

# COMPENSATION VOTES

## Items 1.2, 5.1 and 5.2 of the agenda

Shareholder information on the compensation votes  
at the Annual General Meeting 2024

# 2023 WAS ANOTHER RECORD YEAR FOR HOLCIM.

## Dear Shareholders,

In 2023, Holcim's record full-year results were based on our superior earnings profile, comprising industry-leading margins and a strong balance sheet. Net sales reached CHF 27,009 million for 2023, with organic growth of 6.1 percent compared to the prior year. This was driven by fast growth in the mature markets of North America and Europe, with Solutions & Products expanding to account for 21 percent of Group net sales. Recurring EBIT reached a record CHF 4,760 million for 2023, up 14.7 percent organically, with a recurring EBIT margin of 17.6 percent. This strong performance is the result of the Group's successful shift from volume to value in 2023. Earnings per share before impairment and divestments reached the record level of CHF 5.42 for the full year 2023 compared to CHF 4.96 in 2022 before the resolution with the U.S. Department of Justice (DOJ). Holcim delivered another record Free Cash Flow after leases of CHF 3,705 million with a record cash conversion of 58 percent. Return on Invested Capital (ROIC) was 10.6 percent in 2023. We continued to advance our leadership in sustainability, reducing CO<sub>2</sub> per net sales by 20 percent in 2023 compared to 2022, and driving circular construction, while expanding our low-carbon building solutions with our billion Swiss-franc brands from ECOPlanet and ECOPact to OneCem and Elevate.

The Nomination, Compensation and Governance Committee (NCGC) continuously reviews and assesses the compensation system to ensure that it is fit for purpose and has concluded that it is well aligned with the business strategy and the long-term interests of our shareholders. Therefore, the compensation system as described in the Compensation Report 2023 will continue to apply for 2024.

As in previous years and in line with Article 735 of the Code of Obligations and our Articles of Incorporation, we are asking shareholders to vote on three compensation-related proposals at the upcoming Annual General Meeting:

### Advisory vote on the Compensation Report 2023

**Agenda item 1.2** relates to the advisory vote on the Compensation Report 2023, which can be found on pages 192 to 219 of the Integrated Annual Report 2023 (also available at *Holcim.com*).

### Binding votes on the maximum aggregate compensation amount of the Board of Directors and the Executive Committee

**Agenda item 5.1** requires shareholders' approval of the maximum aggregate compensation amount of the Board of Directors for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025.

**Agenda item 5.2** requires shareholders' approval of the maximum aggregate compensation amount of the Executive Committee for the financial year 2025.

The Compensation Report 2023 provides further information regarding our compensation system.

On behalf of the Holcim Ltd Board of Directors,  
Respectfully,



**JAN JENISCH**

Chairman of the Board



**HANNE BIRGITTE  
BREINBJERG SØRENSEN**

Chairwoman of the NCGC

# COMPENSATION VOTES

## AGENDA ITEM 1.2

### Advisory vote on the Compensation Report 2023

**Proposal of the Board of Directors:** Shareholders are asked to approve the Compensation Report 2023 in an advisory vote.

**Note:** The Compensation Report describes the compensation system and programs as well as the governance framework related to the compensation of the Board of Directors and the Executive Committee. The report also informs shareholders about the compensation awarded to the members of the Board of Directors and the Executive Committee for 2023. The Compensation Report can be found on pages 192 to 219 of the Integrated Annual Report 2023 (also available at *Holcim.com*).

## AGENDA ITEM 5.1

### Binding vote on the maximum aggregate compensation amount of the Board of Directors for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025

**Proposal of the Board of Directors:** Shareholders are asked to approve a maximum aggregate compensation amount of CHF 6,500,000 for eleven members of the Board of Directors for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025.

## Overview of the compensation system applicable to the Board of Directors for the period between the Annual General Meetings 2024 and 2025

In order to strengthen their independence in exercising their supervisory duties, members of the Board of Directors only receive fixed compensation. They are not entitled to any performance-based compensation and if they are insured in the occupational benefits plan, they finance the entire cost themselves. The compensation of the Board of Directors consists of an annual retainer, paid 50 percent in cash and 50 percent in Holcim Ltd shares that are subject to a five-year restriction period, committee fees in cash and an expense allowance in cash.

For the duration of his double mandate, Jan Jenisch will receive regular compensation for the CEO position and will not receive any additional compensation for the function as Chairman of the Board of Directors. For the period after the appointment of the new CEO on 1 May 2024, Jan Jenisch will cease to receive compensation for the function as CEO and will be remunerated for the role of the Board Chairman. The Chairman of the Board's role will be expanded to include involvement in major acquisitions, divestments, and strategy execution in key markets (e.g., the listing of the North American business in the U.S.). Consequently, the compensation will be set as an annual Board retainer of CHF 2,900,000, of which half will be paid in cash and half in restricted shares.

The compensation model applicable to the Board of Directors for the period between the Annual General Meetings 2024 and 2025 is summarized in the following table.

## Compensation model of the Board of Directors

Annual retainer (gross)	Cash compensation in CHF	Share-based compensation in CHF	Expense allowance in CHF
Board Chairperson	<b>1,450,000</b>	<b>1,450,000</b>	<b>10,000</b>
Board Vice-Chairperson <sup>1</sup>	<b>200,000</b>	<b>200,000</b>	<b>10,000</b>
Board member	<b>100,000</b>	<b>100,000</b>	<b>10,000</b>
<b>Committee fees (gross)</b>			
Audit committee Chairperson <sup>1</sup>	<b>160,000</b>		
Other committees' Chairperson <sup>1</sup>	<b>125,000</b>		
Committee member <sup>1</sup>	<b>40,000</b>		

In exceptional circumstances, additional compensation may be paid to Board members for tasks that go beyond their regular function as Board members.

<sup>1</sup> The Board Vice-Chairperson is not eligible for committee fees.

## Proposed maximum aggregate compensation amount of the Board of Directors for the period between the Annual General Meetings 2024 and 2025

The maximum aggregate compensation amount of CHF 6,500,000 for eleven members of the Board of Directors is an increase of 117 percent compared to the amount approved for the previous compensation period. This is because the number of members of the Board of Directors will increase from nine to eleven, with four committee members in both the NCGC and the Health, Safety & Sustainability Committee (HSSC) compared to three members in the previous compensation period. Furthermore, the Chairman of the Board of Directors Jan Jenisch will receive compensation for this role for the entire period between the Annual General Meetings 2024 and 2025 as the dual mandate will be discontinued. The compensation for the other roles on the Board of Directors has not been changed compared to the previous period.

The following table illustrates the maximum aggregate compensation amount of the Board of Directors for the period from the Annual General Meeting 2024 to the Annual General Meeting 2025. The proposed amount has been calculated based on the structure of the compensation system described above and assumes a total of eleven Board members.

- |   |   |
|---|---|
| <p>1 This amount includes mandatory employer contributions to the Swiss governmental social security system to the extent that they result in a future benefit entitlement, as well as a reasonable buffer for any potential increase in the number of committee members or for any</p> | <p>exceptional compensation for additional tasks going beyond the regular function as Board member. The amount does not include employer contributions to the Swiss governmental social security system that do not result in an increase of the benefit entitlement.</p> |
|---|---|

## Compensation of the Board of Directors for the period between the Annual General Meetings 2024 and 2025

Annual retainer (gross)	Total in CHF	Expected number of members	Total in CHF
Board Chairperson	2,910,000	1	2,910,000
Board Vice-Chairperson	410,000	1	410,000
Board member	210,000	9	1,890,000

Committee fees (gross)	Total in CHF	Expected number of members	Total in CHF
Audit committee Chairperson	160,000	1	160,000
Other committees' Chairperson	125,000	2	250,000
Committee member	40,000	11	440,000
Social security contribution and buffer <sup>1</sup>			440,000

<b>Proposed maximum aggregate compensation amount</b>	11	<b>6,500,000</b>
---	----	------------------

<b>Maximum aggregate compensation amount approved for AGM 2023 to AGM 2024</b>	9	<b>3,000,000</b>
--	---	------------------

## AGENDA ITEM 5.2

### Binding vote on the maximum aggregate compensation amount of the Executive Committee for the financial year 2025

**Proposal of the Board of Directors:** Shareholders are asked to approve a maximum aggregate compensation amount of CHF 36,000,000 for ten members of the Executive Committee for the financial year 2025.

### Overview of the compensation system applicable to the Executive Committee as of 2024

Holcim's compensation system is designed to support the company's strategy by attracting, motivating and retaining talented executives while aligning their interests with those of shareholders. It is built around the following principles:

- Drive sustainable and social impact
- Accelerate innovation
- Create shareholder value
- Pay for performance

The compensation system applicable to the CEO and the Executive Committee members for the financial year 2024 includes base salaries, pension contributions, benefits and perquisites as well as variable compensation delivered in the form of an annual incentive and a long-term incentive.

The variable compensation programs for the financial year 2024 are summarized in the following table.

### Variable compensation

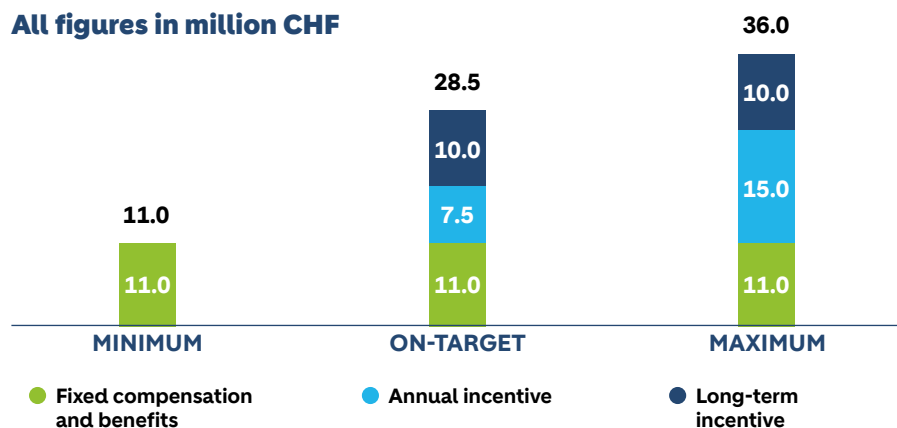
Element	Purpose	Structure	Size	Drivers
<b>Annual incentive</b>	Reward for annual performance	Variable annual amount paid in cash and in shares blocked for three years	<b>Target incentive:</b> CEO: 125% of salary ExCo: 90% of salary  <b>Maximum incentive:</b> 200% of target	Group and regional annual performance including <ul style="list-style-type: none"> <li>- Relative Group sales growth (15%)</li> <li>- Relative Group recurring EBIT growth (15%)</li> <li>- Group or regional recurring EBIT (20%)</li> <li>- Group or regional Free Cash Flow after leases (35%)</li> <li>- Health, Safety &amp; Environment (15%)</li> </ul>
<b>Long-term incentive (LTI)</b>	<ul style="list-style-type: none"> <li>- Reward for long-term performance</li> <li>- Align with shareholders' interests</li> <li>- Retain</li> </ul>	Performance shares: three-year vesting period	<b>LTI grant size:</b> CEO: 177.4% of salary ExCo: 96.3% of salary  <b>Maximum vesting:</b> 200% for performance shares, 100% for performance options	Financial and sustainability performance over three years: <ul style="list-style-type: none"> <li>- EPS: 33<sup>1</sup>/<sub>3</sub>%</li> <li>- ROIC: 33<sup>1</sup>/<sub>3</sub>%</li> <li>- Sustainability: 33<sup>1</sup>/<sub>3</sub>%</li> </ul> Relative performance over five years: relative TSR

Looking ahead, the Board of Directors will continue to assess and review the compensation system and programs to ensure that they fulfill their purpose in line with the business strategy and context of the company.

### Proposed maximum aggregate compensation amount of the Executive Committee for the financial year 2025

The proposed maximum aggregate compensation amount of CHF 36,000,000 for ten members of the Executive Committee for the financial year 2025 is unchanged compared to the maximum aggregate compensation amount approved at the last Annual General Meeting for financial year 2024.

The following chart illustrates the potential outcome in terms of aggregate compensation for the Executive Committee members in three different scenarios:



**In the “Minimum” scenario**, only fixed compensation and benefits are paid out because the minimum performance thresholds under the incentive plans are not met, resulting in zero payouts under both the annual and the long-term incentive plans.

**In the “On-Target” scenario**, the achievements under the incentive plans correspond to the expected level of performance on all objectives.

**In the “Maximum” scenario**, all performance objectives under the annual incentive plan are outperformed. The long-term incentive is accounted for at fair value at grant. In the event that all performance objectives are outperformed, the long-term incentive vests at maximum level, which corresponds to 200 percent for the performance shares and 100 percent for the performance options.

Several assumptions were used in the calculation of the maximum aggregate compensation amount:

- The Executive Committee comprises ten members, including the CEO. Pursuant to its Articles of Incorporation, the company is authorized to make payments to any member(s) who join(s) the Executive Committee during a period for which the Annual General Meeting has already approved the maximum aggregate compensation amount in cases where the approved amount is not sufficient, provided that any amount paid in excess of the approved amount does not exceed 40 percent of the maximum aggregate amount approved.
- The amount shown under fixed compensation includes the estimated annual base salaries, as well as the value of benefits provided in line with Holcim policy.
- Mandatory employer contributions to the governmental social security system are included to the extent that they result in a future benefit entitlement, while employer contributions that do not result in an increase of the benefit entitlement are excluded. Employer contributions to occupational pension plans are included.
- The annual incentive amount has been calculated assuming a maximum payout of 200 percent.
- The long-term incentive amount has been calculated based on the fair value at grant of the performance shares and performance options. The maximum vesting level corresponds to 200 percent for the performance shares and to 100 percent for the performance options.

- The impact of share price variations during the respective vesting period for the long-term incentive is not taken into account.
- The impact of future currency variations is not taken into account for those Executive Committee members who are paid in foreign currencies (currently USD).
- All amounts are calculated gross.

The split of total compensation into fixed compensation, annual incentive and long-term incentive is indicative and non-binding. However, the total compensation awarded will not exceed the maximum aggregate compensation amount proposed.

Please refer to the Compensation Report on pages 192 to 219 of the Integrated Annual Report 2023 for further information.



**HOLCIM LTD**

Grafenauweg 10

6300 Zug

Switzerland

[communications@holcim.com](mailto:communications@holcim.com)

[Holcim.com](https://www.holcim.com)

