.2 and/or 10.1 and/or 10.2 and/or 13.3 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person (except that any rescission of this Agreement or any variation or amendment of Clauses 9.1.2 9.2, 10.1, 10.2 or 13.3 shall require the consent of the persons affected by the rescission, variation or amendment) and; (ii) the other terms and conditions of this Agreement.

25.2 Except as set out in Clause 25.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

26. GOVERNING LAW AND JURISDICTION

26.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.

26.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement, including disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For these purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

26.3 Michelin hereby irrevocably authorises and appoints Michelin Finance (U.K.) Limited of Tricor Suite, 4th Floor, 50 Mark Lane, London, EC3R 7QR, or such other person having an office or place of business in England as Michelin may at any time in the future substitute by notice in writing to Fenner, to accept on its behalf service of all legal process arising out of or in connection with any arbitration proceedings or other related proceedings before the English courts commenced in connection with this Agreement.

26.4 Further, Michelin:

26.4.1 agrees to maintain the appointment for service of process in England for so long as there remains any outstanding obligation under this Agreement;

26.4.2 agrees that failure by the appointee mentioned above (or such other person having an office or place of business in England) to notify Michelin of the process will not invalidate the proceedings concerned; and

26.4.3 agrees that if this appointment is terminated for any reason, Michelin will appoint a replacement agent having an office or place of business in England.

SCHEDULE 1
FORM OF ANNOUNCEMENT

OFFER FOR FENNER PLC

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Not for release, publication or distribution, in whole or in part, in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction

19 March 2018

**RECOMMENDED CASH ACQUISITION
of
FENNER PLC
by
COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN SCA**

Summary

- Compagnie Générale des Établissements Michelin SCA ("Michelin") and Fenner plc ("Fenner") announce that they have reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Fenner will be acquired by Michelin. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, each Scheme Shareholder will receive 610 pence in cash for each Fenner Share, valuing Fenner's existing issued and to be issued ordinary share capital at approximately £1.2 billion.
- In addition, Fenner Shareholders will be entitled to receive and retain a proposed interim dividend of no more than 2.1 pence per Fenner Share to be declared on or around 25 April 2018, payable to Fenner Shareholders (by reference to a record date to be announced at the time of that declaration) ahead of the completion of the Acquisition (the "Interim Dividend").
- The price of 610 pence per Fenner Share represents a premium of 30.7 per cent. to Fenner's share price of 467 pence at the close of business on 16 March 2018, the last business day before this announcement, and a premium of 32.8 per cent. to the volume weighted average of Fenner's share price over the three months prior to this announcement (459 pence).
- The directors of Fenner (the "Fenner Directors"), who have been so advised by Rothschild as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Fenner Directors intend to recommend unanimously that Fenner Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as they have irrevocably undertaken to do in respect of their own Fenner Shares and Fenner Shares held by persons connected with them (within section 253 of the Companies Act 2006) (representing approximately 0.45 per cent. of the issued ordinary share capital of Fenner). In providing its advice, Rothschild has taken into account the commercial assessments of the Fenner Directors.

- Michelin has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from the Fenner Directors in respect of 882,697 Fenner Shares representing, in aggregate, approximately 0.45 per cent. of the existing issued ordinary share capital of Fenner. In addition, Michelin has received a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from Teleios Capital Partners LLC in respect of 10,502,969 Fenner Shares representing approximately 5.41 per cent. of the existing issued ordinary share capital of Fenner.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and General Meeting, together with the Forms of Proxy, will be posted to Fenner Shareholders and (for information only) participants in the Fenner Share Schemes within 28 days of the publication of this announcement and that the Scheme will be effective before the end of the second quarter of 2018, subject to the satisfaction of all relevant conditions, including the Conditions set out in Appendix 1 to this announcement.
- Consistent with the ambitions set out in Michelin's 2020 strategic plan, the Acquisition strengthens Michelin's engineering capabilities and enhances its customer and solution focus through enabling Michelin to:
 - bring a comprehensive offering to mining clients through: (i) the combination of Michelin's and Fenner's respective tire and conveyor belt, product and services offering; (ii) taking advantage of complementary footprints; and (iii) creating synergies and growth opportunities; and
 - expand Michelin's engineered material division with a complementary high-tech polymer portfolio by: (i) combining mutual expertise in reinforced polymers; and (ii) creating a platform to further expand its polymer activities.
- The Acquisition is expected to be accretive to Michelin's earnings per share in the first full year following the completion of the Acquisition.
- Commenting on today's announcement, Jean-Dominique Senard, Chief Executive Officer and Managing General Partner of Michelin said:

"Michelin values the skills, experience and industry knowledge of Fenner's management and employees. Mastering high-technology materials is key to creating value in the coming years. The acquisition will enable Michelin to accelerate its growth in this area, and to strengthen its position as a key player in the recovering mining markets with a comprehensive offering."
- Commenting on today's announcement, Vanda Murray OBE, Chair of Fenner said:

"Fenner has successfully established itself as a world leader in reinforced polymer technology and the Board remains confident that Fenner's existing strategy would deliver significant value for Fenner Shareholders as an independent company. However, we also believe that the terms of the Acquisition acknowledge the quality of Fenner's businesses and the strength of its future prospects, and as such the Board intends to recommend unanimously the Acquisition to Fenner Shareholders."

- Commenting on today's announcement, Mark Abrahams, Chief Executive Officer of Fenner said:

"We find the cultural fit and business opportunities excellent with Michelin. Both companies have innovation in their DNA and are customer solution oriented."

This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information contained in this summary and the following announcement. Appendix 3 contains details of the irrevocable undertakings and a letter of intent received by Michelin. Appendix 4 contains the definitions of certain terms used in this summary and the following announcement.

Conference call

Michelin will host an analyst/investor conference call today at 5.30 p.m. London time / 6.30 p.m. CET. The conference call will be conducted by Jean-Dominique Senard – CEO, Florent Menegaux – COO, Marc Henry – CFO, Edouard Villatte-De-Peufeilhoux – Head of Investor Relations, Matthieu Dewavrin and Humbert de Feydeau – Investor Relations Officers.

To join the conference call, dial one of the following numbers at any time from 5.15 p.m. London time / 6.15 p.m. CET today:

- From North America: (+1) 844 286 06 43 + pin: 99614005#
- From France: +33 (0)1 72 72 74 03 + pin: 99614005#
- From the UK and the rest of the world: +44 207 194 3759 + pin: 99614005#

A replay of the conference call will be available from 8.00 a.m. London time / 9.00 a.m. CET on 20 March 2018 by dialling one of the following numbers:

- From North America: +1 (646) 722 49 69 + pin: 418745227#
- From France: +33 (0)1 70 71 01 60 + pin: 418745227#
- From the UK and the rest of the world: +44 203 364 5147 + pin: 418745227#

Enquiries

Michelin – Investor Relations

Edouard Villatte-De-Peufeilhoux
Matthieu Dewavrin
Humbert De-Feydeau
Tel: +33 4 15 39 84 68

Michelin – Media Relations

Corinne Meutey
Tel: +33 1 78 76 45 27

Michelin – Individual Shareholders

Jacques Engasser
Tel: +33 4 73 98 59 08

Morgan Stanley

Mark Rawlinson
Laurence Hopkins
Dominic Desbiens
Ben Grindley (Corporate broking)
Tel: +44 (0) 20 7425 8000

David Benichou
Philippe Neff
Tel: +33 1 42 90 70 02

Fenner

Vanda Murray OBE
Mark Abrahams
Tel: +44 (0)14 82 62 6500

Rothschild

Ravi Gupta
Stephen Griffiths
Tim Day
Tel: +44 (0)20 7280 5000

Weber Shandwick – PR Advisor to Fenner

Nick Osborne
Tel: +44 (0)20 7067 0721

Tom Jenkins
Tel: +44 (0)20 7067 0810

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of 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 Fenner in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.

Please be aware that addresses, electronic addresses and certain other information provided by Fenner Shareholders, persons with information rights and other relevant persons for the receipt of communications from Fenner may be provided to Michelin during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(e).

Morgan Stanley & Co. International plc ("Morgan Stanley"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the FCA, is acting exclusively for Michelin and no-one else in connection with the Acquisition and will not be responsible to anyone other than Michelin for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Rothschild, which is authorised and regulated in the UK by the FCA, is acting exclusively for Fenner and no-one else in connection with the Acquisition and will not be responsible to anyone other than Fenner for providing the protections afforded to clients of Rothschild nor

for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom or the United States, to vote their Fenner Shares with respect to the Acquisition, or to appoint another person as proxy to vote with respect to the Acquisition on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the 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 of England.

Copies of this announcement and formal documentation relating to the Acquisition will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted 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 any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Michelin exercises its right to

implement the acquisition of the Fenner Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Fenner Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to it.

It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since Michelin and Fenner are located in countries other than the US, and some or all of their officers and directors, or in the case of Michelin members of the supervisory board, limited partners and general partners, may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Michelin or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Fenner Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Michelin and Fenner contain statements which are, or may be deemed to be, "forward-looking statements", including for the purposes of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Michelin and Fenner about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Michelin and Fenner, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Michelin and Fenner believe that the expectations reflected in such forward-looking statements are reasonable, Michelin and Fenner can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and

depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in customer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Michelin nor Fenner, nor any of their respective associates or directors, officers or advisers, or in the case of Michelin members of the supervisory board, limited partners or general partners, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules, the Market Abuse Regulation (EU No 596/2014) ("MAR") and the Disclosure Guidance and Transparency Rules of the FCA), neither Michelin nor Fenner is under any obligation, and Michelin and Fenner expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No Profit Forecasts or Estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Fenner for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Fenner.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% 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. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (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).

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 Takeover 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.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Michelin's website at www.michelin.com and Fenner's website at www.fenner.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Michelin shareholders and Fenner Shareholders may request a hard copy of this announcement by contacting Link Asset Services during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Not for release, publication or distribution, in whole or in part, in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction

19 March 2018

**RECOMMENDED CASH ACQUISITION
of
FENNER PLC
by
COMPAGNIE GÉNÉRALE DES ÉTABLISSEMENTS MICHELIN SCA**

1. Introduction

Compagnie Générale des Établissements Michelin SCA ("Michelin") and Fenner plc ("Fenner") announce that they have reached agreement on the terms of a recommended cash acquisition by which the entire issued and to be issued ordinary share capital of Fenner will be acquired by Michelin. It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

2. The Acquisition

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to be set out in the Scheme Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share 610 pence in cash

The Acquisition values Fenner's entire issued and to be issued share capital at approximately £1.2 billion.

In addition, Fenner Shareholders will be entitled to receive and retain a proposed interim dividend of no more than 2.1 pence per Fenner Share to be declared on or around 25 April 2018, payable to Fenner Shareholders (by reference to a record date to be announced at the time of that declaration) ahead of the completion of the Acquisition (the "Interim Dividend").

If, after the date of this announcement, any dividend and/or other distribution and/or other return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the Fenner Shares, Michelin reserves the right to reduce the consideration payable under the terms of the Acquisition at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital.

The price of 610 pence per Fenner Share represents a premium of 30.7 per cent. to Fenner's share price of 467 pence at the close of business on 16 March 2018, the last business day before the date of this announcement, and a premium of 32.8 per cent. to

the volume weighted average of Fenner's share price over the three months prior to this announcement.

The price of 610 pence per Fenner Share corresponds to an enterprise value multiple of 15.5 times based on Fenner's EBITDA during the fiscal year ended 31 August 2017, excluding the pro forma impact from the £30 million of pre-tax run-rate synergies, expected to arise from the Acquisition.

3. Recommendation

The Fenner Directors, who have been so advised by Rothschild as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Accordingly, the Fenner Directors intend to recommend unanimously that Fenner Shareholders to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own Fenner Shares and Fenner Shares held by persons connected with them (within section 253 of the Companies Act 2006) (representing approximately 0.45 per cent. of the issued ordinary share capital of Fenner). Rothschild is providing independent financial advice to the Fenner Directors for the purposes of Rule 3 of the Code. In providing its advice, Rothschild has taken into account the commercial assessments of the Fenner Directors.

Rothschild has given and not withdrawn its consent to the inclusion in this announcement of references to its advice to the Fenner Directors in the form and context in which they appear.

4. Background to and reasons for the Acquisition

Michelin believes that the Acquisition has compelling industrial rationale and reinforces Michelin's 2020 strategic plan. The Acquisition will accelerate growth of the Combined Group by utilising the complementary footprint and solutions to provide additional benefits to customers.

Michelin values the current culture and divisional structure of Fenner, and believes that the combination will deliver the following benefits:

- *ECS enables a comprehensive offering to mining clients*

Fenner's Engineered Conveyor Solutions division ("ECS") is a recognised leader in heavy conveyor belts. Michelin believes that the Acquisition will provide a broader product, solutions and services offering to clients in the mining industry. Due to the complementary geographic footprint, the Combined Group will also benefit from an enlarged customer base, resulting in significant commercial opportunities.

- *AEP provides a platform to further expand polymer activities*

The Acquisition will expand Michelin's end-markets coverage, from heavy industrials to industrial devices, consumer goods and medical. Michelin intends to position Fenner's Advanced Engineered Products division ("AEP") as a platform to further develop the Combined Group's positioning into high-tech polymer markets.

Michelin will benefit from enhanced materials expertise, notably in high tech non-rubber polymers, thermoplastic polymers as well as complex textile reinforcements. AEP will also benefit from Michelin's expertise in (i) polymer research and compound design, (ii) performance expertise, modelling and testing, (iii) product performance enhancement through raw material expertise and (iv) metal 3D printing and innovation in manufacturing.

- *Strengthen Michelin's materials division – 4th dimension strategy*

The addition of Fenner's portfolio will enhance Michelin's coverage of industrial, construction, agricultural and medical spaces. Michelin has developed a fourth business line aiming at developing advanced materials and engineered products, which notably includes Michelin's 3D metal printing activities jointly developed with Fives as well as its synthetic rubber and fuel cell activities. The combination with Fenner will significantly strengthen this activity.

- *Complementarity enabling strategic development and compelling synergies*

Michelin's initial analysis has identified significant potential for commercial opportunities and cost efficiencies as a result of the Acquisition, which are expected to create significant value for Michelin's shareholders.

Michelin believes that the value of the combination with Fenner is principally in the ability of the latter to benefit from Michelin's scale, customer reach and industrial footprint, in order to better serve customers. At this preliminary stage, Michelin has identified certain areas of synergies:

- Procurement: Fenner to benefit from Michelin's purchasing expertise;
- Industrial processing efficiencies;
- Innovation: cross fertilization between Fenner and Michelin on products, processes and competences;
- Services: leverage respective customer service organizations;
- Footprint: Fenner's access to Latin America and Asia; and
- Offering: providing global customers with a comprehensive range of products and solutions.

Out of identified synergies described above, Michelin has quantified synergies at this stage which would amount to approximately £30 million per annum, on a pre-tax basis, and are mostly related to procurement savings. Michelin expects that it will achieve the run-rate of these synergies within two years of the Effective Date, with limited implementation costs required. Michelin is still working to quantify other areas of synergies identified but not yet quantified.

- *Significant value creation potential for Michelin's shareholders*

The price of 610 pence per Fenner Share corresponds to an enterprise value multiple of 10.4 times based on Fenner's average EBITDA over the fiscal years ended 31 August 2010 to 31 August 2017, including run-rate synergies.

The Acquisition is expected to create significant value for Michelin's shareholders. It is expected to be accretive to Michelin's earnings per share in the first full year following completion of the Acquisition.

Michelin anticipates that the Acquisition will have no impact on its credit rating profile of A- (Standard & Poors) and A3 (Moody's). The Acquisition is consistent with Michelin's financial policy and preserves its financial flexibility.

5. **Background to and reasons for the recommendation**

Fenner has successfully established itself as a world leader in reinforced polymer technology. Its two divisions, AEP and ECS, comprise businesses which have developed strong positions in their chosen markets across the world, based on business philosophies which emphasise continued investment in product development, the highest standards of customer service and a network of well-invested and efficient manufacturing facilities.

Fenner responded strongly to the difficult trading conditions seen from 2013 onwards in many of its principal markets, in particular the global mining industry and the oil and gas industry. Fenner's on-going focus on cost reduction and cash generation, combined with continued investment in customer service, product development and operating efficiency, has enabled Fenner to successfully move from recovery towards sustainable growth.

Fenner's results for the year ended 31 August 2017 showed significant positive movements in all key financial indicators, with large increases in profit, margin and earnings accompanied by strong cash generation and materially reduced gearing; these results were achieved despite the Fenner Group's principal markets having shown only patchy improvements. Subsequently in Fenner's Annual General Meeting trading update on 11 January 2018 Fenner reported strengthening trading across the Group and upgraded its expectations for the current financial year.

Fenner's recovery and significantly improved outlook have been accompanied by a significant increase in its share price, which has risen from a low of under 100 pence in February 2016 to 467 pence on 16 March 2018 (being the last business day before this announcement).

In considering the terms of the Acquisition, the Fenner Directors have taken into account a number of factors including that:

- the Acquisition represents an opportunity for Fenner Shareholders to crystallise in cash the value of their holdings at an implied multiple of 15.5 times Fenner's EBITDA for the financial year ended 31 August 2017, excluding the pro forma

impact from the £30 million of pre-tax run-rate synergies, expected to arise from the Acquisition;

- the Acquisition represents an attractive premium of approximately 30.7 per cent. to Fenner's share price of 467 pence per share at the close of business on 16 March 2018 (being the last business day before the date of this announcement); and
- Fenner's shareholders will be entitled to receive the Interim Dividend.

The Acquisition also provides a number of strategic benefits to Fenner's business including:

- the global scale and purchasing expertise of Michelin possesses in certain of Fenner's principal markets (in particular, mining) which will enable Fenner to become even more competitive and grow its shares of existing markets; and
- Michelin's polymer expertise will assist Fenner in enhancing the technical content of the products which it is able to offer to its customers, and assist Fenner in entering new markets.

In considering the recommendation of the Acquisition to Fenner Shareholders, the Fenner Directors have given due consideration to Michelin's intentions for the business, management, employees and locations of business of Fenner.

The Fenner Directors welcome Michelin's intention that, following completion of the Acquisition, existing employment rights, including pension rights, of management and employees of the Fenner Group will be fully safeguarded in accordance with contractual and statutory requirements, as will the contractual rights of any directors and officers who are not employees. The Fenner Directors further welcome the intention of Michelin that Fenner's head office will continue to be based in Hesse, England, and that Michelin does not anticipate any headcount reduction in Fenner's workforce as a result of the Acquisition.

The Fenner Directors remain confident that Fenner's existing strategy would deliver significant value for Fenner Shareholders as an independent company. However, they also believe that the terms of the Acquisition acknowledge the quality of Fenner's businesses and the strength of its future prospects, and as such they intend unanimously to recommend the Acquisition to Fenner Shareholders.

6. Irrevocable Undertakings

Michelin has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from the Fenner Directors in respect of 882,697 Fenner Shares and Fenner Shares held by persons connected with them (within section 253 of the Companies Act 2006), representing approximately 0.45 per cent. of the existing issued ordinary share capital.

The undertakings from the Fenner Directors will cease to be binding if the Acquisition lapses or is withdrawn, or is not effective on or before 14 September

2018, or if the Scheme Document is not posted within 28 days of the publication of this announcement, and remain binding if a higher competing offer for Fenner is made.

In addition, Michelin has received a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting from Teleios Capital Partners LLC in respect of 10,502,969 Fenner Shares representing approximately 5.41 per cent. of Fenner's issued ordinary share capital.

In total, therefore, Michelin has received irrevocable undertakings and non-binding letters of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of 11,385,666 Fenner Shares representing approximately 5.87 per cent. of Fenner's issued ordinary share capital.

Further details of these irrevocable undertakings and the letter of intent are set out in Appendix 3 to this announcement.

7. Information relating to Michelin

Michelin is a global leader in tire manufacturing, dedicated to sustainably enhancing its corporate and retail clients' mobility by designing and distributing the most suitable tires, services and solutions. Michelin's growth has been led by technical innovation. As a source of pioneering technological breakthroughs, both in tires and more recently in advanced materials, Michelin has been a key driver of progress in the industry and is recognised as a leader. Headquartered in Clermont-Ferrand, France, and listed on Euronext Paris, Michelin is present in 170 countries, has more than 114,000 employees and operates 70 production facilities in 17 countries which together produced 190 million tires in 2017. The Michelin Group generated revenue of approximately €22 billion in 2017.

8. Information relating to Fenner

Fenner is a world leader in reinforced polymer technology, headquartered in Hesse, England. Fenner uses its expertise to identify, design and manufacture performance-critical polymer products for niche markets around the world.

Fenner operates through two divisions:

- AEP; and
- ECS.

AEP is a group of related growth businesses that use advanced polymeric materials and technical expertise to provide high value-added solutions to its global business customers; its principal product areas are: sealing systems for use in oil & gas and fluid power transmission; belts, hoses and elastomeric solutions used in a wide range of specialist industrial applications; and medical (including biomedical textile components).

ECS is a recognised global leader in the supply of heavyweight conveyor belting and related services to mining and industrial markets. These markets include: the mining of thermal and metallurgical coal, and of iron, copper and other ores; and the extraction, processing and manufacture of industrial materials such as sand/aggregates, timber and concrete. ECS operates in both the Northern and Southern hemispheres, with particular strengths in Australia, Europe and North America.

Fenner's results for its financial year ended 31 August 2017 showed significant improvements over the previous year on all measures. Revenue was £655.4 million (2016: £572.5 million); underlying profit before tax was £45.3 million (2016: £23.2 million) and underlying earnings per share was 17.7 pence (2016: 8.4 pence). Free cash flow increased to £69.0 million (2016: £38.8 million).

In recognition of the strong financial performance by the Fenner Group, the dividend for the year was increased to 4.2 pence per share (2016: 3.0 pence).

At the time of its Annual General Meeting on 11 January 2018, the Fenner Directors reported that all of the Fenner Group's businesses were performing well, with generally increasing order intakes and further benefits from on-going efficiency enhancements. The Fenner Directors also reported that they envisaged the Fenner Group achieving an operating outcome for the current financial year which was above its previous expectations and that the Fenner Directors were increasingly confident about the future progress of the Fenner Group.

9. The Combined Group

Michelin believes that a business combination between ECS and Michelin would create procurement synergies, cross fertilisation benefits and growth opportunities, reflecting the complementary nature of Fenner's and Michelin's businesses.

Michelin positioned itself more than five years ago as a specialist in high performance materials with a number of impressive technical breakthroughs. For example Michelin today is one of the world's leaders in 3D metal printing and speciality polymers. Michelin also sees the Acquisition as a platform to further expand its polymer activities. AEP is expected to be positioned as the cornerstone of Michelin's materials division for highly engineered polymers, benefiting from the mutual expertise of the Combined Group in reinforced polymers.

Therefore, Michelin does not intend to dispose of any material part of Fenner's business following the Acquisition. Michelin also does not envisage any material change to the research and development functions of Fenner as a result of the Acquisition.

Michelin's intention is to seek the cancellation of the trading of the Fenner Shares on the London Stock Exchange from or shortly after the Effective Date.

10. Management and employees

Michelin recognises that it is critical to maintain Fenner's competitive capabilities in technology and engineering solutions and, therefore, to retain the skills, knowledge

and expertise within Fenner's existing management and employees. Michelin also believes that Fenner's workforce will benefit from greater opportunities as a result of being part of a larger, more global, Combined Group with a wider range of complementary offerings.

Michelin does not anticipate any headcount reduction in Fenner's workforce as a result of the Acquisition. However, Michelin recognises that a small number of roles associated with Fenner's London listing may need to be redeployed to other roles (based at their current locations) within the Combined Group where their skills can continue to be utilised.

Michelin does not intend to make any material change in the balance of skills and functions of the employees and management of the Fenner Group.

Michelin expects to work with Fenner's existing management team following the Effective Date. Michelin notes that Fenner is due to have a CEO succession take place shortly prior to the expected Effective Date. Although no decision has yet been made, Michelin does not expect the incoming CEO to have a long term role in the management team. Any decisions as to the future role of the incoming CEO would have due regard to his rights under his employment agreement with Fenner.

It is intended that the existing non-executive directors of Fenner will cease to hold office as directors of Fenner with effect from the Effective Date.

Following the Effective Date, the existing employment rights, including pension rights, of management and employees of the Fenner Group will be fully safeguarded in accordance with contractual and statutory requirements, as will the contractual rights of any directors and officers who are not employees. In particular, in respect of the financial year in which the Effective Date occurs, Michelin has acknowledged and agreed that Fenner will pay each participant in Fenner's annual bonus plans (i) a bonus payment equal to the amount accrued by Fenner in respect of the period up to and including the Effective Date as calculated in accordance with the rules of the applicable bonus plan, and (ii) a bonus payment, assessed by reference to Fenner's existing performance metrics for annual bonuses (and calculated on the assumption that those metrics were unaffected (other than favourably) by Fenner then being part of the Combined Group), for the period between the Effective Date and the end of the financial year. Such bonus amounts will be paid in accordance with Fenner's normal annual bonus payment schedule. In addition, in order to further incentivise and retain Fenner's existing talent, Michelin intends to formulate and implement retention schemes for key management and employees which will be finalised following the Effective Date.

Save as described above, Michelin does not intend to make any material change in the conditions of employment of the employees and management of the Fenner Group.

The Fenner UK Pension Scheme (being the principal pension scheme operated by the Fenner Group) is currently closed to the admission of new members. It is not intended that any changes shall be made to reopen Fenner UK Pension Scheme to the admission of new members. Fenner does not intend to close the Fenner UK Pension Scheme to future accrual or otherwise change benefits under the scheme in the 12 month period following the Effective Date.

Michelin intends that Fenner will continue to meet its existing obligations in respect of the Fenner UK Pension Scheme to fund any pension scheme deficit and the future accrual of benefits in accordance with the actuarial valuation as at 31 March 2017. Michelin has agreed with Fenner that it will provide a guarantee to the Trustee of the Fenner UK Pension Scheme on the terms set out in the Co-operation Agreement.

11. Business locations

The Combined Group's headquarters will be located at Michelin's head office in Clermont-Ferrand, France, while Fenner's head office is intended to continue to be based in Hessle, England (with no intention or expectation as to any head office redundancies and with those members of Fenner's senior management who are not based at Hessle continuing to be based in their current locations).

Michelin will conduct an integration review after the Effective Date in order to consider where Michelin and Fenner have co-located office or production facilities and where there is scope for consolidation in order to reduce rental and lease expenses, and to enable colleagues of the Combined Group to work more closely together. Michelin does not intend there to be any headcount reduction as a result of this exercise, although a small number of employees may need to be redeployed to other roles (which, for head office employees, would be in their current location) within the Combined Group where their skills can continue to be utilised if consolidation occurs. No other changes are envisaged with respect to the redeployment of Fenner's existing fixed asset base.

No statements made in paragraphs 9, 10 or 11 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

12. Financing

The cash consideration payable by Michelin under the terms of the Acquisition will be funded from debt to be provided under a Bridge Credit Agreement arranged and fully underwritten by Morgan Stanley. It is currently contemplated that the commitments under the Bridge Credit Agreement will be replaced with a facility arranged by Michelin's existing syndicated banks or by the group's available cash following the Effective Date.

Morgan Stanley, in its capacity as financial adviser to Michelin, confirms that it is satisfied that resources are available to Michelin to satisfy in full the cash consideration payable under the terms of the Acquisition.

13. Fenner Incentive Scheme

Participants in the Fenner Share Scheme will be contacted regarding the effect of the Acquisition on their rights and appropriate proposals will be made to such participants in due course. Details of these proposals will be set out in the Scheme Document and in separate letters to be sent to participants in the Fenner Share Scheme. All outstanding awards under the Fenner Share Scheme will vest in full (with no reduction for time pro-rating) and be settled in cash upon or shortly following the Effective Date.

Participants in the Fenner Cash Scheme will be contacted regarding the effect of the Acquisition on their rights. All outstanding awards under the Fenner Cash Scheme will vest in full (and again with no reduction for time pro-rating) and be settled in cash upon or shortly following the Effective Date.

14. Offer-related Arrangements

Confidentiality Agreement

Manufacture Français des Pneumatiques Michelin SCA, a wholly owned subsidiary of Michelin, and Fenner have entered into a confidentiality agreement dated 31 August 2017 pursuant to which each of Manufacture Français des Pneumatiques Michelin SCA and Fenner has undertaken, amongst other things, to: (a) keep confidential information relating to the Acquisition and the other party and not to disclose it to third parties (other than certain permitted parties) unless required by law or regulation; and (b) use the confidential information for the sole purpose of evaluating, negotiating, advising on or implementing the potential Acquisition. These confidentiality obligations remain in force until 31 August 2019. The agreement also contains provisions pursuant to which each party has agreed not to solicit certain employees of the other party, subject to customary carve-outs, for a period of 12 months from entering into the confidentiality agreement.

Standstill Agreement

In addition, Manufacture Français des Pneumatiques Michelin SCA and Fenner have entered into a standstill agreement dated 14 November 2017 pursuant to which Manufacture Français des Pneumatiques Michelin SCA has agreed to procure that, subject to customary exceptions (including the Scheme), no member of the Michelin Group may directly or indirectly deal in Fenner Shares without the prior written consent of Fenner. These standstill obligations remain in force until 14 November 2018.

Co-operation Agreement

Pursuant to a co-operation agreement between Michelin and Fenner dated 19 March 2018 (the "Co-operation Agreement"), Fenner has agreed to co-operate with Michelin to seek to ensure the satisfaction of the regulatory conditions referred to in Condition 3 of Part A of Appendix 1 to this announcement and Michelin has agreed to provide Fenner with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document.

In addition, pursuant to the Co-operation Agreement, Michelin has made certain commitments in relation to the Fenner UK Pension Scheme as follows:

- employer contributions made by members of the Fenner Group shall, both before and after the Effective Date, continue to be made at the level required from time to time under the rules of the Fenner UK Pension Scheme;
- there will be no proposal to amend current benefit terms or to cease future accrual for a period of at least twelve months from the Effective Date; and

- prior to (but with effect from) the Effective Date, a guarantee of Fenner's obligations under the Fenner UK Pension Scheme will be provided by Michelin in a form which is reasonably satisfactory to the trustee (or, in the event that the form of guarantee has not been agreed by the trustee in time for the Effective Date substantially in the form of the existing guarantee provided in respect of the Michelin Pension and Life Assurance Plan but to cover all present and future obligations of each participating employer to make payments to the Fenner UK Pension Scheme to the extent required to address any funding deficit from time to time calculated on the statutory technical provisions basis (calculated using the methods and assumptions adopted for the 31 March 2017 actuarial valuation or any future methods and assumptions that Michelin has accepted to be reasonable), subject to such modifications as are required under French law to accommodate the fact that Michelin is a French company).

The Co-operation Agreement also contains provisions that will apply in respect of the Fenner Share Scheme and the Fenner Cash Scheme, directors' and officers' insurance and certain other arrangements related to employees and senior management (including directors and officers who are not employees), as well as provisions which pertain to Michelin's and Fenner's agreement in relation to any switch of the Scheme to a Takeover Offer and in relation to the payment of the Interim Dividend.

The Co-operation Agreement will terminate if the Acquisition is withdrawn or lapses (other than where Michelin switches the Scheme to a Takeover Offer or Michelin makes a new announcement in accordance with Rule 2.7 of the Code), if prior to 14 September 2018 any Condition becomes incapable of satisfaction, at Michelin's election if the Fenner Directors change in any way their recommendation of the Acquisition, at either party's election if a competing proposal is recommended by the Fenner Directors or otherwise becomes unconditional or effective, if the Scheme does not become effective in accordance with its terms by 14 September 2018 or otherwise as agreed between Michelin and Fenner.

15. Structure of the Acquisition

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Fenner and the Scheme Shareholders under Part 26 of the Companies Act. Under the Scheme, in consideration for the transfer of their Fenner Shares to Michelin, Scheme Shareholders will receive cash of 610 pence per Scheme Share (save as described in paragraph 2 above). The purpose of the Scheme is to provide for Michelin to become the owner of the entire issued and to be issued share capital of Fenner.

The Scheme is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to be set out in the Scheme Document, and will only become effective if, among other things, the following events occur on or before 14 September 2018 or such later date as Michelin and Fenner agree:

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court

Meeting, either in person or by proxy, representing three-quarters or more in value of the Scheme Shares held by those Scheme Shareholders;

- the Special Resolution necessary to implement the Scheme is passed by the requisite majority of Fenner Shareholders at the General Meeting;
- the Scheme is sanctioned by the Court (with or without modification); and
- an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Fenner Shares will cease to be valid and entitlements to Fenner Shares held within the CREST system will be cancelled.

If the Scheme does not become effective on or before 14 September 2018 (or such later date as Michelin and Fenner may, with the consent of the Panel, agree), it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Fenner Shareholders. The Scheme Document is expected to be posted to Fenner Shareholders and, for information only, to persons with information rights and to holders of awards granted under the Fenner Share Schemes, within 28 days of the publication of this announcement. Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become effective by the end of the second quarter of 2018.

16. Delisting and re-registration

It is intended that dealings in Fenner Shares will be suspended at 5.00 p.m. London time on the business day prior to the Effective Date. It is further intended that an application will be made to the UK Listing Authority for the cancellation of the listing of the Fenner Shares on the Official List and to the London Stock Exchange for the cancellation of trading of the Fenner Shares on the London Stock Exchange's main market for listed securities, with effect as of or shortly following the Effective Date.

It is also intended that, following the Scheme becoming effective, Fenner will be re-registered as a private company under the relevant provisions of the Companies Act.

17. Disclosure of interests in Fenner relevant securities

Except for the irrevocable undertakings referred to in paragraph 6 above, as at the close of business on 16 March 2018 (being the latest practicable date prior to the date of this announcement), neither Michelin, nor any member of the Michelin Group, nor,

so far as Michelin is aware, any person acting in concert with Michelin for the purposes of the Acquisition had any interest in, right to subscribe for, or had borrowed or lent, any Fenner Shares or securities convertible or exchangeable into Fenner Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Fenner Shares or in relation to any securities convertible or exchangeable into Fenner Shares.

In the interests of secrecy prior to this announcement, Michelin has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with Michelin for the purposes of the Acquisition. Enquiries of such parties will be made as soon as practicable following the date of this announcement and any disclosure in respect of such parties will be included in the Scheme Document.

18. Overseas Shareholders

The availability of the Acquisition and the distribution of this announcement to Fenner Shareholders who are not resident in the United Kingdom or the United States may be affected by the laws of the relevant jurisdiction. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Fenner Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Fenner Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been dispatched.

19. Fenner's issued share capital

In accordance with Rule 2.9 of the Code, Fenner confirms that it has 194,002,741 Fenner Shares in issue. The International Securities Identification Number for Fenner Shares is GB0003345054.

20. Documents published on a website

Copies of the following documents will, by no later than 12 noon (London time) on 20 March 2018, be published on Fenner's website at www.fenner.com and Michelin's website at www.michelin.com until the end of the Acquisition:

- (i) the confidentiality agreement between Manufacture Français des Pneumatiques Michelin SCA and Fenner dated 31 August 2017;
- (ii) the standstill agreement between Manufacture Français des Pneumatiques Michelin SCA and Fenner dated 14 November 2017;

- (iii) the irrevocable undertakings and the letter of intent as set out in Appendix 3;
- (iv) the Co-operation Agreement;
- (v) the Bridge Credit Agreement;
- (vi) in relation to the Bridge Credit Agreement, the syndication and flex letter dated 19 March 2018 from Michelin to Morgan Stanley Bank International Limited as Mandated Lead Arranger and Bookrunner;
- (vii) in relation to the Bridge Credit Agreement, the fee letter dated 19 March 2018 from Michelin to Morgan Stanley Bank International Limited; and
- (viii) this announcement.

21. General

The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 and the further terms and conditions set out in the Scheme Document when issued.

Michelin reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Michelin intends to: (i) make a request to the UK Listing Authority to cancel the listing of the Fenner Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Fenner Shares on its market for listed securities; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Fenner Shares in respect of which the Takeover Offer has not been accepted.

The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Rothschild and Morgan Stanley have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

The bases and sources of certain financial information contained in this announcement are set out in Appendix 2. Certain terms used in this announcement are defined in Appendix 4.

Enquiries

Michelin – Investor Relations

Edouard Villatte-De-Peufeilhoux
Matthieu Dewavrin
Humbert De-Feydeau
Tel: +33 4 15 39 84 68

Michelin – Media Relations

Corinne Meutey
Tel: +33 1 78 76 45 27

Michelin – Individual Shareholders

Jacques Engasser
Tel: +33 4 73 98 59 08

Morgan Stanley

Mark Rawlinson
Laurence Hopkins
Dominic Desbiens
Ben Grindley (Corporate broking)
Tel: +44 (0) 20 7425 8000

David Benichou
Philippe Neff
Tel: +33 1 42 90 70 02

Fenner

Vanda Murray OBE
Mark Abrahams
Tel: +44 (0)14 82 62 6500

Rothschild

Ravi Gupta
Stephen Griffiths
Tim Day
Tel: +44 (0)20 7280 5000

Weber Shandwick – PR Advisor to Fenner

Nick Osborne
Tel: +44 (0)20 7067 0721

Tom Jenkins
Tel: +44 (0)20 7067 0810

Further information

This announcement is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of 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 Fenner in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document, which will contain the full terms and conditions of the Acquisition including details of how to vote in respect of the Acquisition. Any vote in respect of the Scheme or other response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Document.

Please be aware that addresses, electronic addresses and certain other information provided by Fenner Shareholders, persons with information rights and other relevant persons for the

receipt of communications from Fenner may be provided to Michelin during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

Morgan Stanley & Co. International plc ("Morgan Stanley"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the FCA, is acting exclusively for Michelin and no-one else in connection with the Acquisition and will not be responsible to anyone other than Michelin for providing the protections afforded to clients of Morgan Stanley nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Rothschild, which is authorised and regulated in the UK by the FCA, is acting exclusively for Fenner and no-one else in connection with the Acquisition and will not be responsible to anyone other than Fenner for providing the protections afforded to clients of Rothschild nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Overseas jurisdictions

The release, publication or distribution of this announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom or the United States, to vote their Fenner Shares with respect to the Acquisition, or to appoint another person as proxy to vote with respect to the Acquisition on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law and the 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 of England.

Copies of this announcement and formal documentation relating to the Acquisition will not be, and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted 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 any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provide for under English law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this announcement and the Scheme documentation has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Michelin exercises its right to implement the acquisition of the Fenner Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US laws and regulations.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Scheme Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Fenner Shareholder is urged to consult its independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to it.

It may be difficult for US holders to enforce their rights and claims arising out of US federal securities laws, since Michelin and Fenner are located in countries other than the US, and some or all of their officers and directors, or in the case of Michelin members of the supervisory board, limited partners and general partners, may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Michelin or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Fenner Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

Forward looking statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Michelin and Fenner contain statements which are, or may be deemed to be, "forward-looking statements", including for the purposes of the US Private Securities Litigation Reform Act of 1995. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Michelin and Fenner about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the

forward-looking statements. The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Michelin and Fenner, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Michelin and Fenner believe that the expectations reflected in such forward-looking statements are reasonable, Michelin and Fenner can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in customer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Michelin nor Fenner, nor any of their respective associates or directors, officers or advisers, or in the case of Michelin members of the supervisory board, limited partners or general partners, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the UK Listing Rules, the Market Abuse Regulation (EU No 596/2014) ("MAR") and the Disclosure Guidance and Transparency Rules of the FCA), neither Michelin or Fenner is under any obligation, and Michelin and Fenner expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No Profit Forecasts or Estimates

No statement in this announcement is intended as a profit forecast or estimate for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Fenner for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Fenner.

Dealing disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% 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 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% 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. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (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).

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 Takeover 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.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Publication on website and hard copies

A copy of this announcement and the documents required to be published by Rule 26 of the Code will be made available, subject to certain restrictions relating to persons resident in

Restricted Jurisdictions, on Michelin's website at www.michelin.com and Fenner's website at www.fenner.com. For the avoidance of doubt, the contents of those websites are not incorporated into and do not form part of this announcement.

Michelin shareholders and Fenner Shareholders may request a hard copy of this announcement by contacting Link Asset Services during business hours on +44 (0) 371 664 0300 or by submitting a request in writing to Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

Appendix 1

A. Conditions and Certain Further Terms of the Scheme and the Acquisition

Conditions to the Scheme and Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Code, by no later than 14 September 2018 or such later date (if any) as Michelin and Fenner may, with the consent of the Panel, agree and (if required) the Court may approve.

Scheme approval

2. The Scheme will be conditional upon:
 - (a) approval of the Scheme at the Court Meeting (or at any adjournment thereof, provided that the Court Meeting may not be adjourned beyond the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course or such later date (if any) as Michelin and Fenner may agree) by a majority in number of the Scheme Shareholders present and voting, either in person or by proxy, representing three-quarters or more in nominal value of the Scheme Shares held by those Scheme Shareholders;
 - (b) the Special Resolution being duly passed by the requisite majority at the General Meeting (or at any adjournment thereof, provided that the General Meeting may not be adjourned beyond the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course or such later date (if any) as Michelin and Fenner may agree); and
 - (c) the sanction of the Scheme without modification or with modification on terms acceptable to Michelin and Fenner, provided that the Scheme Court Hearing may not be adjourned beyond the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course or such later date (if any) as Michelin and Fenner may agree) and the delivery of an office copy of the Scheme Court Order to the Registrar of Companies.

In addition, Michelin and Fenner have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such conditions (as amended, if appropriate) have been satisfied or, where relevant, waived.

Regulatory Conditions

3. Without limitation to Condition 4 below:
 - (a) all notifications and clearances by the competent competition authorities in:
 - (i) United States of America;
 - (ii) Canada;
 - (iii) Germany;

- (iv) Austria;
- (v) South Africa;
- (vi) Serbia;
- (vii) Montenegro;
- (viii) Chile;
- (ix) Kenya; and
- (x) New Caledonia,

required to consummate the Acquisition shall have been made and granted on terms satisfactory to Michelin (acting reasonably) and/or applicable waiting periods in respect of said notifications shall have expired or been terminated; and

- (b) Michelin having received a written notice from the Committee on Foreign Investment in the United States ("CFIUS") to the effect that any review or investigation (as the case may be) of the Acquisition pursuant to the Exon-Florio amendment to the Defense Production Act of 1950 as amended by the Foreign Investment and National Security Act of 2007 has been concluded, and CFIUS having determined that there are no unresolved national security concerns.

General Third Party clearances

- 4. All notifications to, and filings with, Third Parties which are necessary having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with in each case in connection with the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Fenner or any other member of the Wider Fenner Group by any member of the Wider Michelin Group or the carrying on by any member of the Wider Fenner Group of any material aspect of its business.
- 5. No Third Party having intervened (as defined below) and there not continuing to be outstanding any statute, regulation or order of any Third Party in each case which would or might reasonably be expected (to an extent or in a manner which is or would be material in the context of the Fenner Group taken as a whole) to:
 - (a) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Michelin or any member of the Wider Michelin Group of any shares or other securities in, or control or management of, Fenner or any member of the Wider Fenner Group void, illegal or unenforceable in any jurisdiction, or otherwise directly or indirectly materially restrain, prevent, prohibit, restrict or delay the same or impose additional material conditions or obligations with respect to the Scheme or

the Acquisition or such acquisition, or otherwise materially impede, challenge or interfere with the Scheme or Acquisition or such acquisition, or require material amendment to the terms of the Scheme or Acquisition or the acquisition or proposed acquisition of any Fenner Shares or the acquisition of control or management of Fenner or the Wider Fenner Group by Michelin or any member of the Michelin Group;

- (b) materially limit or delay, or impose any material limitations on, the ability of any member of the Wider Michelin Group or any member of the Wider Fenner Group to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Fenner Group or any member of the Wider Michelin Group;
- (c) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Michelin Group of any shares or other securities in any member of the Fenner Group;
- (d) require, prevent or materially delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Michelin Group or by any member of the Wider Fenner Group of all or any portion of their respective businesses, assets or properties or limit the ability of any of them to conduct any of their respective businesses or to own or control any of their respective assets or properties or any part thereof;
- (e) except pursuant to sections 974 to 991 of the Companies Act, require any member of the Wider Michelin Group or of the Wider Fenner Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in any member of either group owned by any third party;
- (f) materially limit the ability of any member of the Wider Michelin Group or of the Wider Fenner Group to conduct or integrate or co-ordinate its business, or any part of it, with the businesses or any part of the businesses of any other member of the Wider Michelin Group or of the Wider Fenner Group;
- (g) result in any member of the Wider Fenner Group or the Wider Michelin Group ceasing to be able to carry on business under any name under which it presently does so; or
- (h) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider Fenner Group or of the Wider Michelin Group,

and all applicable waiting and other time periods during which any Third Party could intervene under the laws of any relevant jurisdiction having expired, lapsed or been terminated.

6. All Authorisations which are necessary in any relevant jurisdiction for or in respect of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Fenner or any other member of

the Wider Fenner Group by any member of the Wider Michelin Group or the carrying on by any member of the Wider Fenner Group of its business having been obtained, in terms and in a form reasonably satisfactory to Michelin, from all appropriate Third Parties and all such Authorisations remaining in full force and effect and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same.

Certain matters arising as a result of any arrangement, agreement etc.

7. Since 31 August 2017 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise or other instrument to which any member of the Wider Fenner Group is a party, or by or to which any such member or any of its assets is or are or may be bound, entitled or subject or any circumstance, which, in each case as a consequence of the Scheme or Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control of, Fenner or any other member of the Wider Fenner Group by any member of the Wider Michelin Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Fenner Group taken as a whole:
 - (a) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to, any member of the Wider Fenner Group being or becoming repayable or capable of being declared repayable immediately or prior to its stated maturity date or repayment date or the ability of any member of the Wider Fenner Group to borrow monies or incur any indebtedness being withdrawn or inhibited or becoming capable of being withdrawn or inhibited;
 - (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Fenner Group or any such mortgage, charge or other security interest (wherever created, arising or having arisen) becoming enforceable;
 - (c) any such arrangement, agreement, licence, permit, franchise or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Fenner Group thereunder, being, or becoming capable of being, terminated or adversely modified or affected or any adverse action being taken or any obligation or liability arising thereunder;
 - (d) any asset or interest of any member of the Wider Fenner Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Fenner Group or any right arising under which any such asset or interest could be required to be disposed of or could cease to be available to any member of the Wider Fenner Group otherwise than in the ordinary course of business;
 - (e) any member of the Wider Fenner Group ceasing to be able to carry on business under any name under which it presently does so;
 - (f) the creation of material liabilities (actual or contingent) by any member of the Wider Fenner Group other than in the ordinary course of business;

- (g) the rights, liabilities, obligations or interests of any member of the Wider Fenner Group under any such arrangement, agreement, licence, permit, franchise or other instrument or the interests or business of any such member in or with any other person, firm, company or body (or any arrangement or arrangements relating to any such interests or business) being terminated or adversely modified or affected; or
- (h) the financial or trading position or the value of any member of the Wider Fenner Group being prejudiced or adversely affected,

and, save as Disclosed, no event having occurred which, under any provision of any such arrangement, agreement, licence, permit or other instrument, would be reasonably likely to result in any of the events or circumstances which are referred to in paragraphs (a) to (h) of this Condition 7 (again, in each case to an extent which is material in the context of the Fenner Group taken as a whole).

8. Since 31 August 2017 and except as Disclosed, no member of the Wider Fenner Group having:
- (a) issued or agreed to issue, or authorised the issue of, additional shares of any class, or securities convertible into or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold any shares out of treasury, other than as between Fenner and wholly-owned subsidiaries of Fenner other than any shares issued or shares transferred from treasury upon the vesting of any awards granted under the Fenner Share Scheme;
 - (b) purchased or redeemed or repaid any of its own shares or other securities or reduced or made any other change to any part of its share capital;
 - (c) save for the Interim Dividend, recommended, declared, paid or made any dividend or other distribution whether payable in cash or otherwise or made any bonus issue (other than to Fenner or a wholly-owned subsidiary of Fenner);
 - (d) except as between Fenner and its wholly-owned subsidiaries or between such wholly-owned subsidiaries made or authorised any change in its loan capital;
 - (e) (other than any acquisition or disposal in the ordinary course of business or a transaction between Fenner and a wholly-owned subsidiary of Fenner or between such wholly-owned subsidiaries) merged with, demerged or acquired any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged, charged or created any security interest over any assets or any right, title or interest in any assets (including shares in any undertaking and trade investments) or authorised the same;
 - (f) issued or authorised the issue of, or made any change in or to, any debentures or (except in the ordinary course of business or except as between Fenner and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or liability (actual or contingent)

which in any case is material in the context of the Fenner Group taken as a whole;

- (g) entered into, varied, or authorised any agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
 - (i) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude; or
 - (ii) could materially restrict the business of any member of the Wider Fenner Group; or
 - (iii) is other than in the ordinary course of business,

which in any case is material in the context of the Fenner Group taken as a whole;

- (h) except as between Fenner and its wholly-owned subsidiaries or between such wholly-owned subsidiaries entered into, implemented, effected or authorised any merger, demerger, reconstruction, amalgamation or scheme in respect of itself or another member of the Wider Fenner Group otherwise than in the ordinary course of business;
- (i) entered into or varied the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any member of the Wider Fenner Group, except in a manner approved by Michelin;
- (j) taken any corporate action, or had any legal proceedings instituted or threatened against it or petition presented or order made, for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any material part of its assets and revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction;
- (k) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (l) waived or compromised any claim which is material in the context of the Fenner Group taken as a whole, otherwise than in the ordinary course of business;
- (m) made any alteration to its memorandum or articles of association (save pursuant to the Special Resolution);
- (n) made or agreed or consented to:
 - (i) save for changes required by law or otherwise approved by Michelin, any material change to:

- (A) the terms of the trust deeds constituting the pension scheme(s) established for its directors, employees or their dependants; or
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder; or
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
- (ii) save for changes required by law or otherwise approved by Michelin, any change to the trustees including the appointment of a trust corporation;
- (o) proposed, agreed to provide or modified any material term of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed by the Wider Fenner Group; or
 - (p) entered into any agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) or proposed or announced any intention with respect to any of the transactions, matters or events referred to in this Condition 8.

No adverse change, litigation or regulatory enquiry

9. Since 31 August 2017 and except as Disclosed:

- (a) there having been no adverse change or deterioration in the business, assets, financial or trading positions or profit or prospects of any member of the Wider Fenner Group which in any case is material in the context of the Fenner Group taken as a whole;
- (b) no material contingent or other liability of any member of the Wider Fenner Group having arisen or become apparent or increased which in any case is material in the context of the Fenner Group taken as a whole;
- (c) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Fenner Group is or may become a party (whether as plaintiff, defendant or otherwise) having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Wider Fenner Group which in any case might reasonably be expected to have a material adverse effect on the Fenner Group taken as a whole;
- (d) (other than as a result of the Acquisition) no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or against or remaining outstanding

against or in respect of any member of the Wider Fenner Group and which might reasonably be expected to have a material adverse effect on the Fenner Group taken as a whole;

- (e) other than with the consent of Michelin, no action having been taken or proposed by any member of the Wider Fenner Group, or having been approved by Fenner Shareholders or consented to by the Panel, which falls or would fall within or under Rule 21.1 of the Code or which otherwise is or would be materially inconsistent with the implementation by Michelin of the Acquisition on the basis contemplated as at the date of this announcement; and
- (f) no member of the Wider Fenner Group having conducted its business in breach of any applicable laws and regulations in circumstances in which such breach might reasonably be expected to have a material adverse effect on the Fenner Group when taken as a whole.

No discovery of certain matters

10. Michelin not having discovered:

- (a) that any financial or business or other information concerning the Wider Fenner Group disclosed at any time by or on behalf of any member of the Wider Fenner Group, whether publicly, to any member of the Wider Michelin Group or otherwise, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make any information contained therein not misleading (in each case to an extent or in a manner which is material in the context of the Fenner Group taken as a whole) and which was not subsequently corrected before 16 March 2018 by disclosure either publicly or otherwise to Michelin;
- (b) that any member of the Wider Fenner Group is subject to any liability (actual or contingent) which is not Disclosed and which in any case is material in the context of the Fenner Group taken as a whole; or
- (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Fenner Group to an extent which is material in the context of the Fenner Group taken as a whole;

11. Michelin not having discovered:

- (a) that any past or present member of the Wider Fenner Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place)

which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Fenner Group;

- (b) that there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Fenner Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise; or
- (c) that circumstances exist whereby a person or class of persons would be likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Fenner Group,

in each case to an extent or in a manner which is material in the context of the Fenner Group taken as a whole.

Anti-corruption, sanctions and criminal property

12. Michelin not having discovered that:

- (a) any past or present member, director, officer or employee of the Wider Fenner Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other anti-corruption legislation applicable to the Wider Fenner Group or (ii) any person that performs or has performed services for or on behalf of the Wider Fenner Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (b) any asset of any member of the Wider Fenner Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (c) any past or present member, director, officer or employee of the Fenner Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states; or

- (d) a member of the Fenner Group has engaged in any transaction which would cause Michelin to be in breach of any law or regulation upon its acquisition of Fenner, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states,

in each case to an extent or in a manner which is material in the context of the Fenner Group taken as a whole.

For the purpose of these Conditions:

- (i) "Third Party" means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental body, authority (including any national or supranational anti-trust or merger control authority) or court (and including, for the avoidance of doubt, the Panel);
- (ii) a Third Party shall be regarded as having "intervened" if it has decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or made, proposed or enacted any statute, regulation, decision or order or taken any measures or other steps or required any action to be taken or information to be provided and "intervene" shall be construed accordingly; and
- (iii) "Authorisations" means authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals, in each case, of a Third Party.

B. Waiver and invocation of the Conditions

The Scheme will not become effective unless the Conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by Michelin to be or remain satisfied by no later than the date referred to in Condition 1 in Part A above (or such later date as Michelin and Fenner may, with the consent of the Panel, agree and (if required) the Court may allow).

Subject to the requirements of the Panel, Michelin reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions in Part A above that are capable of being waived.

Under Rule 13.5(a) of the Code (subject to Rule 13.2 of the Code), Michelin may not invoke a Condition so as to cause the Scheme not to proceed, or to lapse, or be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to Michelin in the context of the Acquisition. Condition 2 of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.

Michelin shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied, or to treat as fulfilled any of the Conditions in Part A above by a date earlier than the latest date specified above for the fulfilment of that condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.

The Acquisition will lapse if the acquisition of Fenner by Michelin is referred to the Chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Reform Act 2013 before the date of the Court Meeting.

If the Panel requires Michelin to make an offer or offers for any Fenner Shares under the provisions of Rule 9 of the Code, Michelin may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

C. Implementation by way of Takeover Offer

Michelin reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement. In such event, such Takeover Offer will be implemented on the same terms and conditions, so far as applicable, as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such other percentage (being more than 50 per cent.) as Michelin may decide (subject to the Panel's consent)) (i) in nominal value of the shares to which such Takeover Offer relates; and (ii) of the voting rights attaching to those shares.

D. Certain further terms of the Acquisition

Fenner Shares will be acquired by Michelin fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of this announcement or subsequently attaching or accruing to them, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after the date of this announcement, other than the Interim Dividend.

If, on or after the date of this announcement, any dividend and/or other distribution and/or other return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the Fenner Shares, Michelin reserves the right (without prejudice to any right of Michelin to invoke Condition 8(c) in Part A of this Appendix 1), to reduce the consideration payable under the terms of the Acquisition for the Fenner Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, in which case any reference in this announcement or in the Scheme Document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. To

the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Michelin to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition will not be subject to change in accordance with this paragraph. Any exercise by Michelin of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and such further terms as may be required to comply with the Listing Rules and the provisions of the Code.

The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. 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. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.

This announcement and any rights or liabilities arising hereunder, the Acquisition, the Scheme, and any Forms of Proxy will be governed by English law and be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Appendix 2 Bases and Sources

- (a) The value attributed to the existing issued and to be issued ordinary share capital of Fenner is based upon the 194,002,741 Fenner Shares in issue on 16 March 2018 and a maximum of 2,326,348 Fenner Shares which are the subject of awards granted under the Fenner Share Scheme which may vest as a consequence of the Acquisition.
- (b) For the purposes of the financial comparisons contained in this announcement, no account has been taken of any liability to taxation or the treatment of fractions under the Acquisition.
- (c) Unless otherwise stated, the financial information on Michelin is extracted (without material adjustment) from Michelin's Annual Report and Accounts for the year ended 31 December 2017.
- (d) Unless otherwise stated, the financial information on Fenner is extracted (without material adjustment) from Fenner's Annual Report and Accounts for the year ended 31 August 2017.
- (e) The market prices of the Fenner Shares are the closing middle market quotations as derived from the Daily Official List.
- (f) Earnings per share figures are stated exclusive of exceptional and extraordinary items where these have been disclosed.
- (g) The stated Fenner enterprise value for the fiscal year ended 31 August 2017 to EBITDA multiple of 15.5 times is based on:
 - (i) Fenner's EBITDA for the fiscal year ended 31 August 2017 of £86 million, as extracted (without material adjustment) from Fenner's Annual Report and Accounts for the fiscal year ended 31 August 2017; and
 - (ii) an estimated enterprise value of £1.3 billion, based on the sum of (A) Fenner's net debt of £102 million plus adjustments of £29 million for non-controlling interests and retirement benefit obligations post-tax (based on Fenner's underlying effective tax rate of 24% extracted from Fenner's Annual Report and Accounts for the fiscal year ended 31 August 2017), as at 31 August 2017, adjusted by the value of the Annual Dividend of 2.8 pence per Fenner Share paid on 8 March 2018 and the Interim Dividend of 2.1 pence per Fenner Share, and (B) the value for the existing issued and to be issued ordinary share capital of Fenner of £1.2 billion (as taken from (a) above and the price of 610 pence per Scheme Share under the Acquisition).
- (h) The stated Fenner enterprise value to average EBITDA multiple of 10.4 times is based on:
 - (i) Fenner's average EBITDA over the fiscal years ended 31 August 2010 to 31 August 2017 of £98 million, calculated on EBITDA of

£75 million, £111 million, £141 million, £129 million, £102 million, £80 million, £61 million and £86 million, respectively in the fiscal years ended 31 August 2010, 31 August 2011, 31 August 2012, 31 August 2013, 31 August 2014, 31 August 2015, 31 August 2016 and 31 August 2017 as extracted (without material adjustment) from Fenner's Annual Report and Accounts for each such year, plus £30 million of pre-tax run-rate synergies; and

- (ii) an estimated enterprise value of £1.3 billion, (as taken from (g)(ii) above).

Appendix 3

Details of Irrevocable Undertakings and Letter of Intent

The following holders of Fenner Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in relation to the following Fenner Shares:

Name	Number of Fenner Shares	Percentage of issued ordinary share capital of Fenner
Mark Abrahams	726,726	0.37%
John Pratt	36,045	0.02%
Michael Ducey	86,450	0.04%
Vanda Murray	19,000	0.01%
Geraint Anderson	1,703	0.00%
Chris Surch	12,773	0.01%

The following holder of Fenner Shares has delivered a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in relation to the following Fenner Shares:

Name	Number of Fenner Shares	Percentage of issued ordinary share capital of Fenner
Teleios Capital Partners LLC	10,502,969	5.41%

Appendix 4

Definitions

The following definitions apply throughout this announcement unless the context requires otherwise.

“£”, “pence” or “p”	the lawful currency of the UK
“€”	the lawful currency of the European Union
“Acquisition”	the direct or indirect acquisition of the entire issued and to be issued share capital of Fenner by Michelin to be implemented by way of the Scheme or (should Michelin so elect, subject to the consent of the Panel) by way of the Takeover Offer
“AEP”	Fenner’s Advanced Engineered Products division
“Annual Dividend”	the final dividend of 2.8 pence per Fenner Share declared on 15 November 2017, and paid on 8 March 2018 to Fenner Shareholders on the register at the close of business on 25 January 2018
“Bridge Credit Agreement”	the committed £1.2 billion facility agreement dated 19 March 2018 and made between Michelin as Borrower and arranged and fully underwritten by Morgan Stanley Bank International Limited as Original Lender, Mandated Lead Arranger, Bookrunner and Facility Agent, for the purposes of funding, on a certain funds basis, the Acquisition
“CET”	Central European Time
“CFIUS”	the Committee on Foreign Investment in the United States
“Code”	the City Code on Takeovers and Mergers
“Combined Group”	the enlarged group following the Acquisition, comprising the Fenner Group and the Michelin Group
“Companies Act”	the Companies Act 2006, as amended from time to time
“Conditions”	the conditions to the implementation of the Acquisition (including the Scheme) as set out in Appendix 1 to this announcement and to be set out in the Scheme Document
“Co-operation Agreement”	the co-operation agreement dated 19 March 2018, entered into by Michelin and Fenner
“Court Meeting”	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896

	of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of approving the Scheme, including any adjournment thereof
“Court”	the High Court of Justice of England and Wales
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form
“Daily Official List”	the daily official list of the UK Listing Authority
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer
“Disclosed”	<p>means disclosed by or on behalf of Fenner:</p> <ul style="list-style-type: none"> • in the annual report and accounts of the Fenner Group for the financial year ended 31 August 2017; • in this announcement; • in any other public announcement made by, or on behalf of, Fenner by the delivery of an announcement to a Regulatory Information Service on or after 19 March 2016; • in writing before the date of this announcement by or on behalf of Fenner to Michelin (or its officers, employees, agents or advisers in their capacity as such); • in filings made with the Registrar of Companies and appearing in Fenner’s file at Companies House on or after 19 March 2016; or • as otherwise fairly disclosed to Michelin (or its officers, employees, agents or advisers) prior to the date of this announcement in the virtual data room operated by or on behalf of Fenner and which Michelin is able to access in relation to the Acquisition before the date of this announcement

“EBITDA”	earnings before interest, tax, depreciation and amortisation
“ECS”	Fenner’s Engineered Conveyor Solutions division
“Effective Date”	the date upon which the Scheme becomes effective in accordance with its terms
“Excluded Shares”	(i) any Fenner Shares beneficially owned by Michelin or any other member of the Michelin Group; (ii) any Fenner Shares held in treasury by Fenner; and (iii) any other Fenner Shares which Fenner and Michelin agree will not be subject to the Scheme
“FCA”	the Financial Conduct Authority
“Fenner”	Fenner plc
“Fenner Cash Scheme”	the Fenner Cash Long-Term Incentive Plan and the US equivalent of the Fenner Cash Long-Term Incentive Plan
“Fenner Directors”	the directors of Fenner
“Fenner Group”	Fenner and its subsidiary undertakings
“Fenner UK Pension Scheme”	the Fenner Pension Scheme currently governed by a trust deed and rules dated 13 March 2018 (as amended from time to time)
“Fenner Share Scheme”	the Fenner Performance Share Plan 2015, as approved by Fenner shareholders on 14 January 2015
“Fenner Shareholders”	the registered holders of Fenner Shares from time to time
“Fenner Shares”	ordinary shares of 25 pence each in the capital of Fenner
“Forms of Proxy”	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
“General Meeting”	the general meeting of Fenner to be convened in connection with the Scheme, notice of which will be set out in the Scheme Document, including any adjournment thereof
“Interim Dividend”	the proposed interim dividend of no more than 2.1 pence per Fenner Share to be declared on or around 25 April 2018, payable to Fenner Shareholders (by reference to a record date to be announced at the time of that declaration) ahead of the completion of the

	Acquisition;
“Listing Rules”	the rules and regulations made by the FCA in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority’s publication of the same name
“London Stock Exchange”	London Stock Exchange plc
“Michelin”	Compagnie Générale des Établissements Michelin SCA
“Michelin Group”	Michelin and its subsidiary undertakings
“Morgan Stanley”	Morgan Stanley & Co. International plc, financial adviser to Michelin
“Official List”	the official list of the London Stock Exchange
“Overseas Shareholders”	Fenner Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or the United States
“Panel”	the Panel on Takeovers and Mergers
“Registrar of Companies”	the Registrar of Companies in England and Wales
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Fenner Shareholders in that jurisdiction
“Rothschild”	N M Rothschild & Sons Limited, financial adviser to Fenner
“Scheme”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Fenner and the Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Fenner and Michelin
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme
“Scheme Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
“Scheme Document”	the document to be sent to (among others) Fenner Shareholders containing and setting out, among other

	things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and General Meeting
"Scheme Record Time"	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date
"Scheme Shareholders"	holders of Scheme Shares
"Scheme Shares"	<p>Fenner Shares:</p> <ul style="list-style-type: none"> (a) in issue as at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and (c) (if any) issued on or after the Scheme Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme, <p>but in each case other than the Excluded Shares</p>
"Scheme Voting Record Time"	the time and date specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
"Special Resolution"	the special resolution to be proposed by Fenner at the General Meeting in connection with, among other things, the approval of the Scheme and the alteration of Fenner's articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the Fenner Shares
"Substantial Interest"	a direct or indirect interest in 20 per cent. or more of the voting equity capital of an undertaking
"Takeover Offer"	if (subject to the consent of the Panel) Michelin elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 28 of the Companies Act), the offer to be made by or on behalf of Michelin to acquire the issued and to be issued ordinary share capital of Fenner on the terms and subject to the conditions to be set out in the related offer document
"treasury shares"	any Fenner Shares held by Fenner as treasury shares

“UK Listing Authority”	the FCA acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“United States of America”, “United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“Wider Fenner Group”	Fenner and the subsidiaries and subsidiary undertakings of Fenner and its associated undertakings (including any joint venture, partnership, firm or company in which any member of the Fenner Group is interested or any undertaking in which Fenner and such undertakings (aggregating their interests) have a Substantial Interest)
“Wider Michelin Group”	Michelin and the subsidiaries and subsidiary undertakings of Michelin and its associated undertakings (including any joint venture, partnership, firm or company in which any member of the Michelin Group is interested or any undertaking in which Michelin and such undertakings (aggregating their interests) have a Substantial Interest)

For the purposes of this announcement, “subsidiary”, “subsidiary undertaking”, “undertaking”, “associated undertaking” have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement. All references to time in this announcement are to London time unless otherwise stated.

SCHEDULE 2

FENNER SHARE PLAN, FENNER LTIP AND EMPLOYMENT MATTERS

Fenner and Michelin agree that the following arrangements will, where appropriate and subject to the Acquisition becoming effective in all respects, be implemented with respect to the Fenner Share Plan, the Fenner LTIP and certain employment matters.

1. FENNER SHARE PLAN AND FENNER LTIP

In this Schedule 2, references to an "award" include a conditional right to acquire Fenner Shares, or cash payment of equivalent value, pursuant to the Fenner Share Plan, and references to a "cash award" include a right to receive a cash payment pursuant to the Fenner LTIP.

In the event that the Acquisition is effected by way of a Takeover Offer, references to "Court Sanction" in this Schedule 2 shall be read as if they refer to the date on which the Takeover Offer becomes or is declared unconditional in all respects.

1.1 Operation of the Fenner Share Plan by Fenner prior to the Effective Date

Michelin acknowledges and agrees that, prior to the Effective Date, the directors of Fenner (and, where appropriate, the Fenner Remuneration Committee) may operate the Fenner Share Plan as they consider appropriate in accordance with the rules of the Fenner Share Plan and Fenner's normal practice and subject to Rule 21.1 of the Code.

1.2 Vesting and settlement of awards under the Fenner Share Plan in connection with the Acquisition

Michelin acknowledges and agrees that, in accordance with the terms of the Fenner Share Plan, the Fenner Remuneration Committee intends that:

1.2.1 awards which are unvested immediately before the Court Sanction will vest in full at the time participants are notified of the Court Sanction, without the application of time pro-rating and after the exercise of certain discretions of the Fenner Remuneration Committee in respect of performance conditions in accordance with the plan rules (such exercise to confirm that the performance conditions have been satisfied, or are to be treated as satisfied, in full) such that the number of Fenner Shares in respect of which awards will vest shall not exceed 2,326,348 Fenner Shares; and

1.2.2 awards vesting as described in paragraph 1.2.1 above shall be settled in cash, such cash payment being determined as the number of Fenner Shares in respect of which an award vests multiplied by the Acquisition Price, and paid after deduction of any relevant tax and/or social security contributions or other deductions required by any law or regulation in the relevant jurisdiction. The relevant cash payments shall be made as soon as practicable following the Effective Date.

1.3 Operation of the Fenner LTIP

Michelin acknowledges and agrees that, prior to the Effective Date, the directors of Fenner (and, where appropriate, the Fenner Remuneration Committee) may operate the Fenner LTIP as they consider appropriate in accordance with the rules of the Fenner LTIP and Fenner's normal practice and subject to Rule 21.1 of the Code.

1.4 Vesting and settlement of cash awards under the Fenner LTIP in connection with the Acquisition

Michelin acknowledges and agrees that, in accordance with the terms of the Fenner LTIP, the Fenner Remuneration Committee intends that:

1.4.1 awards which are unvested immediately before the Effective Date will vest in full at the time participants are notified of the Effective Date, without the application of time pro-rating, and after the exercise of certain discretions of the Fenner Remuneration

Committee in respect of performance conditions in accordance with the plan rules (such exercise to confirm that the performance conditions have been satisfied, or are to be treated as satisfied, in full) such that the maximum aggregate payment in respect of the Fenner LTIP shall not exceed approximately £4,150,000 (it being acknowledged that such payments are to be made to participants in various currencies and therefore the overall sterling amount may vary in accordance with applicable exchange rates); and

1.4.2 awards vesting as described in paragraph 1.4.1 above shall be settled in cash, in accordance with their terms, as soon as practicable following the Effective Date.

1.5 General

1.5.1 Fenner and Michelin will co-operate and each use its reasonable endeavours to provide such details in relation the Fenner Share Plan and Fenner LTIP as is reasonably required by the other party in order to facilitate the implementation of the arrangements set out in this Schedule 2.

1.5.2 Fenner will prepare, in a form to be agreed between Fenner and Michelin, communications to each of the participants in the Fenner Share Plan to enable Michelin to satisfy its obligations under Rule 15 of the Code and to send, or arrange for the sending of, such communications to the participants at the appropriate time, as agreed between the parties.

2. EMPLOYEE AND RETENTION MATTERS

2.1 Fenner's arrangements

2.1.1 Michelin confirms that: (i) the existing terms and conditions of employment (which, for these purposes shall be deemed to include the Fenner Redundancy Policy where applicable), including pension obligations, of the management and employees of Fenner and its subsidiaries, and (ii) the contractual rights of any directors and officers who are not employees, will be fully safeguarded in accordance with contractual and statutory requirements.

2.1.2 Michelin acknowledges and agrees that prior to the Effective Date, the Fenner Redundancy Policy will be adopted and ratified by the Fenner Group and become a term of employment for the Fenner Head Office Employees.

2.1.3 Without prejudice to paragraph 2.1.1 above, Michelin confirms and agrees that:

(a) it does not anticipate any headcount reduction in Fenner's workforce as a result of the Acquisition; and

(b) it does not intend to make any material change in the conditions of employment of the employees and management of Fenner and its subsidiaries,

for at least the period of 12 months from the Effective Date.

2.2 Retention and other compensation matters

2.2.1 Michelin acknowledges that the Fenner Group operates annual bonus arrangements (the "**Fenner Bonus Arrangements**") which are conditional on corporate and individual performance.

2.2.2 In respect of the financial year in which the Effective Date falls, Michelin acknowledges and agrees that Fenner shall pay each participant in the Fenner Bonus Arrangements (including any executive director of Fenner) a guaranteed bonus amount calculated as follows:

- (a) a bonus payment in respect of the period up to and including the Effective Date equal to the amount accrued by Fenner in respect of that participant's bonus for that period and calculated in accordance with the rules of the applicable bonus plan; and
- (b) a bonus payment assessed by reference to Fenner's existing performance metrics for that participant's annual bonus (and calculated on the assumption that those metrics were unaffected (other than favourably) by the Acquisition), for the period between the Effective Date and the end of Fenner's current financial year,

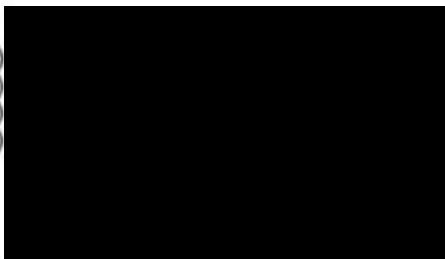
with such bonus amounts as determined in accordance with paragraphs (a) and (b) above being paid on the date bonuses would normally be paid, provided (i) the individual was employed by a member of the Fenner Group on 31 August 2018 or (ii) has left employment prior to that date other than by reason of voluntary resignation or dismissal "for cause" in which case the entitlement to bonus and the bonus amount shall be calculated in accordance with his/her employment contract. For the avoidance of doubt no payment of annual bonus will be made to any individual who has resigned voluntarily or been dismissed for cause or by reason of other serious misconduct, prior to 31 August 2018.

- 2.2.3 If and to the extent that any Fenner Bonus Arrangement provides for payouts (or parts of payouts) to be deferred and paid in Fenner Shares, Michelin acknowledges and agrees that such payouts (or part payouts) shall be made in cash and on the same date that the applicable cash element is paid.
- 2.2.4 Fenner will prepare communications to the participants in the Fenner Bonus Arrangements, detailing the treatment and calculation of bonus amounts for the bonus year in which the Effective Date falls (together with details as to timing of payment) as set out in this paragraph 2.2, and Fenner will send, or arrange for the sending of, such communications to such participants at the appropriate time as agreed between the parties (but in any event prior to the Effective Date). Fenner will provide Michelin with a copy of such communications prior to them being sent to participants and give Michelin a reasonable opportunity to comment on such communications.
- 2.2.5 Michelin acknowledges and agrees that the Stay in Place Bonuses will become payable on the Effective Date and agrees to procure the payment of the same upon or shortly following the Effective Date subject to such individuals being employed by a member of the Fenner Group on the Effective Date and not having voluntarily resigned on or prior to that date.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by)
for and on behalf of)
FENNER PLC)

SIGNED by)
for and on behalf of)
COMPAGNIE GÉNÉRALE DES)
ÉTABLISSEMENTS MICHELIN SCA)



IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by)
for and on behalf of)
FENNER PLC)



SIGNED by)
for and on behalf of)
COMPAGNIE GÉNÉRALE DES)
ÉTABLISSEMENTS MICHELIN SCA)