

REPORT OF THE BOARD OF DIRECTORS ON THE REVISION OF THE ARTICLES OF INCORPORATION

Item 4 of the agenda (The original German text is binding)

REPORT OF THE
BOARD OF DIRECTORS
ON THE REVISION
OF THE ARTICLES OF
INCORPORATION

1.

PRELIMINARY REMARKS

On March 3, 2013, the Swiss people approved the “Minder” initiative and thereby amended the Swiss Federal Constitution. Implementing this provision, the Swiss Federal Council has enacted the Ordinance Against Excessive Compensation in Public Corporations (Ordinance). It came into force as of January 1, 2014, subject to certain transitional provisions.

The Ordinance extends the powers of the General Meeting in relation to elections. Further, the General Meeting must approve the compensation of the Board of Directors and the Executive Management in a binding vote. In addition, the Ordinance requires, among other things, the Articles of Incorporation to comprise provisions regarding (i) the basic principles of the powers and duties of the compensation committee, (ii) the basic principles of the compensation of the members of the Board of Directors and the Executive Management, (iii) the number of permissible mandates of members of the Board of Directors and the Executive Management outside the Holcim Group, (iv) the duration and termination notice periods of their employment or similar agreements as well as (v) the maximum amount of loans to the members of the Board of Directors and the Executive Management.

The Board of Directors therefore proposes to the Annual General Meeting 2015 a revision of the Articles of Incorporation to implement the requirements of the Ordinance. At the same time, a few other minor revisions are proposed. This overview explains the main amendments.

It is followed by a comparison of the revised provisions of the Articles of Incorporation as proposed and the current provisions of Holcim's Articles of Incorporation. References in this overview refer to the renumbered Articles of Incorporation as proposed by the Board of Directors.

2.

ELECTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS, THE CHAIRPERSON OF THE BOARD OF DIRECTORS, THE MEMBERS OF THE NOMINATION & COMPENSATION COMMITTEE AND THE INDEPENDENT VOTING RIGHTS REPRESENTATIVE

The Ordinance requires the Annual General Meeting to elect the members of the Board of Directors, the Chairperson of the Board of Directors, the members of the Nomination & Compensation Committee and the independent voting rights representative. The election of the members of the Board of Directors and the Nomination & Compensation Committee shall be held individually. The term of office is one year each and extends until completion of the next Annual General Meeting, subject to resignation and removal. If the office of the Chairperson is vacant, the Board of Directors shall appoint a substitute for a term of office extending until completion of the next Annual General Meeting. Similar provisions are proposed for vacancies on the Nomination & Compensation Committee and if the Company should not have an independent voting rights representative.

The proposed Art. 9 para. 3, Art. 8 para. 2 item 5 as well as Arts. 14 para. 2, 15 and 20 para. 2 implement these requirements.

3.

REPRESENTATION OF SHAREHOLDERS AT THE GENERAL MEETING

Representation of shareholders at the General Meeting by depository institutions such as banks and by the company proxy is no longer permitted under the Ordinance. Shareholders may be represented by their legal representative, the independent voting rights representative or (with a written power of attorney) by another shareholder with the right to vote.

The proposed Art. 9 para. 1 implements these requirements.

4.

NOMINATION & COMPENSATION COMMITTEE

Pursuant to the Ordinance, the Articles of Incorporation have to establish the main principles of the powers and duties of the Compensation Committee. The Board of Directors proposes in Art. 21 that the "Nomination & Compensation Committee" shall continue to support the Board of Directors in establishing and reviewing the Company's nomination, compensation and governance strategy and guidelines and in preparing the motions to the General Meeting regarding the nomination and compensation of the members of the Board of Directors and of the Executive Management. The Board of Directors determines by means of regulations for which positions of the Board of Directors and the Executive Management motions must be submitted to the Board of Directors or for which it itself determines the applicable performance criteria, targets, and

compensation level. Further, the Board of Directors may, by means of regulations, delegate further tasks to the Nomination & Compensation Committee. The proposed Art. 20 governs the number of members, the constitution and the organization of the Nomination & Compensation Committee.

5.

COMPENSATION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Ordinance further requires that the main principles of performance- and share-based compensation are determined in the Articles of Incorporation. The proposed Arts. 23, 24 and 25 allow Holcim to continue to apply its performance-tied compensation system. At the same time, they allow the Company, within the limitations set forth in the Articles of Incorporation, to adjust its compensation system in view of evolving or new best practices. Directors are paid a fixed compensation. Executives are paid fixed compensation elements and variable compensation elements. The variable compensation depends on the performance of the Company and the achievement of certain performance criteria. The performance criteria may include individual targets, targets of the Company or parts thereof, the group and targets in relation to the market, other companies or comparable benchmarks, taking into account position and level of responsibility of the recipient of the variable compensation.

The shareholders are required to annually approve the compensation of the Board of Directors and the Executive Management. According to the proposed Art. 8 para. 2 item 4 and Art. 23, the maximum amount of compensation for the Board of Directors shall be approved for their following

term of office. This ensures that the compensation period and the term of office correlate. The maximum amount of compensation of the Executive Management shall be approved for the following financial year. This provides for appropriate planning certainty of both Holcim and the executives. To the extent appropriate, the Board of Directors may submit deviating or additional proposals relating to the same or different periods for approval.

In the event that the shareholders do not approve a proposed compensation amount, the Board of Directors shall, taking into account all relevant factors, reconsider its proposal, and submit a new proposal to the General Meeting. Instead of one new proposal, the Board of Directors may also submit several proposals relating to different compensation elements.

The Ordinance provides that the Articles of Incorporation may determine a supplementary amount for the compensation of those executives who join the Executive Management, or are being promoted within the Executive Management, after the General Meeting has approved the maximum compensation. Out of this supplementary amount, Holcim may pay out the compensation of such Executive Management members throughout the compensation periods already approved by the shareholders. The Board of Directors proposes in Art. 24 that the supplementary amount per compensation period shall not exceed 40% of the aggregate amount of compensation last approved by the General Meeting.

The compensation actually paid within the maximum amounts approved by the General Meeting has to be disclosed in a compensation report

governed by the Ordinance. The compensation report has to be prepared by the Board of Directors, be audited and made available to share-holders for inspection. The proposed amendments to Art. 17 para. 2 item 2 and Art. 12 para. 2 implement this requirement.

In addition, Art. 23 para. 5 proposes that the Board of Directors submits the annual compensation report to an advisory vote of the General Meeting.

6.

AGREEMENTS RELATING TO THE COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Agreements relating to the compensation of members of the Board of Directors and the Executive Management may be entered for a fixed term not exceeding one year or for an indefinite term with a termination notice period of no more than one year. The Articles of Incorporation must determine the maximum term and the maximum termination notice period.

The proposed Art. 26 implements this requirement. It requires that the duration and termination of agreements with members of the Board of Directors shall comply with the term of office and the law. With regard to members of the Executive Management, the proposed provision ensures that Holcim may continue to protect itself from abrupt terminations by means of adequate termination notice periods. The provision further allows Holcim to enter into non-compete agreements against appropriate consideration if such agreements are in the interest of the

Company; their duration shall not exceed one year, and maximum consideration shall not exceed 50% of the last annual compensation.

7.

MANDATES OF MEMBERS OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE MANAGEMENT OUTSIDE THE HOLCIM GROUP

The Ordinance further requires that the Articles of Incorporation determine the maximum number of mandates a member of the Board of Directors or the Executive Management may hold in the supreme governing bodies of legal entities that are required to be registered in the Swiss Commercial Register or a comparable foreign register. Mandates in companies controlled by Holcim are exempt by law from these limitations.

The Board of Directors proposes in Art. 27 that directors may hold no more than ten additional external mandates of which no more than four may be in listed companies. The mandates of members of the Executive Management are limited to five mandates of which only one mandate may be in a listed company. These limitations are to ensure that the members of the Board of Directors and the Executive Management have sufficient time to dedicate to their office with Holcim. Further, members of the Board of Directors and the Executive Management may hold a limited number of mandates in companies at the request of Holcim (e.g., in non-controlled joint ventures) or in charitable organizations, foundations, associations, educational institutions, non-profit institutions, etc. Mandates related to entities directly or indirectly controlled by the same person or entity, under

common control or accepted at the request of any such person or entity are to be counted as one single mandate.

Irrespective of these limitations, each director and Executive Management member is obliged by law and his or her employment or mandate agreement to perform his or her duties to Holcim with due care. This includes, among other things, the obligation to have sufficient time and resources available to dedicate to Holcim.

8.

FURTHER AMENDMENTS

On January 1, 2013, revised accounting laws came into force. As of the financial year 2015, the Board of Directors will have to prepare a “management report” instead of an “annual report”, which is subject to approval of the General Meeting. The proposed amendment to Art. 17 para 2 item 2 and Art. 8 para. 2 implements this change of law.

The Board of Directors further proposes certain other changes. The proposed amendments to Art. 16 paras. 4 and 5 and Art. 20 para. 3 reflect the supermajority requirement for certain resolutions of the Board of Directors, and the abolishment of the casting vote of the Chairperson and the Chair of the Nomination & Compensation Committee. Furthermore, according to the proposed Art. 13 para. 7, the Chair of the Meeting may at any time order that an election or resolution be repeated if, in his or her view, the results of the vote are in doubt. In this case, the preceding election or resolution shall be deemed to have not occurred.

REVISION OF THE ARTICLES OF INCORPORATION IN DETAIL

Current Version:

I. COMPANY NAME, REGISTERED OFFICE, PURPOSE AND DURATION OF THE COMPANY

ARTICLE 1

Under the name Holcim Ltd (Holcim AG) shall exist a corporation under Swiss law, of undetermined duration, with its registered office in Rapperswil-Jona (Canton of St. Gallen, Switzerland).

ARTICLE 2

II. SHARE CAPITAL

ARTICLE 3

ARTICLE 3^{BIS}

The share capital may be increased by a maximum amount of CHF 2,844,700 by issuing a maximum of 1,422,350 registered shares with a par value of CHF 2 each, which shall be fully paid-in, through the exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar debt instruments by the Company or one of its Group companies. The pre-emptive rights of the shareholders shall be excluded. The current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the board of Directors.

ARTICLE 4 – ARTICLE 6

Version as proposed by the Board of Directors
(changes in bold and italics):

I. COMPANY NAME, REGISTERED OFFICE, PURPOSE AND DURATION OF THE COMPANY

ARTICLE 1

Under the name Holcim Ltd (Holcim AG) shall exist a corporation under Swiss law, of undetermined duration, with its registered office in Rapperswil-Jona (Canton of St. Gallen, Switzerland) *(the “Company”)*.

ARTICLE 2

(Wording unchanged)

II. SHARE CAPITAL

ARTICLE 3

(Wording unchanged)

ARTICLE 3^{BIS}

The share capital may be increased by a maximum amount of CHF 2,844,700 by issuing a maximum of 1,422,350 registered shares with a par value of CHF 2 each, which shall be fully paid-in, through the exercise of conversion rights and/or warrants granted in connection with the issuance of bonds or similar debt instruments by the Company or one of its group companies. The pre-emptive rights of the shareholders shall be excluded. The current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the ~~b~~**B**oard of Directors.

(Para. 2-4: Wording unchanged)

ARTICLE 4 – ARTICLE 6

(Wording unchanged)

III. CORPORATE STRUCTURE

ARTICLE 7

A) THE GENERAL MEETING

ARTICLE 8

The General Meeting of shareholders is the supreme body of the Company.

It has the following inalienable powers:

1. the adoption and the amendment of the Articles of Incorporation and resolution on merger and dissolution of the Company;
2. the approval of the annual report and of the consolidated financial statements;
4. the appointment and removal of the members of the Board of Directors and the auditors;
5. the discharge of the members of the Board of Directors;
6. the passing of resolutions on all matters reserved to it by law, the Articles of Incorporation or any by-laws or which are submitted to it by the Board of Directors or the Auditors.

III. CORPORATE STRUCTURE

ARTICLE 7

(Wording unchanged)

A) THE GENERAL MEETING

ARTICLE 8

The General Meeting **of shareholders** is the supreme body of the Company.

It has the following inalienable powers:

1. the adoption and the amendment of **these** Articles of Incorporation and resolution on merger and dissolution of the Company;
2. the approval of the **annual management** report and of the consolidated financial statements;

(No. 3: Wording unchanged)

4. the approval of the compensation of the Board of Directors and of the Executive Management pursuant to Art. 23 of these Articles of Incorporation;

45. the ~~appointment~~ election and removal of the members of the Board of Directors ~~and the auditors~~, the Chairperson of the Board of Directors, the members of the Nomination & Compensation Committee, the Auditors and the independent voting rights representative;

56. the discharge of the members of the Board of Directors ~~and of the Executive Management~~;

67. the passing of resolutions on all matters reserved to it by law, these Articles of Incorporation or any by-laws or **organizational rules which are submitted to it by the Board of Directors or the Auditors.**

ARTICLE 9

Each share which is registered in the share register with the right to vote has one vote. Any shareholder may, by written power of attorney, have himself be represented at the General Meeting by another shareholder with the right to vote.

ARTICLE 9

Each share which is registered in the share register with the right to vote has one vote. Any shareholder may, ~~by written power of attorney,~~ have himself be represented at the General Meeting by ***its legal representative, the independent voting rights representative or, with a written power of attorney, by*** another shareholder with the right to vote. ***The Board of Directors shall determine the particulars for the participation and representation in the General Meeting.***

(Para. 2: Wording unchanged)

The independent voting rights representative shall be elected by the General Meeting. Its term of office shall expire after completion of the next Ordinary General Meeting. Re-election is possible. If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next General Meeting.

ARTICLE 10

The General Meeting constitutes a quorum regardless of the number of shares represented and the number of shareholders present; resolutions are passed by an absolute majority of the votes allocated to the shares represented, unless Art. 704, para. 1 of the Swiss Code of Obligations provides otherwise. To determine the number of shares represented, invalid and empty votes are not to be counted.

ARTICLE 10

The General Meeting constitutes a quorum regardless of the number of shares represented and the number of shareholders present; resolutions are passed by an absolute majority of the votes allocated to the shares represented, unless Art. 704; para. 1 of the Swiss Code of Obligations provides otherwise. To determine the number of shares represented, invalid and empty votes are not to be counted.

In addition to Art. 704 para. 1, the approval of at least two-thirds of the votes represented and the absolute majority of the par value of shares represented shall be required for resolutions of the General Meeting of shareholders with respect to:

- a) the removal of the restrictions set forth in Art. 5;

ARTICLE 11

ARTICLE 12

The calling of the General Meeting stating the agenda items and motions as well as the place and time of the Meeting, shall be published at least 20 days prior to the Meeting in the Swiss Official Gazette of Commerce, and in any other newspapers designated by the Board of Directors. Holders of registered shares whose names appear in the share register may in addition be notified of the General Meeting by mail.

At least 20 days prior to the Ordinary General Meeting the business report and the Auditor's report shall be made available for inspection by the shareholders at the registered office of the Company. Holders of registered shares whose names appear in the share register may be notified thereon by written notice.

Any shareholder may request that a copy of the business report and the Auditor's report be immediately sent to him.

In addition to Art. 704 para. 1, the approval of at least two-thirds of the votes represented and the absolute majority of the par value of shares represented shall be required for resolutions of the General Meeting ~~of shareholders~~ with respect to:

- a) the removal of the restrictions set forth in Art. 5 **of these Articles of Incorporation**;

(lit. b-c: Wording unchanged)

ARTICLE 11

(Wording unchanged)

ARTICLE 12

The calling of the General Meeting stating the agenda items and motions as well as the place and time of the **General** Meeting, shall be published at least 20 days prior to the Meeting in the Swiss Official Gazette of Commerce, and in any other newspapers designated by the Board of Directors. Holders of registered shares ~~whose names appear~~ **who are registered** in the share register may in addition be notified of the General Meeting by mail.

At least 20 days prior to the Ordinary General Meeting, the business report, **the compensation report** and the Auditor's reports shall be made available for inspection by the shareholders at the registered office of the Company. Holders of registered shares ~~whose names appear~~ **who are registered** in the share register ~~may~~ **shall** be notified ~~thereon~~ **thereof** by written notice.

Any shareholder may request that a copy of the business report, **the compensation report** and the Auditor's reports be immediately sent to him.

ARTICLE 13

The General Meeting shall be presided over by the Chairman of the Board of Directors, in his absence, by the Deputy Chairman or another member of the Board of Directors.

The secretary shall be appointed by the Board of Directors. He does not need to be a shareholder. The scrutineers shall be proposed by the Chairman and appointed by the General Meeting by a show of hands ("offene Abstimmung").

The Minutes shall set forth:

1. the number, type, par value and classes of shares represented by shareholders, corporate bodies, independent proxies of voting rights and proxies for deposited shares;
2. the resolutions and results of elections;

The Minutes shall be signed by the Chairman, the secretary and the scrutineers.

The General Meeting shall pass its resolutions by a show of hands. The Chairman may, however, at any time and in the interest of an accurate result, order a vote by secret ballot. Shareholders controlling together one quarter of the votes represented may also request resolutions and elections to be passed by secret ballot.

ARTICLE 13

The General Meeting shall be presided over by the ~~Chairman~~**Chairperson** of the Board of Directors, in his absence, by the ~~Deputy Chairman~~**Vice Chairperson (or the more senior Vice Chairperson, if two Vice Chairpersons have been elected)** or another member of the Board of Directors **(the "Chair of the Meeting")**.

The secretary shall be appointed by the Board of Directors. He does not need to be a shareholder. The scrutineers shall be ~~proposed by the Chairman and~~appointed by the ~~General Meeting by a show of hands ("offene Abstimmung")~~**Chair of the Meeting**.

The Minutes shall set forth:

1. the number, type, par value and classes of shares represented by shareholders;~~corporate bodies, and the independent proxies of~~ voting rights ~~and proxies for deposited shares~~**representative**;
2. the resolutions and ~~the~~ results of elections;

(No. 3-4: Wording unchanged)

The Minutes shall be signed by the ~~Chairman~~**Chair of the Meeting**, the secretary and the scrutineers.

The General Meeting shall ~~pass its resolutions~~**conduct its votes and elections** by a show of hands. The ~~Chairman~~**Chair of the Meeting** may, however, at any time and in the interest of an accurate result, order a vote by secret ballot. Shareholders controlling together one quarter of the votes represented may also request ~~resolutions~~**votes** and elections to be ~~passed~~**conducted** by secret ballot.

The Chairman can also have voting and elections conducted electronically. Electronic voting and elections shall be equivalent to a vote by secret ballot.

B) THE BOARD OF DIRECTORS

ARTICLE 14

The Company shall be managed by a Board of Directors composed of at least 7 members. The members of the Board of Directors shall hold office for 3 years at most and may be re-elected. A year shall be the period from one Ordinary General Assembly of Shareholders to the next.

Members of the Board of Directors can stand for election for a new period of office of three years at most before expiry of their term of office. The cycle of elections shall as far as possible be arranged such that each year the term of office of approximately one third of the members of the Board of Directors expires.

Article 15

The members of the Board of Directors must be shareholders or representatives of a company that is a shareholder.

The ~~Chairman can also~~ **Chair of the Meeting may** have ~~voting votes~~ and elections conducted ~~also~~ electronically. **Electronic voting** ~~Votes~~ and elections **by electronic means** shall be equivalent to ~~a~~ **votes and elections** by secret ballot.

The Chair of the Meeting may at any time order that an election or resolution be repeated if, in his view, the results of the vote are in doubt. In this case, the preceding election or resolution shall be deemed to have not occurred.

B) THE BOARD OF DIRECTORS

ARTICLE 14

~~The Company shall be managed by a Board of Directors composed of at least 7 members. The members of the Board of Directors shall hold office for 3 years at most and may be re-elected. A year shall be the period from one Ordinary General Assembly of Shareholders to the next.~~

~~Members of the Board of Directors can stand for election for a new period of office of three years at most before expiry of their term of office. The cycle of elections shall as far as possible be arranged such that each year the term of office of approximately one third of the members of the Board of Directors expires.~~

ARTICLE 15

~~The members of the Board of Directors must be shareholders or representatives of a company that is a shareholder.~~

ARTICLE 14

The Board of Directors shall consist of at least seven members.

The members of the Board of Directors and the Chairperson of the Board of Directors shall be elected by the General Meeting individually for a term of office until completion of the next Ordinary General Meeting and may be re-elected.

If the office of the Chairperson of the Board of Directors is vacant, the Board of Directors shall appoint a new Chairperson from among its members for the remaining term of office.

ARTICLE 16

The Board of Directors designates among its members its Chairman and Deputy Chairman, and appoints a secretary who does not need to be a member of the Board nor shareholder.

ARTICLE 16.15

~~The Board of Directors designates among its members its Chairman and Deputy Chairman, and appoints~~ Except for the election of the Chairperson of the Board of Directors and the members of the Nomination & Compensation Committee, the Board of Directors shall constitute itself. It shall designate among its members one or two Vice Chairpersons, and appoint a secretary who does not need to be a member of the Board ~~nor of Directors or a~~ shareholder.

ARTICLE 17

The Board of Directors shall meet at the invitation of the Chairman or Deputy Chairman. Any member of the Board of directors may, stating the reasons, request the Chairman to immediately call a meeting.

ARTICLE 17.16

The Board of Directors shall meet at the invitation of the ~~Chairman or Deputy Chairman~~ Chairperson or a Vice Chairperson. Any member of the Board of ~~d~~Directors may, stating the reasons, request the ~~Chairman~~ Chairperson to immediately call a meeting.

The meetings shall be chaired by the Chairperson or, in his or her absence, by the Vice Chairperson (or the more senior Vice Chairperson, if two Vice Chairpersons have been elected) or another member of the Board of Directors.

In order to constitute a quorum, at least half the members must be present. No attendance quorum is required for the resolutions on an appeared and executed capital increase and the corresponding amendment of the Articles of Incorporation.

Resolutions of the Board of Directors shall be passed by the majority of votes cast. In case of a tie, the Chairman has a casting vote.

Resolutions may also be passed by way of written consent of the majority of the members of the Board of Directors to a proposition, unless a member requests discussion.

ARTICLE 18

The Board of Directors shall be authorized to decide on all matters which are not expressly allocated to the General Meeting or other bodies of the Company by law, the Articles of Incorporation, or any by-laws.

It has in particular the following duties:

In order to constitute a quorum, at least half the members ~~must be present of the Board of Directors~~ **must be present. The requirement of presence is met if the members of the Board of Directors are able to communicate simultaneously (e.g. by telephone, video, internet/intranet or other technical means).** No attendance quorum is required for the ~~ascertainment~~ **ascertainment** resolutions ~~on an appeared and regarding an~~ **on an appeared and regarding an** executed capital increase and the corresponding amendment of these Articles of Incorporation.

Resolutions of the Board of Directors shall be passed by the majority of votes cast ~~by the members of the Board of Directors attending the meeting, except for those specific resolutions for which the by-laws or organizational rules of the Company may require a supermajority of the votes cast.~~ **by the members of the Board of Directors attending the meeting, except for those specific resolutions for which the by-laws or organizational rules of the Company may require a supermajority of the votes cast.** In case of a tie, the ~~Chairman has a~~ **Chairperson of the Board of Directors has no** casting vote.

Resolutions may also be passed by way of written consent of the majority of the members of the Board of Directors ~~to a proposition; (or a supermajority of the members of the Board of Directors as may be required by the by-laws or organizational rules of the Company)~~ **to a proposition; (or a supermajority of the members of the Board of Directors as may be required by the by-laws or organizational rules of the Company)** unless a member requests discussion.

ARTICLE ~~18~~17

The Board of Directors shall be authorized to decide on all matters which are not expressly allocated to the General Meeting or other bodies of the Company by law, ~~these~~ **these** Articles of Incorporation, or any by-laws ~~or organizational rules.~~ **or organizational rules.**

It has in particular the following duties:

(No. 1: Wording unchanged)

2. the supervision of the business report, the preparation of the General Meetings and the implementation of its resolutions;
6. the supervision of the persons entrusted with the management of the Company, in particular in view of compliance with the law, the Articles of Incorporation, the regulations governing the internal organization and the instructions;
2. *the preparation of the business report (including the management report, the consolidated financial statements and the annual financial statements) and the compensation report, and receipt of the reports of the auditors as well as of the reports of the committees and ad-hoc committees, and approval of the quarterly reports;*
- ~~23. the supervision of the business report;~~ the preparation of the General Meetings and the implementation of resolutions;
34. (Wording unchanged)
45. (Wording unchanged)
56. (Wording unchanged)
67. the supervision of the persons entrusted with the management of the Company, in particular in view of compliance with the law, these Articles of Incorporation, the ~~regulations governing the internal organization and the instructions~~by-laws or organizational rules, policies and directives;
78. (Wording unchanged)

(Para. 3-4: Wording unchanged)

ARTICLE 19

The Board of Directors is authorized to delegate the preparation and implementation of its resolutions as well as the supervision of certain aspects of the business to committees constituted by its members or to individual directors. In this case the Board of Directors shall provide for adequate reporting.

ARTICLE ~~19~~18

The Board of Directors is authorized to delegate the preparation and implementation of its resolutions as well as the supervision of certain aspects of the business to committees constituted by its members or to individual directors. In this case the Board of Directors ~~shall~~*may* ~~issue committee charters and~~ provide for adequate reporting.

The Board of Directors is further authorized to fully or partially delegate the management of the Company to individual members or to third parties (“Direktoren”, “Prokuristen”) in accordance with an organizational regulation.

The Board of Directors designates the persons authorized to bind the Company by their signature as well as the form of their signature power.

ARTICLE 20

As remuneration for their duties and responsibilities, the members of the Board of Directors shall receive, in addition to reimbursement of their expenses, a fixed annual board fee which is independent of the Company’s business results. The amount thereof is determined by the Board of Directors.

Special services rendered by individual members, in particular the activities of the specifically delegated members of the Board of Directors pertaining to the management or supervision of the business, may be appropriately remunerated by the Board of Directors.

The Board of Directors is further authorized to fully or partially delegate the management of the Company to individual members or to third parties (~~“Direktoren”, “Prokuristen”~~**Executive Management**) in accordance with ~~anthe by-laws~~ **or** organizational **regulation**rules.

The Board of Directors ~~designates~~**shall designate** the persons authorized to bind the Company by their signature as well as the form of their signature power.

ARTICLE ~~20~~19

As remuneration for their duties and responsibilities, the members of the Board of Directors shall receive, in addition to reimbursement of their expenses, a fixed annual board fee which is independent of the Company’s business results. The amount thereof is determined by the Board of Directors, **subject to approval by the General Meeting pursuant to Art. 23 of these Articles of Incorporation.**

Special services rendered by individual members, in particular the activities of the specifically delegated members of the Board of Directors pertaining to the management or supervision of the business, may be appropriately remunerated by the Board of Directors, **subject to approval by the General Meeting pursuant to Art. 23 of these Articles of Incorporation.**

(New Article)

**C) NOMINATION & COMPENSATION
COMMITTEE**

ARTICLE 20

The Nomination & Compensation Committee shall consist of at least three members of the Board of Directors.

The members of the Nomination & Compensation Committee shall be elected individually by the General Meeting for a term of office until completion of the next Ordinary General Meeting and may be re-elected. If there are vacancies on the Nomination & Compensation Committee, the Board of Directors may appoint the missing members from among its members for the remaining term of office.

Subject to applicable law, the Nomination & Compensation Committee shall constitute itself. It shall elect its Chairperson, who shall have no casting vote in case of a tie.

The Board of Directors shall issue a charter establishing the organization and decision-making process of the Nomination & Compensation Committee.

(New Article)

ARTICLE 21

The Nomination & Compensation Committee shall support the Board of Directors in establishing and reviewing the Company's nomination, compensation and governance strategy and guidelines and in preparing the motions to the General Meeting regarding the nomination and compensation of the members of the Board of Directors and of the Executive Management. It may submit motions to the Board of Directors in other nomination, compensation and governance-related issues.

The Board of Directors shall determine in the by-laws or organizational rules or in the committee charter for which positions of the Board of Directors and of the Executive Management the Nomination & Compensation Committee shall (with or without the involvement of the Chairperson of the Board of Directors) submit motions to the Board of Directors for the applicable performance criteria, targets and compensation levels, and for which positions the Nomination & Compensation Committee shall itself determine, in accordance with the compensation guidelines established by the Board of Directors, the applicable performance criteria, targets and compensation levels.

The Board of Directors may delegate further tasks and powers to the Nomination & Compensation Committee.

C) THE AUDITORS

ARTICLE 21

An auditing company subject to governmental supervision as required by the provisions of the law is to be appointed as auditors.

The ordinary general meeting shall elect the auditors for a term of one year. The rights and duties of the auditors are determined by the provisions of the law.

ED) THE AUDITORS

ARTICLE ~~21~~22

An auditing company subject to governmental supervision as required by the ~~the provisions of~~ **the applicable** law is to be appointed as ~~a~~**A**uditors.

~~The ordinary general meeting shall elect the auditors for a term of one year~~**The Auditors shall be elected individually for a term of office until the completion of the next Ordinary General Meeting.** The rights and duties of the ~~a~~**A**uditors are determined by ~~the provisions of the applicable~~ law.

(New Article)

**IV. COMPENSATION OF THE BOARD
OF DIRECTORS AND OF THE EXECUTIVE
MANAGEMENT**

ARTICLE 23

The General Meeting shall approve annually the motions of the Board of Directors in relation to the:

- 1. maximum aggregate amount of compensation of the Board of Directors for the period until the next Ordinary General Meeting;*
- 2. maximum aggregate amount of compensation of the Executive Management for the following financial year.*

The Board of Directors may submit for approval by the General Meeting deviating or additional motions relating to the same or different periods. In the event that a motion of the Board of Directors has not been approved, the Board of Directors shall determine, taking into account all relevant factors, the respective maximum aggregate amount of compensation or maximum partial amounts for specific compensation elements, and submit the amount(s) so determined for approval by a General Meeting.

The Company or companies controlled by it may pay out compensation prior to approval by the General Meeting subject to subsequent approval by a subsequent General Meeting.

The Board of Directors shall submit the annual compensation report to an advisory vote of the General Meeting.

(New Article)

ARTICLE 24

The Company or companies controlled by it shall be authorized to grant and pay to each member who becomes a member or is being promoted within the Executive Management during a compensation period for which the General Meeting has already approved the compensation of the Executive Management a supplementary amount during the compensation period or compensation periods already approved if the compensation already approved is not sufficient to cover this compensation. The supplementary amount per compensation period per each such member shall not exceed 40% of the aggregate amount of compensation last approved by the General Meeting.

(New Article)

ARTICLE 25

The members of the Board of Directors and of the Executive Management shall be paid a fixed compensation. In addition, the members of the Executive Management may be paid a variable compensation, depending on the performance of the Company and the achievement of certain performance criteria.

The performance criteria may include individual targets, targets of the Company or parts thereof, the group and targets in relation to the market, other companies or comparable benchmarks, taking into account position and level of responsibility of the recipient of the variable compensation. The Board of Directors or, where delegated to it, the Nomination & Compensation Committee shall determine the relative weight of the performance criteria and the respective target values.

Compensation may be paid or granted in the form of cash, shares, or in the form of other types of benefits. Compensation of members of the Executive Management may also be paid or granted in the form of options, similar financial instruments or units. The Board of Directors, or where delegated to it, the Nomination & Compensation Committee shall determine grant, vesting, exercise and forfeiture conditions. In particular, it may provide for acceleration or removal of vesting and exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. The Company may procure any shares required to meet any resulting payment obligations through purchases in the market or, to the extent available, by using conditional share capital and/or treasury shares.

Compensation may be paid by the Company or companies controlled by it.

(New Article)

V. AGREEMENTS WITH MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

ARTICLE 26

The Company or companies controlled by it may enter into agreements for a fixed term or for an indefinite term with members of the Board of Directors relating to their compensation. Duration and termination shall comply with the term of office and the law.

The Company or companies controlled by it may enter into employment agreements with members of the Executive Management for a fixed term or for an indefinite term. Employment agreements for a fixed term may have a maximum duration

of one year. Renewal is possible. Employment agreements for an indefinite term may have a termination notice period of maximum twelve months.

The Company or companies controlled by it may enter into non-compete agreements for the time after termination of the employment agreement. The annual consideration for such non-compete agreement for a duration of up to one year shall not exceed 50% of the total annual compensation last paid to such member of the Executive Management.

(New Article)

VI. MANDATES OUTSIDE THE COMPANY

ARTICLE 27

No member of the Board of Directors may hold more than ten additional mandates of which no more than four mandates in listed companies.

No member of the Executive Management may hold more than five additional mandates of which no more than one mandate in listed companies.

The following mandates are not subject to these limitations:

- (a) mandates in companies which are controlled by the Company or which control the Company;*
- (b) mandates held by order and on behalf of the Company or companies controlled by it. No member of the Board of Directors or of the Executive Management shall hold more than ten such mandates; and*

(c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations and other similar organizations. No member of the Board of Directors or of the Executive Management shall hold more than ten such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a corresponding foreign register. Mandates related to entities directly or indirectly controlled by the same person or entity or under a common control or accepted at the request of any such person or entity are counted as one single mandate.

IV. FISCAL YEAR AND PROFIT ALLOCATION

ARTICLE 22

ARTICLE 23

ARTICLE 24

Any dividends that have not been collected within 5 years of their allocation shall be forfeited to the Company.

V. MISCELLANEOUS

ARTICLE 25

ARTICLE 26

ARTICLE 27

The Company acquires HCB “Holderbank” Cement und Beton Holding, previously known as HCB “Holderbank” Cement und Beton, domiciled in Eclépens, by way of merger pursuant to

~~IV~~. VII. FISCAL YEAR AND PROFIT ALLOCATION

ARTICLE ~~22~~28

(Wording unchanged)

ARTICLE ~~23~~29

(Wording unchanged)

ARTICLE ~~24~~30

Any dividends that have not been collected within ~~five~~ years of their allocation shall be forfeited to the Company.

~~V~~. VIII. MISCELLANEOUS

ARTICLE ~~25~~31

(Wording unchanged)

ARTICLE ~~26~~32

(Wording unchanged)

~~ARTICLE 27~~

~~The Company acquires HCB “Holderbank” Cement und Beton Holding, previously known as HCB “Holderbank” Cement und Beton, domiciled in Eclépens, by way of merger pursuant to~~

Article 748 CO with retroactive effect as of July 1, 1995, with assets and liabilities according to the merger agreement dated November 8, 1995, and the merger balance sheet as of June 30, 1995, pursuant to which the assets amount to CHF 418'783'248.-- and the liabilities to CHF 0.-- and pursuant to which the assets exceed the liabilities by CHF 418'783'248.--.

As consideration for their 1'144'713 bearer shares with a nominal value of CHF 50 each, the shareholders of HCB "Holderbank" Cement und Beton Holding (with the exception of the company itself) will receive 381'571 bearer shares of the Company with a nominal value of CHF 50.-- each for an issue price of CHF 50.-- each.

Article 28

According to the agreement on the contribution in kind dated December 7, 1995, the Company acquires from BIH S.A. 25'035 bearer shares of the Société Suisse de Ciment Portland S.A. and 6'771 participation certificates of the Société Suisse de Ciment Portland S.A.

The purchase price amounts to CHF 510'000'032.-- as consideration for this purchase price BIH S.A. will receive 549'569 fully paid-in bearer shares of the Company with a nominal value of CHF 50.--, valued at CHF 928.-- each. The excess of the value of the contribution in kind over the nominal value of the bearer shares to be distributed to the contributor in kind (in an amount of CHF 482'521'582.--) will be retained by the Company as "agio" (premium).

~~Article 748 CO with retroactive effect as of July 1, 1995, with assets and liabilities according to the merger agreement dated November 8, 1995, and the merger balance sheet as of June 30, 1995, pursuant to which the assets amount to CHF 418'783'248.-- and the liabilities to CHF 0.-- and pursuant to which the assets exceed the liabilities by CHF 418'783'248.--.~~

~~As consideration for their 1'144'713 bearer shares with a nominal value of CHF 50 each, the shareholders of HCB "Holderbank" Cement und Beton Holding (with the exception of the company itself) will receive 381'571 bearer shares of the Company with a nominal value of CHF 50.-- each for an issue price of CHF 50.-- each.~~

Article 28

~~According to the agreement on the contribution in kind dated December 7, 1995, the Company acquires from BIH S.A. 25'035 bearer shares of the Société Suisse de Ciment Portland S.A. and 6'771 participation certificates of the Société Suisse de Ciment Portland S.A..~~

~~The purchase price amounts to CHF 510'000'032.-- as consideration for this purchase price BIH S.A. will receive 549'569 fully paid-in bearer shares of the Company with a nominal value of CHF 50.--, valued at CHF 928.-- each. The excess of the value of the contribution in kind over the nominal value of the bearer shares to be distributed to the contributor in kind (in an amount of CHF 482'521'582.--) will be retained by the Company as "agio" (premium).~~

Holcim Ltd
Zürcherstrasse 156
8645 Jona, Switzerland
Phone +41 58 858 86 48
info@holcim.com
www.holcim.com