

SIKA, BURKARD FAMILY AND SAINT-GOBAIN FIND OVERALL AGREEMENT

11/05/2018 // May

- **Compagnie de Saint-Gobain (Saint-Gobain) acquired Schenker-Winkler Holding AG (SWH) from the Burkard family**
- **Saint-Gobain/SWH sold 6.97% stake in Sika AG (Sika) to Sika for a total consideration of CHF 2.08 billion**
- **Saint-Gobain retains 10.75% interest in Sika through SWH for a minimum of two years**
- **Sika calls shareholders' meeting to introduce unitary share class, cancellation of opting-out, and elimination of 5% transfer restrictions and to cancel the 6.97% shares acquired from SWH**
- **Parties terminate all legal proceedings**
- **Sika and Saint-Gobain intend to extend their existing business relationship**

Sika, the Burkard family and Saint-Gobain have signed agreements which terminate and resolve their dispute to the common benefit of all parties involved and that of their respective shareholders and stakeholders. The following has been agreed:

Saint-Gobain acquired SWH – Sika acquired registered shares representing 6.97% of Sika's share capital

Saint-Gobain acquired all outstanding shares of SWH from the Burkard family for a purchase price of CHF 3.22 billion. It reflects an increase of above CHF 500 million from the purchase price agreed in December 2014 between Saint-Gobain and the Burkard Family, taking into account the increase in Sika's value since 2014. Sika purchased a 6.97% stake in Sika from SWH (representing a 23.7% voting interest) for a total consideration of CHF 2.08 billion. This amount contains a CHF 795 million premium over the market value as of May 4, 2018.

Termination of litigation, special audit, special experts

All pending litigation will be terminated. Furthermore, it is intended to propose to the shareholders of Sika to terminate the mandate of the Special Experts.

Introduction "one-share, one-vote"

Sika will call for an extraordinary shareholders' meeting (EGM) for June 11, 2018 and will propose to:

- Cancel the 6.97% shares acquired from SWH by way of capital reduction
- Convert all shares into a single class of registered shares ("one share, one vote") in a ratio 1:60 (bearer share based)
- Eliminate the 5% transfer restrictions
- Eliminate the opting-out clause

SWH, fully owned by Saint-Gobain at the time of the EGM, will vote in favor of all resolutions.

Urs F. Burkard, Jürgen Tinggren and Willi Leimer have resigned from the board of directors of Sika. All independent directors will continue to serve the company and in time will seek to strengthen the board with new appointees.

Future relationship between Saint-Gobain and Sika

The future relationship between Saint-Gobain and Sika will be on both the shareholder and the business levels:

Saint-Gobain will become a shareholder of Sika through SWH. After the EGM it will hold 10.75% of votes and capital interest in Sika. The parties have agreed on lock-up (two years) and stand-still obligations (up to 10.75% for four years, up to 12.875% for the following two years) with regard to Saint-Gobain's stake in Sika. In case of an intended sale, these shares will first be offered to Sika up to 10.75%.

The two groups will also continue their substantial existing business relationship and seek to further expand it to areas of mutual benefit while preserving and respecting each group's economic and legal independence.

Sika will fund this transaction through a bridge loan committed by UBS. Subsequently, Sika intends to optimize its capital structure through the issuance of debt and debt-like securities, while maintaining both the investment grade rating as well as the financial flexibility to fund the defined growth strategy of the company.

Paul Hälg, Chairman of the Board of Directors of Sika and Paul Schuler, CEO of Sika: "The Board and Group Management of Sika welcome this positive outcome. This solution is immediately accretive for our shareholders and paves the way for a new chapter of our success story. Sika remains committed to a strong S&P investment grade credit rating. The introduction of a modern governance structure will provide Sika with a solid base to accelerate its growth. The biggest thanks go to all our employees who with their dedication and loyalty made the great success of Sika and this solution possible."

Urs F. Burkard, spokesman for the Burkard family: "We are pleased that Saint-Gobain, as a significant Sika customer, is now the company's largest shareholder. The solution agreed between the parties involved takes into account the interests of all shareholders and forms the basis for continuing Sika's success story. The primary concern of the family has always been to ensure Sika's success and long-term prosperity."

Pierre André de Chalendar, Chairman and CEO of Saint-Gobain: "This is a very positive settlement for Saint-Gobain, both from a financial and a strategic perspective. We materialize a substantial positive net result in excess of EUR 600 million for our shareholders. We also retain a minority stake in a great company and will enhance the relationship between the two groups."