

Holcim Ltd Audit Committee Charter

Review date: June 11, 2018

1. Purpose

1.1 Mission

The Audit Committee (“AC”) is an expert committee formally appointed by the Board of Directors (“Board”) of Holcim Ltd (“Company”).

Its mission is to support the Board in the performance of its supervisory duties, in particular with respect to the accounting and financial reporting practices of the Company and its subsidiaries, the internal and external audit processes as well as its overview of the risk management.

The AC’s responsibilities and powers set forth in this Charter are set to be in line with the *Swiss Code of Best Practice for Corporate Governance*.

1.2. Duties

The AC shall form its own opinion of: i) the financial statements, ii) the internal control system - including risk management, iii) the quality of the internal and external audit and iv) the state of compliance within the Company. When dealing with these issues, the AC shall:

1.2.1 Duties – Financial Statements

- review and challenge where necessary, the major financial risks, the actions and judgements of management, in relation to the annual individual and consolidated financial accounts as well as the interim financial statements intended for publication;
- decide whether the single-entity and consolidated financial accounts can be recommended to the Board and, when applicable, for presentation to the General Shareholders’ Meeting;

1.2.2 Duties - Internal Control & Risk Management

- review management's and the internal auditor's reports on the effectiveness of the systems for internal control;
- review management's and the internal auditors' reports on the performance of an annual risk assessment;
- review management's reports on the Company's compliance and risk management processes;
- review the internal audit department's annual audit plan and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- receive a report on the scope, progress and results of the internal auditors' work on a periodic basis;
- receive reports on the status of significant findings and recommendations highlighted by internal auditors, and management's responses;

1.2.3 Duties - External Audit

- oversee the Company's relations with the external auditor;
- supervising the procedure for the selection, renewal (by invitation to tender) or removal of the external auditor(s) and notifying the Board of its recommendation in this respect;
- approve the terms of engagement and the remuneration to be paid to the external auditor in respect of audit services provided;
- examine the compatibility of the auditing responsibilities with any consulting mandates;
- discuss with the external auditor, before the audit commences, the nature and scope of the audit;
- review with the external auditors the findings of their work, including any major issues that arose during the course of the audit; key accounting and audit judgements; levels of errors identified during the audit, obtaining explanations from management and, where necessary, the external auditors, as to why certain errors might remain unadjusted;
- review significant issues raised in the audit representation letters before consideration by the Board, giving particular consideration to matters that relate to non-standard issues;
- ensure that no prohibited duty unrelated to the audit is entrusted to the external auditor(s) of the Company and reporting to the Board on the measures the AC has taken, including submission on the Board for ratification as appropriate;

1.2.4 Duties - Other Responsibilities

- review and reassess the adequacy of this Charter and submit proposed changes to the Board of Directors for approval;
- conduct an annual self-evaluation of the AC's own performance.
- review of the global CAPEX programme including its most material projects and the significant M&A proposed transactions before they are submitted to the Board;
- upon request from the Board, the AC will review the accounting treatment of major transactions at Group level, together with the business case and accounts prepared for such specific transactions (asset purchases, mergers, divestments,..).

2. Powers

- 2.1 Authorisation** The AC has complete and unrestricted access to the Company's management, books and records and may obtain any information it requires from the appropriate services.
- 2.2 Professional support** The AC may appoint independent legal, accounting or other counsel, at the Company's expense, if it thinks it appropriate.
- 2.3 Legal & Compliance** The Head Legal & Compliance and Group General Counsel reports directly to the CEO and has a functional reporting line to the Chairperson of the AC.
- 2.4 Group Internal Audit** The Head Group Internal Audit reports directly to the CFO, has a functional reporting line to the Chairperson of the AC and is mandated on the basis of the Group's internal audit charter which describes the mission, authority, accountability, reporting, responsibility and scope of work of Group's Internal Audit's activities.

3. Composition

- 3.1 Requirements** The AC shall be composed of at least four members of the Board as follows:
- all members shall be non-executive and independent based on Article 22 of the Swiss Code of Best Practice for Corporate Governance, and;
 - the majority of the members of the AC, including the Chairperson of the AC, should be experienced in financial and accounting matters. At least one member of the AC shall be a financial expert (e.g. current or former CEO, CFO or financial auditor).
- 3.2 Appointment** The Chairperson and the further members of the AC are appointed by the Board and shall remain in office until resignation, or the due appointment and introduction of their successors.

4. Meetings

4.1 General

The AC shall hold an ordinary meeting four times a year, or at the request of any of its members.

The Chairperson of the AC shall prepare an agenda in advance of each meeting. At least three members of the AC must be present to have a quorum.

The CFO shall participate at the meetings as well Head of Group Internal Audit and the external auditors. The Chairperson of the Board and the CEO may decide to participate at the meeting ex officio or be invited to do so by the Chairperson of the AC. At the discretion of the Chairperson of the AC, the Head Legal & Compliance and Group General Counsel, the Head of Group Compliance, the Head of Group Risk Management, the Head of Group Internal Control, the members of the Executive Committee and other functions or third parties may be invited to attend all or part of the meetings.

At least once a year, the AC shall meet with the internal or external auditors without the presence of members of management.

4.2 Minutes

The minutes are generally taken by the Secretary of the Board or any person designated as so by the Chairperson of the AC.

The minutes shall be submitted, prior to the next meeting, to the members of the AC for review and approval at their next meeting.

The AC shall report to the Board and shall submit the AC minutes to the members of the Board for their information and as a basis for the adoption of relevant resolutions.

4.3 Compensation

The Board shall determine the compensation of the Chairperson and the members of the AC.

5. Standard Agenda Items and timing through the year

The Standard Agenda Items to be dealt with by the AC and the timing through the year for the AC dealing with these Standard Agenda Items are set out in Attachment 1 to this AC Charter.