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USA

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USA

July 13, 2015

Dr. Paul J. Hälg  
Chairman  
Sika AG  
Zugerstrasse 50  
CH-6341 Baar / ZG  
Switzerland

Dear Dr. Hälg

Cascade Investment, L.L.C. and the Bill & Melinda Gates Foundation Trust have on several occasions stated our opposition to the proposed sale of the Burkard family's interest in Sika AG to Saint-Gobain, starting with our correspondence in January 2015, and also through our statement and participation at Sika's AGM in April 2015.

We have observed the continued attempts by Schenker-Winkler Holding AG ("SWH") and the Burkard family to aggressively force through the transaction against the recommendations of the independent board and top management of Sika and against the interests of the majority of shareholders.

The transaction has been widely criticised by Sika shareholders, employees, senior managers and the independent directors as not being in the best interests of Sika. The market agrees. On the three trading days after the transaction was announced, Sika shares declined 29%. Although the price has recovered somewhat, the shares have languished since then despite Sika's exceptional, and even historic, financial performance.

We also have observed commentary in the past few months about the allegedly "inappropriate" actions of the independent directors; the same independent directors, who were elected by the shareholders (including the Burkard family) to protect and guide Sika.

This commentary is misplaced. It is Urs Burkard, not the independent directors, who has to explain why he, as a director, negotiated a transaction that is contrary to the interest of the company and its public shareholders and did so, according to the Company, in secret, without consulting with the rest of the board of directors.

We have, therefore, asked the courts in Switzerland to review the conduct of Mr. Burkard as architect of the proposed transaction and as a member of Sika's board of directors. Today, Cascade and the

Foundation Trust have initiated a director's liability lawsuit against Mr. Burkard for breach of director's duties. The complaint has been filed with the Justice of Peace in Baar, Canton of Zug, and asks that Mr. Burkard be ordered to reimburse Sika for damages incurred as a result of his actions.

While at this time our action is solely against Urs Burkard for payment of damages to Sika, we reserve the right to demand further payments for damages from him and to extend our request for legal redress to other members of the board of directors who were elected in their capacity as representatives of the family. We further reserve the right to initiate legal proceedings against other members of the family should this be warranted by the results of the special audit investigation and facts revealed in ongoing court proceedings.

We have also observed commentary arguing that shareholders understood the risks associated with the so-called "opting-out clause" in Sika's articles of association and they should not be surprised by the Burkard family's opportunistic attempt to sell. We disagree with this characterisation.

In assessing whether to invest in Sika, the potential significance of the opting-out clause had to be balanced against the protections that had been put in place to mitigate that clause, namely the existence of a majority of independent directors on the Sika board and their ability to restrict share transfers in connection with a change of control (the so-called "restriction on transfer"). Those measures, together with the family's public and long-standing commitment to Sika's independence, assured investors that the family and the board were a bulwark against unwanted and inadvisable takeover bids.

Now, the family seeks to hide behind the opting-out clause, ignoring the very rights and protections that it helped construct. It is these same rights and protections that Sika's independent board members are rightly and responsibly fighting hard to defend.

Saint-Gobain seeks to rationalize its role in the proposed takeover by arguing that the transaction will create significant synergies, mainly revenue in nature. But realization of revenue synergies does not require acquisition of control by Saint-Gobain. Revenue synergies could be achieved by two independent parties agreeing to an arm's length arrangement. Moreover, the allocation of the benefits of the transaction as proposed would be heavily skewed in Saint-Gobain's favor. This is inequitable and not the basis of a constructive partnership.

We also note that at Sika's AGM in April, Dr. Walter Gruebler explained that Sika and Saint-Gobain had attempted in the past to find substantial synergies between the two companies. He further explained that none of the expert groups could then show substantial synergy potential and the exercise was called off.

Furthermore, we don't understand how cutbacks in capital expenditure or R&D, as proposed by Saint-Gobain, could ever be in the interest of Sika as a stand-alone entity. Sika's growth is predominantly attributable to R&D and disciplined M&A. To cut back on these items would stifle that growth to the detriment of shareholders and employees.

We continue to support the independent board members in their efforts to protect Sika's independence. The company must retain its ability to negotiate truly arm's length agreements, and to engage in sound capital allocation.

As we have stated before, resisting the proposed transaction has become a matter of principle for us, and we will continue to fight this attempt to circumvent good corporate governance. To that effect we confirm that we have retained legal counsel to advise us on Swiss Law and French Law, and retained Greenhill & Co. to act as our financial adviser in this matter.

We respect and support the independent board members for standing tall in the face of this hostile takeover bid. We welcome the Superior Court of Zug's (Obergericht Zug) denial of the appeal of SWH regarding the restriction of family voting rights as further support of the independent board's position. In addition, the continued support of our in-concert group, as well as the recent support of other high-profile shareholders, is further evidence that the investor community supports the board.

We hope this situation will be resolved soon for the sake of all of the stakeholders of Sika, but in our capacity as one of the largest owners of bearer shares we will continue to oppose the proposed transaction until reasonableness prevails.

Sincerely,

Cascade Investment, L.L.C.

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Michael Larson  
Business Manager

Bill & Melinda Gates Foundation Trust

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Michael Larson  
Investment Manager