

[Please note that this letter is only an English version of the original letter sent to Standard Industries on 18th of November 2016. The original version of our letter (in German) shall prevail and shall exclusively be relevant in case of any legal disputes.]

40 North Management LLC
C/o David S. Winter and David J. Millstone (Co-Chief Executive Officers, Co-Chief Investment Officers and Managing Principals)
Cc. Krystian Czerniecki (Sullivan & Cromwell)
9 West 57th Street, 30th Floor
New York, NY 10019
United States

London, 18th November 2016

Dear Messrs. Winter and Millstone,

Following up on our letter dated 19th October 2016 we would like to raise the following questions regarding the Offer Document published by Marsella Holdings S.à.r.l. on 14th October 2016. We would like to clarify that many of the points included below are relevant to our assessment of future business opportunities of Braas Monier S.A. (Braas Monier).

(1) Condition of no significant dividend (>€25 million net debt effect)

A condition for the validity of your offer is, according to point 11.1.3 of the Offer Document in connection with 11.2, that the Board has not decided to pay any cash and/ or other dividend exceeding €25 million. Following our consultation with BaFin (The Federal Financial Supervisory Authority in Germany) we understand that a combination of German acquisition law and Luxembourg company law results in the fact that this condition in relation with the planned distribution of € 0.70 per share (i.e. approx. €28 million in total) that was announced within the scope of the Q3 results for the financial year 2016 has not yet been violated. In view of the complexity of the subject we ask for your explicit confirmation.

In addition, we would like to note that the dividend payment proposed by the company forms an integral part of our investment thesis. In point 14.5 of your Offer Document, you state that you do not expect any further dividend payments from Braas Monier. This is contrary to the published plans of the company. We therefore ask for an explicit clarification on how you intend to exercise your planned influence on Braas Monier in relation to the dividend policy.

(2) Financing confirmation

We believe that your financing confirmation is incomplete. The confirmation by Deutsche Bank in Appendix 1 of your Offer Document only covers the equity component of the company to be acquired. At the same time you admit under point 8.1 of your Offer Document that there will be change of control issues in the existing debt of Braas Monier and thus substantial funding requirements (we expect at least €450 million). It can't be left to the shareholder to bear this refinancing risk and associated costs - especially since the costs are not specified in the Offer Document. We therefore ask you to clarify how a possibly necessary refinancing has been secured and ask you to adjust the financing confirmation accordingly.

Petrus Advisers - 100 Pall Mall - London SW1Y 5NQ - www.petrusadvisers.com - office@petrusadvisers.com

(3) Planned integration of Braas Monier and Icopal

Under point 7.2 of your Offer Document you are planning to merge Standard Industries/ Icopal and Braas Monier. That can only mean a complete integration. This conclusion can be drawn, for example (i) from the described broadening of the product range of roof solutions, (ii) from the emphasized benefits of size and combined financial resources and, in particular (iii) from the reference to ONE global leadership team according to points 7.2.1, 8. and 8.3.

On the other hand, there are a number of statements that are contradictory and thus confusing for the shareholder. Point 8. of your Offer Document states that there shall be no material changes at Braas Monier. In our opinion this is not possible if the management of Icopal and Braas Monier will be combined. Under point 8.2 you make it clear that you are planning to replace all members of the Board of Directors with your own representatives. This is also in clear and stark contradiction with the statements under point 8. The Icopal case shows that investors need to be prepared, among other things, to a relocation of the company's headquarters abroad. In fact, Standard Industries has already started moving the Icopal headquarters from Denmark to London. If such measures are already planned for Braas Monier, we would like to clarify this now or ask for an explicit exclusion of such changes.

(4) Synergies

Your Offer Document explicitly states that no cost synergies are planned or targeted (point 7.1 as well as point 14.2.1 (6)). We would like to comment that this statement is of crucial importance both for the assessment of your Offer Document as well as for the assessment of the business opportunities of Braas Monier in a possible future relationship with Standard Industries/ Icopal. In view of the similarity and overlap of businesses and the fact that there are two management structures and supervisory boards etc., this statement appears by no means logical and is, in our view, misleading.

(5) Debt ratio of the combined Icopal/ Braas Monier company

The presentation of the impact of the takeover on the balance sheet and P&L account of Standard Industries under point 14.4.1 shows that Standard Industries has a very high debt ratio and correspondingly low equity ratio (defined as equity / (equity + liabilities)) of only 14.6%. Even more worrying is the fact that the equity ratio of the combined unit will be only 10.5%, which appears to be very low. These figures implicitly create enormous risks for investors that, in our view, are not adequately described in the Offer Document. We therefore ask for clarification on this point and emphasize that this also appears to be relevant for the financing confirmation (2 above).

We would like to point out here that we are surprised by the quality of the Standard Industries figures in the Offer Document (not audited, 3rd July as June month-end).

(6) Inherent conflicts of interest

In your Offer Document, a series of threats are placed towards Braas Monier. Point 15.1 of your Offer Document states for example „Therefore, it is expected that after completion of the Offer, supply of and demand for Braas Shares will be lower and that this will decrease the liquidity of Braas Shares.” Point 15.2 threatens the company with down-listing or de-listing. Point 15.4.2 states various rights in case of a 66.66% majority in the General Meeting.

In this context, we would like to point out that this clearly describes potential conflicts of interest. An independent board of directors, acting for the good of the company and with the aim to increase value for all shareholders would not pursue such strategies. We also want to note that Luxembourg company law provides for strong legal instruments and control mechanisms to protect companies and free float shareholders – this is not referred to in your Offer Document which is in our opinion therefore misleading.

(7) Necessary approvals for your takeover offer

Given the complex ownership structures of Standard Industries through several intertwined trusts (as described in point 5.3), it is not clear to us whether the necessary approvals for the takeover bid have been obtained. We ask you to confirm this explicitly.

Finally, we demand an explanation of your representation in this process by Sullivan & Cromwell (S&C). S&C represented Braas Monier in the IPO in June 2014. How has been made sure that there cannot be any conflicts? For example, how has it been ensured that persons acting on behalf of S&C have not had access to sensitive information and that the teams would be strictly separated?

Given the timing of your takeover offer, which expires on 23 December, we ask you to clarify the above points within the next 10 days.

Kind regards,



Klaus Umek
Managing Partner
Petrus Advisers



Till Hufnagel
Partner
Petrus Advisers