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Strictly Private & Confidential

Manufacture Française des Pneumatiques Michelin
23 Place des Carmes Déchaux
63040 Clermont Ferrard Cedex 09
France

Date: 14 November 2017

Dear Sirs

Confidential supply of information – standstill agreement

1. INTRODUCTION

- 1.1 You have expressed an interest in continuing to exchange certain information relating to Fenner PLC (the "**Company**" or "**us**") and Manufacture Française des Pneumatiques Michelin (the "**Recipient**" or "**you**") pursuant to the mutual confidentiality and non-disclosure agreement entered into between us dated 31 August 2017 (the "**NDA**") setting out the terms on which the Confidential Information (as defined below) is to be disclosed and used for the Purpose (as defined below), including jointly exploring areas of cooperation and mutual value creation. Other defined words and expressions used in this letter are set out in paragraph 2 below.
- 1.2 This letter, which shall be effective from the date signed by the Company and the Recipient, sets out certain additional terms in relation to the Confidential Information being made available by the Company to the Recipient and members of its Group in accordance with the NDA.
- 1.3 The Company shall be entitled at any time to decline to provide any Confidential Information to the Recipient.
- 1.4 The Company may at any time terminate discussions and negotiations with you without incurring any liability to you (except as a result of any breach of the NDA or this letter).

2. DEFINITIONS

2.1 In this letter:

"Approved Representative"	means, in relation to the Company, Mark S. Abrahams and, in relation to the Recipient, Luc Minguet and/or such other person(s) as may be notified in writing for this purpose by either party to the other party;
"CA 2006"	means the Companies Act 2006;
"Code"	means the City Code on Takeovers and Mergers;
"Confidential Information"	has the meaning given to it in the NDA and shall include the fact that this letter has been entered into by the parties and the terms set out herein;



"Everest"	means the business, assets or undertakings (including subsidiaries of the Company) comprised in the Company's Engineered Conveyor Solutions division (such division as further described on pages 12 and 13 of the Company's Report and Accounts for the period to 31 August 2016);
"Group"	means, in relation to any person, any companies which are holding companies or subsidiaries of it, or are subsidiaries of any such holding company; and
"Purpose"	has the meaning given to it in the NDA.

2.2 In this letter, unless the context otherwise requires:

- 2.2.1 the descriptive headings to paragraphs are included for convenience only, have no legal effect and shall be ignored in the interpretation of this letter;
- 2.2.2 references to this letter or any specified paragraph in this letter are to this letter or the specified paragraph as in force for the time being and as amended, varied, novated or supplemented from time to time;
- 2.2.3 references to persons include individuals, unincorporated bodies and partnerships (in each case whether or not having a separate legal personality), governments, government entities, companies and corporations and any of their successors, permitted transferees or permitted assignees;
- 2.2.4 a "**subsidiary**" or "**holding company**" has the respective meaning set out in section 1159 of the CA 2006;
- 2.2.5 an obligation not to do something includes an obligation not to cause or allow that thing to be done;
- 2.2.6 references to legislation are to legislation of the United Kingdom and include any re-enactment or modification of it but exclude any re-enactment or modification after the date of this letter to the extent that they make any party's obligations more onerous or otherwise adversely affect the rights of any party;
- 2.2.7 the words and phrases 'other', 'including' and 'in particular' or similar words shall not restrict the generality of any preceding words or be construed as being limited to the same class, acts, things or matters as the preceding words where a wider construction is possible; and
- 2.2.8 writing includes manuscript, facsimiles, and other permanent forms.

3. ACQUISITION OF SECURITIES

3.1 Without prejudice to any obligations at law, under other provisions of this letter, under the Code or otherwise and subject to paragraph 3.2 below, you agree that you shall not, and shall procure that no member of your Group (including but not limited to Compagnie Generale des Etablissements Michelin SCA) shall, directly or indirectly, during the 12 months following the date of this letter, without the prior written consent of an Approved Representative of the Company, be involved, directly or indirectly in:

- 3.1.1 acquiring or disposing or seeking to acquire or dispose of any interest (as defined in Part 22 of CA 2006) in the share capital of the Company;
- 3.1.2 making an offer for all or any part of the share capital of the Company;

- 3.1.3 announcing, or (except as referred to in paragraph 3.3 below) taking action which under the Code or otherwise would require the announcement of a proposal (including a possible offer) for any takeover, merger, consolidation or share exchange or similar transaction involving the shares of the Company;
 - 3.1.4 (except as referred to in paragraph 3.3 below) taking any step which might give rise to any obligation under the Code to make any offer for all or any part of the share capital of the Company;
 - 3.1.5 entering into any agreement with any other person in respect of the voting rights attaching to all or any part of the share capital of the Company;
 - 3.1.6 approaching or discussing with, directly or indirectly, any of the Company's shareholders the possibility of a proposal (including a possible offer) for any takeover, merger, consolidation or share exchange or similar transaction involving the shares of the Company, unless such proposal or offer has been previously made to and agreed in writing by the board of the Company; or
 - 3.1.7 entering into any arrangement with, or advising any person in relation to, any of the foregoing.
- 3.2 Nothing in paragraph 3.1 above (but without prejudice to any other obligations or restrictions) shall prevent you or any member of your Group (including but not limited to Compagnie Generale des Etablissements Michelin SCA) taking any of the actions described in sub-paragraphs 3.1.1 to 3.1.7 above at any time after:
- 3.2.1 any person (other than you, any person acting in concert with you or any member(s) of your Group) has announced a firm intention to make an offer in accordance with Rule 2.7 of the Code to acquire the Company (whether such offer is recommended or not);
 - 3.2.2 you or any member of your Group announces an offer under Rule 2.7 of the Code to acquire the Company which is recommended by the directors of the Company;
 - 3.2.3 a third party which is not acting in concert with you or any member of your Group announces that it is interested in, or is considering, making an offer to acquire the Company or the Company announces that it has been approached by a third party which is not acting in concert with you or any member of your Group in relation to a possible offer for the Company or that the Company is in discussions with such a third party with respect to an offer for the Company; or
 - 3.2.4 any person not acting in concert with you or any member of your Group acquires interests in shares of the Company which (including any shares already held by such person at the date of this letter) carry 30 per cent. or more of the voting rights of the Company.
- 3.3 For the avoidance of doubt, whilst the Recipient acknowledges that the same is not currently under contemplation as at the date of its counter-signature of this letter, nothing in this letter is intended to prevent or restrict the Recipient or any member of its Group (including but not limited to Compagnie Generale des Etablissements Michelin SCA), or any person acting on your or their behalf, from making an approach to the board of the Company in relation to a possible or proposed offer to acquire the Company or to seek a board recommendation in respect of such an offer.
4. **CONFIRMATIONS**
- 4.1 The Recipient confirms that it is acting in this matter as principal, and not as agent or broker for any other person.

- 4.2 The Recipient confirms that it has received and continues to have the necessary board and other authorisations (including from Compagnie Generale des Etablissements Michelin SCA) in order to (i) continue the discussions with the Company in relation to the Purpose and (ii) enter into this letter agreement.

5. **NON-SOLICITATION**

- 5.1 Subject to paragraph 5.2, the Company agrees to ensure that in the period commencing with the date of this letter and ending on the date falling 90 days after the date of this letter (or, if earlier, the date on which the Recipient confirms in writing to the Company that it is no longer interested in pursuing the Purpose), neither it nor any member of its Group, nor any of its or their respective directors, employees, advisers, agents or representatives shall, directly or indirectly –solicit, initiate or encourage the submission of proposals or offers from any person (other than the Recipient or a member of the Recipient’s Group) in relation to the acquisition of any material part of Everest (whether in a single transaction or a series of transactions) (any of the foregoing being a **"Sale Transaction"**) except to or with the Recipient or a member of the Recipient’s Group.

- 5.2 For the avoidance of doubt, paragraph 5.1 shall not prohibit or in any way restrict the Company from, directly or indirectly:

5.2.1 completing the disposal of the Everest service operations and related assets in South Africa, as described in the regulatory news service announcement issued by the Company on 25 July 2017; or

5.2.2 soliciting, initiating or encouraging the submission of proposals or offers from any person in relation to the acquisition of other parts of Everest which the directors of the Company, acting reasonably and in good faith, consider to be non-material or non-core parts of Everest; or

5.2.3 engaging in discussions with any person who has approached the Company in relation to a possible acquisition of all or part of Everest prior to the date of this letter, provided always that if any such party makes a written offer to acquire all or any material part of Everest (a **"Competing Proposal"**) then the Company will: (i) notify the Recipient of the Competing Proposal (including the material terms of the Competing Proposal) as soon as reasonably practicable after receipt of the Competing Proposal (to the extent that it is lawfully able to do so); and (ii) not sell, transfer or dispose of any material part of Everest pursuant to any Competing Proposal for a period of 45 days following notification to the Recipient of the Competing Proposal.

6. **REMEDIES**

- 6.1 Without prejudice to any other rights or remedies that either party may have against the other, each party acknowledges and agrees that:

6.1.1 damages may not be an adequate remedy for any breach of the terms of this letter; and

6.1.2 the other may be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of the terms of this letter.

- 6.2 In addition to the remedies set out in paragraph 6.1, each party will promptly and fully indemnify and keep the other party indemnified, forthwith on demand in full and without any set off, counterclaim or other deduction, against all claims, proceedings, actions, losses, costs, expenses and damages (excluding any loss of profit, loss of reputation or any other indirect, economic and/or consequential losses) resulting from any breach of the terms of this letter.



- 6.3 All sums payable under paragraph 6.2 shall be paid free and clear of all deductions or withholdings (including tax) unless required by law, in which event the party paying will pay such additional amounts as shall be required to ensure that the net amount received and retained by the receiving party (after all such deductions and withholdings) will equal the full amount which would have been received and retained by it had no such deduction or withholding been made.
- 6.4 No failure, delay or omission by either party in exercising any right, power or remedy provided by law or under this letter shall operate as a waiver by it of that right, power or remedy, nor shall it preclude or restrict any future exercise of that right or remedy. No single or partial exercise by either party of any right, power or remedy provided by law or under this letter shall prevent any future exercise of it by that party or the exercise of any other right, power or remedy.
- 6.5 A person who is not a signatory to this letter shall have no right under the Rights of Third Parties Act to enforce any of its terms.

7. NOTICES

- 7.1 Notices under this letter shall be given in writing to the relevant party at the address stated above (or such other addresses as it shall previously have notified to the other party), any notice sent by hand shall be deemed received when delivered and any notice sent by first class post shall be deemed received 48 hours after posting.
- 7.2 Where this letter allows or grants any right or action on obtaining the prior written consent of an Approved Representative, that consent may be transmitted electronically or otherwise be signed by the Approved Representative and may be given, withheld or given subject to such conditions, in each case, as the Approved Representative in his or her absolute discretion thinks fit.

8. GENERAL

- 8.1 The terms set out in this letter will constitute a contract between the Recipient and the Company the consideration for which will be the respective obligations between the Recipient and the Company contained in this letter.
- 8.2 If any provision of this letter is or becomes illegal, invalid or unenforceable:
- 8.2.1 the legality, validity and enforceability of any other provision of this letter shall not be affected; and/or
- 8.2.2 such provision would be legal, valid and enforceable if some part of it was deleted or modified, the provision or part-provision in question shall apply with such deletions or modifications as may be necessary to make the provision legal, valid and enforceable.
- 8.3 This letter may be signed in any number of separate counterparts, each of which when signed and dated shall be an original, and such counterparts taken together shall constitute one and the same letter.
- 8.4 No variation of any of the terms of this letter shall be valid or effective unless it is in writing, refers to this letter and is signed or executed (as the case may be) by, or on behalf of, each party.
- 8.5 The rights and remedies given to the parties in this letter are in addition to, without prejudice to, and not exclusive of, any and all other rights and remedies given to them whether by this letter, by law or otherwise and all such rights and remedies are cumulative.
- 8.6 For the avoidance of doubt, notwithstanding any provision in this letter, the Recipient and the Company acknowledge that the NDA shall continue to apply in full force and effect in accordance with its terms.

9. **GOVERNING LAW AND JURISDICTION**

This letter and any dispute or claim arising out of or in connection with its subject matter (including any dispute or claim relating to non-contractual obligations) shall be governed by and construed in accordance with English law. We irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this letter (including any dispute or claim relating to non-contractual obligations) and that accordingly any suit, action or proceedings arising out of or in connection with this letter shall be brought in such courts.

Please acknowledge your acceptance of the terms of this letter by signing the enclosed duplicate of this letter and returning it under confidential cover to us, marked for the attention of Mark S. Abrahams.

Yours faithfully

Signed for and on behalf of
Fenner PLC


Debra Bradbury
Group Company Secretary

On enclosed duplicate:

We hereby acknowledge receipt of the above letter and we accept and agree to the terms set out therein.

Signed for and on behalf of **Manufacture Francaise des Pneumatiques Michelin**

Date: 11/14 2017



Luc MINGUET
Senior Vice President
Chief Procurement Officer

