

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000 or, if you are in a territory outside the United Kingdom, is an appropriately authorised independent financial adviser.

To Participants in the Fenner Performance Share Plan 2015 (the "**Plan**")

16 April 2018

Dear Participant

Recommended cash acquisition of Fenner PLC ("Fenner") by Compagnie Générale des Établissements Michelin SCA ("Michelin").

The purpose of this letter is to explain the effect of the recommended offer by Michelin as described below on conditional awards granted under the Plan ("**Awards**") and to set out the proposal being made to you in relation to your Awards under the Plan.

1. **BACKGROUND**

On 19 March 2018, the Boards of Fenner and Michelin announced that they had agreed the terms of a recommended cash offer pursuant to which Michelin will acquire the entire issued and to be issued share capital of Fenner (the "**Acquisition**").

The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Fenner and Scheme Shareholders under Part 26 of the Companies Act ("**Scheme**"). Under the terms of the Scheme, Scheme Shareholders will receive

610 pence in cash for each Fenner Share ("Offer Price")

If the Court approves the Scheme it is expected to become effective on 31 May 2018. However, please note that this date is not fixed and completion of the Acquisition may take place at a later date. The Scheme is described in more detail in the circular dated 12 April 2018 which has been sent to Fenner Shareholders ("**Scheme Document**"), and a copy of which is being sent to all participants in the Plan for information only.

This letter ("**Letter**") contains a summary of the key terms of the Scheme as it affects your Awards, but must be read in conjunction with the Scheme Document containing full details of the Scheme. Terms not otherwise defined in this Letter shall have the meanings set out in the Scheme Document. A copy of this Letter and a copy of the Scheme Document are available on Fenner's website (www.fenner.com).

This Letter does not apply to any Fenner Shares you already own (either as a result of exercising awards, options or otherwise). Participants under the Plan do not have the right to vote on the Acquisition. Only Fenner Shareholders can vote.

2. **EFFECT OF THE SCHEME ON YOUR AWARD(S)**

We are writing to explain how the Scheme will affect the Award(s) that you hold.

All unvested Awards will vest on the date you are notified that the Court has sanctioned the Scheme. Fenner's Remuneration Committee has determined that all Awards will vest in full on the basis that the

performance conditions have been achieved in full and Awards will not be pro-rated to reflect the curtailed period from grant to vesting.

All Awards will be satisfied in cash in connection with the Scheme. You will receive an amount equal to the Offer Price for each Fenner Share which vests pursuant to your Awards.

The terms of this Letter assume that you remain in employment with the Fenner Group up until the effective date of the Scheme. If you leave employment prior to that date, the leaver provisions under the Plan will apply in the normal way and your Awards will generally lapse unless you are a "good leaver".

3. WHAT SHOULD I DO NEXT?

You do not need to take any action in relation to your Awards. As soon as practicable following the effective date of the Scheme, your Awards will be settled in full in cash subject to any deductions for tax or social security contributions.

4. FURTHER INFORMATION

If you have any queries in relation to this Letter, you should contact Debra Bradbury on +44 (0)1482 626 500 without delay. However, please note that neither Debra nor Fenner will be able to provide you with any legal, financial, tax planning or investment advice.

This Letter is confidential. Nothing in this Letter shall be construed as investment advice or any investment recommendation given by or on behalf of Fenner or any other person.

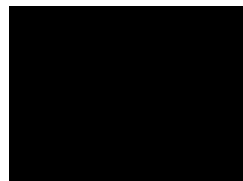
5. RECOMMENDATION FROM THE FENNER DIRECTORS

The Fenner Directors, who have been so advised by Rothschild, consider the proposal in relation to the Awards as described in this Letter to be fair and reasonable. Rothschild is providing independent financial advice to the Fenner Directors for the purposes of Rule 3 of the Code. In providing advice to the Fenner Directors, Rothschild has taken into account the commercial assessments of the Fenner Directors.

Yours faithfully



For and on behalf of Fenner PLC



For and on behalf of Compagnie Générale
des Établissements Michelin SCA

NOTES

1. The Fenner Directors whose names are set out in paragraph 2.1 of Part Seven of the Scheme Document accept responsibility for the information contained in this Letter (including any expressions of opinion) other than the information (and expressions of opinion) for which responsibility is taken by the Michelin Directors. To the best of the knowledge and belief of the Fenner Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.
2. The Michelin Directors whose names are set out in paragraph 2.2 of Part Seven of the Scheme Document accept responsibility for the information contained in this Letter (including any expressions of opinion) relating to Michelin, the Michelin Group and the Michelin Directors and their respective immediate families and the related trusts of and persons connected with the Michelin Directors, and persons deemed to be acting in concert with Michelin. To the best of the knowledge and belief of the Michelin Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Letter for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.
3. This Letter is governed by and should be construed in accordance with English Law.
4. Words and expressions defined in the Scheme Document will, unless the context requires otherwise, have the same meaning in this Letter. Your Award(s) are governed by the rules of the relevant Plan under which they were granted and the applicable legislation. If there is any inconsistency between those rules and the applicable legislation and this Letter, the rules and such legislation will prevail.
5. Accidental omission to despatch this Letter, or any failure to receive the same by, any person to whom the proposal is made or should be made, will not invalidate the proposal in this Letter in any way. Receipt of documents will not be acknowledged and documents will be despatched at your own risk by post.
6. N M Rothschild & Sons Limited, which is authorised and regulated by the FCA in the United Kingdom, is acting solely for Fenner as financial adviser and broker in relation to the matters referred to in this document and for no one else. Rothschild will not be responsible to anyone other than Fenner for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any arrangement referred to herein. Neither Rothschild, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild in connection with this document, any statement contained herein or otherwise. Rothschild has given, and not withdrawn, its consent to the inclusion in this document of the references to its name and the advice it has given to Fenner in the form and context in which they appear.
7. Morgan Stanley & Co. International plc, which is authorised by the Prudential Regulation Authority and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to Michelin and for no one else in connection with the matters referred to in this document and will not be responsible to anyone other than Michelin for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this document. Neither Morgan Stanley, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Morgan Stanley in connection with this document, any statement contained herein or otherwise. Morgan Stanley has given, and not withdrawn, its consent to the inclusion in this document of the references to its name and the advice it has given to Michelin in the form and context in which they appear.

8. A copy of this Letter will be available to view on Fenner's website at www.fenner.com (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) and on Michelin's website at www.michelin.com (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions).