

PrimeStone

London, 30th May, 2023

Dear Fellow Brenntag Shareholders,

PrimeStone Capital LLP (“PrimeStone” or “we”) is a long-term investment fund that currently owns more than 2% of Brenntag SE’s outstanding shares.

At the end of last week, ISS issued its Proxy Analysis and Voting Recommendations for the upcoming AGM of Brenntag on 15th June, 2023. **For the first time in German history, ISS decided to endorse all nominees proposed by a “dissident” shareholder and recommend voting against all of the company’s candidates.**

Beyond supporting meaningful boardroom change and a vote FOR our candidates Joanna Dziubak and Geoff Wild at the upcoming Annual Meeting, the ISS report makes similar observations to ours and notably:

- *“there are sufficient concerns regarding strategic direction and execution to warrant reinforcing the board with capital allocation and executive experience”*
- *“there seems to be no evidence that the company’s dual-business strategy is conferring any advantage as the company has underperformed most relevant peers”*

In its Voting Recommendations, ISS focuses on two critical questions: (i) *Is change warranted?* and (ii) *Which nominees?* Their analysis concludes that change in the Supervisory Board is warranted and that PrimeStone’s nominees are preferable to the company’s:

“Based on these considerations, additional board oversight to challenge strategic direction, imprint a sense of urgency, and focus on operational improvements is warranted.”

“Wild, with an academic background in chemistry, CEO level experience, and industry knowledge, would be a qualified replacement for Ridinger, while Dziubak’s financial expertise would seem more critical to the board’s present needs than Chandrasekaran’s technology skillset.”

“Dissident candidate Dziubak brings financial discipline to help monitor business performance and make allocation decisions from her background sitting on boards representing private equity investors.”

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Given the historical significance of this report, Brenntag had an opportunity to pause and reflect on the weight of ISS’s recommendations. Instead, the company rushed to issue a statement making unsubstantiated claims which only serve to reinforce the perception that the Supervisory Board is entrenched and disconnected from the actual state of the company. Here are a few examples:

- In the context of Brenntag Specialties’ poor Q1 results, which highlighted a widening performance gap with its main competitors (eg. IMCD’s organic gross profit grew by 5%, Brenntag Specialties’ gross profit declined by 9% and its EBITA declined by 26%), shareholders should be concerned by Brenntag’s following comment: *“The timeframe chosen for calculation of the [TSR]... does not reflect the most recent strong performance of the Brenntag stock and the developments of the current fiscal year...Year-to-date, Brenntag has outperformed its peers IMCD, Azelis and Univar...”*

This is further evidence that the Supervisory Board is currently not in sync with the reality of the business that is underperforming peers. Its members genuinely believe that they are doing a good job and that Brenntag is performing, when the evidence suggests otherwise. This is one of the main reasons why we strongly encourage shareholders to vote for our counter motions.

- Brenntag challenges Geoff Wild's independence based on the fact that he sat on the same board as one of PrimeStone's Managing Partners over a decade ago. In contrast, the company conveniently overlooks the fact that Dr. Andreas Rittstiegl, who has been a member of Brenntag's Supervisory Board for the past 13 years and is now its Vice-Chairman, has also been on the Administrative Board of Kühne Holding AG (a 5% shareholder of Brenntag) since October 2012 and that he also sits on the Hapag-Lloyd Supervisory Board as Kühne's representative since 2022.

Our nominees, Joanna Dziubak and Geoff Wild, not only possess extensive and relevant experience, coupled with a remarkable track record of value creation, but are also fully independent from PrimeStone in every sense. They are not receiving and have never received any compensation from PrimeStone. They will serve as representatives of all shareholders. The same may not be said about Dr. Rittstiegl who is directly remunerated by Kühne.

- Brenntag criticises our nominees while highlighting Richard Ridinger's accomplishments at Lonza. While Mr. Ridinger can rightfully take pride in his track record at Lonza, the relevance of his past achievements must be re-evaluated in light of the key strategic decisions he has supported and the progress achieved during his tenure at Brenntag. As the Supervisory Board's most prominent member and as one of three members of the Transformation Committee, he has contributed to the unfortunate unsolicited bid for Univar and has monitored the implementation of Project Brenntag with hard-to-discern results. We also note that under Mr. Ridinger's tenure, Brenntag's performance gap with peers has further increased as detailed in our latest presentation.

In short, when Richard Ridinger joined Brenntag's Supervisory Board 3 years ago, he was a strong addition on paper. He had his chance. He should not be re-elected.

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We also take advantage of this letter to highlight some other recent alarming actions undertaken by the Supervisory Board that we feel compelled to share with you as they further highlight the Board's entrenchment and questionable use of their time and shareholders' money.

- The company has selectively removed important parts of PrimeStone's resolutions when publishing them on the company's website, including the critical links to the full CVs of our candidates. This selective removal of information raises concerns about the transparency of Brenntag's Supervisory Board and we find it telling that they are intentionally withholding the impressive accomplishments of our nominees.
- The company is now threatening PrimeStone with legal action, alleging that our shareholder communication website (<https://revivebrenntag.com/>) infringes on the company's trademark by utilising the Brenntag name. This is obviously preposterous. Trademark rules are designed to prevent confusion in the marketplace and we very much doubt that any stakeholder of Brenntag could be misled by PrimeStone's website. Similar websites are commonplace in the context of proxy solicitations, and we are unaware of any instance in which companies have resorted to legal measures to shut them down. The company's attempt to suppress our communication platform through legal avenues is both disproportionate and unfounded.

We wish Brenntag's management and Supervisory Board were more focused on closing the performance gap between its Specialties division and its peers rather than spending time and shareholders' capital on these trivial tactics, whose only purpose is to stifle legitimate shareholder debate and restrict the flow of information. This is particularly disappointing when this entire proxy contest could have been avoided if the Supervisory Board had been open-minded and endorsed our nominees in addition to their own. Unfortunately, it did not even want to meet them.

You can still access our uncensored counter motions and election proposals, the candidates' full CVs and our presentation highlighting the need for change and the rationale for our proposals at: <https://revivebrenntag.com/> or <https://primestonecapital.com/engagement/>

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Our proposals are aimed at refreshing and strengthening the Supervisory Board and improving accountability and alignment with shareholders' interests. Our two independent candidates will together contribute intimate knowledge of specialty chemicals, strong business acumen and skills including strategy, financial discipline, business performance monitoring and M&A. They would work constructively with other members.

We encourage all shareholders to support this effort and to vote through their respective custodial chains. It is crucial that shareholders exercise fully their rights, have their voices heard and participate in this decision-making process to ensure robust corporate governance and long-term value creation.

PrimeStone Capital intends to vote as follows:

- Counter-motion A: **FOR** the shortening of the term of new Supervisory Board members to 2 years
- Counter-motion B: **FOR** the election of **Geoff Wild**
- Counter-motion C: **FOR** the election of **Joanna Dziubak**

- Item 7: **AGAINST** the sharp increase in the remuneration package of the Supervisory Board
- Item 9.1: **AGAINST** the re-election of Richard Ridinger
- Item 9.2: **AGAINST** the election of Sujatha Chandrasekaran

If you wish to vote in support of PrimeStone's proposals, you must instruct your custodian, broker, nominee or back office to vote **AGAINST** resolutions 9.1 & 9.2 and **FOR** Counter-motion A, B & C.

As highlighted by ISS, our counter-motions do not appear on voting platforms, which is a clear obstacle to shareholder democracy. Thus, you need to either make sure you are able to:

- (i) vote live on-line on all resolutions at the AGM (which requires a login), or**
- (ii) obtain a direct order (proof of ownership) from your custodian and then submit your voting instructions to Brenntag's company proxy via its registrar Computershare.**

Institutional investors who have custodial questions, require assistance with voting or have issues with their voting platforms can visit <https://revivebrenntag.com/#voting> or contact:

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PrimeStone remains committed to fostering transparency, accountability, and shareholder rights at Brenntag SE and to working constructively with all stakeholders to create long-term shareholder value.

Yours respectfully,

PrimeStone

<https://primestonecapital.com/engagement/>
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