

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

Translation of the German original



A. OVERVIEW AND EXPLANATIONS OF THE AMENDMENTS TO THE ARTICLES OF INCORPORATION

INTRODUCTORY REMARKS

On 19 June 2020, the Swiss Parliament resolved to comprehensively revise the Swiss law on public limited companies (the “Company Law Reform”). The aim of the Company Law Reform is to improve corporate governance, modernize company law in general and adopt into Swiss federal law the Ordinance Against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsennotierten Aktiengesellschaften – VegüV), which came into force on 1 January 2014. Most of the provisions of the new law entered into force on 1 January 2023, subject to certain transitional provisions. Swiss stock corporations are obliged to amend their articles of incorporation within two years to comply with the new law.

The Board of Directors proposes to amend the Articles of Incorporation on the occasion of the 2023 General Meeting and to implement the mandatory changes required by the new law. In addition, the Board wishes to utilize the discretion granted under the new law to revise the Articles of Incorporation also in other respects to align with the market standards of good corporate governance applicable in Switzerland.

Structured thematically, the proposed amendments will be submitted to the General Meeting for vote under five different agenda items (items 4.1 to 4.5). The proposed amendments are explained separately for each agenda item below. A comparison between the current version and the version proposed by the Board of Directors can be found in section B. The following references to provisions of the Articles of Incorporation relate to the Articles of Incorporation in the form proposed by the Board of Directors.

1

Agenda item 4.1: Purpose of the Company (Article 2 paras. 1 and 3)

Holcim is committed to sustainable solutions and environmentally sound construction. Firstly, this is because Holcim firmly believes that it can only succeed as a company over the long term if ecology and economy are brought into harmony. Secondly, Holcim wants to live up to its social responsibility and address challenges such as climate change and resource scarcity. Developing sustainable products, conserving natural resources and closing material loops are at the core of its approach. To enshrine Holcim's commitment to sustainable, future-ready solutions in the Articles of Incorporation, the Board of Directors proposes a corresponding supplementation of the article regarding the Company's purpose (Article 2 para. 3). At the same time, Article 2 para. 1 is to be defined more precisely.

2

Agenda item 4.2: Shares and capital structure (Article 3 para. 3, Article 3^{bis}, Article 4 paras. 1 and 3, Article 5 paras. 1 and 5)

Under the new law, General Meeting resolutions to convert registered shares into bearer shares or vice versa no longer require a basis in the Articles of Incorporation. Consequently, Article 3 para. 3 of the current version can be deleted without substitution.

To align the Articles of Incorporation with the revised wording of the law as well as to avoid unnecessarily restricting the scope of the Articles of Incorporation with regard to the form in which shares may be issued, the Board of Directors proposes that Article 4 para. 1 be amended. The Articles of Incorporation are to also clarify that shareholders have no right to the issue of a printed security (Article 4 para. 3). Shareholders may, however, at any time request written confirmation of the registered shares they hold, as reflected in the share register.

Furthermore, the Articles of Incorporation are to clarify that shareholders and other persons entered in the share register must notify the share registrar of any changes to their contact details and that notices from the Company shall be deemed to have been legally delivered if sent to the contact details recorded in the share register (Article 5 para. 1). This new provision improves clarity and legal certainty.

Finally, the Board of Directors proposes two editorial amendments and clarifications to the Articles of Incorporation (see Article 3^{bis} and Article 5 para. 5).

3

Agenda item 4.3:

General Meeting and Auditors (Article 8 para. 2, Article 9 para. 1, Article 10 para. 1, Article 11, Article 12, Article 12a, Article 13, Article 22 para. 2, Article 29 paras. 1 and 3, Article 30, Article 31)

The new law extends the powers of the General Meeting. The Board of Directors proposes that Article 8 para. 2 be amended accordingly and aligned with the wording of the new law.

The new law strengthens the minority rights of shareholders. For example, the threshold for the right to convene an Extraordinary General Meeting has been reduced from 10 percent to 5 percent of the share capital or votes. Furthermore, the new law now expressly states that shareholders may request that a motion relating to an agenda item be included in the invitation to the General Meeting under the same conditions as applicable to the right to add items to the agenda. Lastly, public companies must allow shareholders to be represented at the General Meeting by a third party and may no longer restrict such representation to another shareholder. These changes are to be reflected in the Articles of Incorporation by amendments to Article 9 para. 1 and Article 11 paras. 2 and 3.

Company law has also been relaxed with regard to the use of electronic communications. From now on, companies may communicate with shareholders, issue notifications and provide documents electronically. Holcim wishes to make use of this new flexibility, for which amendments to the Articles of Incorporation are required. This is reflected in the proposed amendments to Articles 12 paras. 1, 3 and 4 and Article 31.

The legal requirements regarding the content of the notice convening a General Meeting have been amended. This requires amendments to Article 12 para. 2.

Under the new law, companies may hold their General Meetings at different locations or as hybrid events (i.e., shareholders who are not present at the General Meeting venue may participate and exercise their rights electronically). The Articles of Incorporation are, for the purpose of transparency, to expressly reiterate the options already available under the law (Article 12a paras. 1 and 2). In addition, it is permissible under the new law to hold General Meetings as solely virtual events without a physical meeting place provided that this is specified in the Articles of Incorporation. While the Board of Directors does not currently intend to hold General Meetings as virtual events, it seems apposite in view of potential future developments – and in light of the COVID-19 pandemic – to create the corresponding basis in the Articles of Incorporation (Article 12a para. 3). Should the Board of Directors decide at any future date to hold a virtual General Meeting, it is obliged by law to ensure that shareholders are able to directly exercise all their rights (in particular, the right to speak and the right to information as well as the ability to exercise voting and election rights) by electronic means at the General Meeting itself.

Under the new law, public companies are required to make the resolutions and election results available electronically within 15 days of the General Meeting, stating the exact results of the votes. In addition, shareholders may under the new law request that the minutes be made available to them within 30 days of the General Meeting. These legal requirements are to be enshrined in the Articles of Incorporation (Article 13 para. 6).

Finally, the Articles of Incorporation are to be editorially amended and adapted to the new wording of the law (see the amendments to Article 10 para. 1, Article 11 para. 1, Article 13 para. 4, Article 22 para. 2, Article 29 paras. 1 and 3 and Article 30) and reflect the voting procedure at Holcim familiar from previous years (see the amendments to Article 13 paras. 1, 2, 3, 5 and 7).

4 **Agenda item 4.4:** **Restricted transferability and resolutions at the General Meeting** **(Article 5 paras. 3 and 4, Article 10 para. 2)**

To reduce the risk of improper use of securities lending and similar legal transactions to influence votes and elections at the General Meeting, the Board of Directors proposes introducing into the Articles of Incorporation (Article 5 paras. 3 and 4) the basis for restricting transferability newly provided by law in Art. 685d para. 2 of the Swiss Code of Obligations.

In addition, Article 10 para. 2 is to be editorially amended and aligned with the amended wording of the law.

5

Agenda item 4.5: Board of Directors and compensation (Article 16 paras. 1, 3 and 4, Article 17 paras. 2 and 4, Article 24, Article 26 para. 3, Article 27 para. 4)

The systematic easing of the restrictions under company law concerning the admissibility of electronic means of communication also leads to changes to the Articles of Incorporation with regard to the organization of the Board of Directors (see Articles 16 para. 1 and 17 para. 4).

Under the new law, the powers of the Board of Directors have been amended and in some cases extended. These changes are to be reflected in the Articles of Incorporation (Article 16 para. 3 and Article 17 para. 2).

The transfer of the VegüV into the Swiss Code of Obligations resulted in several changes, which must be reflected in the Articles of Incorporation. Accordingly, the supplementary amount over and above the aggregate amount of the compensation approved by the General Meeting shall no longer be granted to persons promoted within the Executive Management (Article 24). Furthermore, the consideration for non-compete agreements may now not exceed the average compensation of the last three financial years (Article 26 para. 3). The definition of mandates outside Holcim has likewise been amended (Article 27 para. 4).

Lastly, the Articles of Incorporation are to be editorially amended and clarified (Article 16 para. 4).

B. PROPOSED AMENDMENTS TO THE ARTICLES OF INCORPORATION IN DETAIL

1 Agenda item 4.1: Purpose of the Company

The Board of Directors proposes that Article 2 paras. 1 and 3 be amended or newly adopted, as indicated below:

Current version

Article 2 para. 1

The purpose of the Company is to participate in manufacturing, trade and financing companies in Switzerland and abroad, in particular in the hydraulic binders industry and other industries related thereto.

Article 2 para. 3

Proposed version

(additions underlined / deletions ~~crossed-out~~)

Article 2 para. 1

The purpose of the Company is to participate in manufacturing, trade and financing companies in Switzerland and abroad, in particular in the building materials ~~hydraulic binders~~ industry and other industries related thereto.

Article 2 para. 3

In pursuit of its corporate purpose, the Company aims to create long-term, sustainable value.

2 Agenda item 4.2: Shares and capital structure

The Board of Directors proposes that Article 3 para. 3, Article 3^{bis}, Article 4 paras. 1 and 3 and Article 5 paras. 1 and 5 be amended, deleted or newly adopted, as indicated below:

Current version

Article 3 para. 3

The General Meeting may resolve to convert registered shares into bearer shares, or vice versa.

Article 3^{bis}

[Wording unchanged]

Proposed version

(additions underlined / deletions ~~crossed-out~~)

Article 3 para. 3

~~The General Meeting may resolve to convert registered shares into bearer shares, or vice versa.~~

Article 3^{bis}

[Correction in German version / English translation unchanged]

Article 4 para. 1

The Company may issue its registered shares in the form of single certificates, global certificates and uncertificated securities. Under the conditions set forth by statutory law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the cost of any such conversion.

Article 4 para. 3

The shareholder has no right to demand a conversion of the form of the registered shares. Each shareholder may, however, at any time request a written confirmation from the Company of the registered shares held by such shareholder, as reflected in the share register.

Article 5 para. 1

The Company shall, with respect to its registered shares, maintain a share register in which the shareholders and beneficial owners are registered with regard to their names and addresses.

Article 5 para. 5

After hearing the registered shareholder or Nominee, the Board of Directors may cancel any registration in the share register, with retroactive effect as of the date of registration, which was made based on incorrect information. The relevant shareholder or Nominee must be immediately informed of the cancellation.

Article 4 para. 1

The Company may issue its registered shares in the form of single certificates, or global certificates, ~~and uncertificated securities~~ as intermediated securities pursuant to Art. 973c or 973d CO, or as intermediated securities in the sense of the Federal Act on Intermediated Securities. Under the conditions set forth by statutory law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the cost of any such conversion.

Article 4 para. 3

The shareholder has no right to demand a conversion of the form of the registered shares. In particular, the shareholder has no claim to the certification of the membership in a security. Each shareholder may, however, at any time request a written confirmation from the Company of the registered shares held by such shareholder, as reflected in the share register.

Article 5 para. 1

The Company shall, with respect to its registered shares, maintain, itself or through a third party, a share register in which the shareholders and beneficial owners are registered with regard to their names (the name of the company in case of a legal entity), and ~~addresses~~ contact information (the place of incorporation in case of a legal entity). A person registered in the share register shall notify the share registrar of any change in contact information. Written communications from the Company shall be deemed to have been validly made if sent to the shareholder's or authorized delivery agent's last registered contact information in the share register.

Article 5 para. 5

After hearing the registered shareholder or Nominee, the Board of Directors may cancel any registration in the share register, with retroactive effect as of the date of registration, which was made based on false or misleading ~~incorrect~~ information. The relevant shareholder or Nominee must be immediately informed of the cancellation.

3

Agenda item 4.3: General Meeting and Auditors

The Board of Directors proposes that Article 8 para. 2, Article 9 para. 1, Article 10 para. 1, Article 11, Article 12, Article 12a, Article 13, Article 22 para. 2, Article 29 paras. 1 and 3, Article 30 and Article 31 be amended, deleted or newly adopted, as indicated below:

Current version

Article 8 para. 2

It has the following inalienable powers:

1. the adoption and the amendment of these Articles of Incorporation and the resolution on merger and dissolution of the Company;
2. the approval of the management report and of the consolidated financial statements;
3. the approval of the annual financial statement as well as the resolution on the use of the balance sheet profit, in particular, the declaration of dividends;
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;
5. the election and removal of the members of the Board of Directors, the Chairperson of the Board of Directors, the members of the Nomination, Compensation & Governance Committee, the Auditors and the independent voting rights representative;
6. the discharge of the members of the Board of Directors and of the persons entrusted with management;
7. 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.

Proposed version

(additions underlined / deletions ~~crossed-out~~)

Article 8 para. 2

It has the following inalienable powers:

1. the adoption and the amendment of these Articles of Incorporation and the resolution on merger and dissolution of the Company;
2. the approval of the management report and of the consolidated financial statements;
3. the approval of the annual financial statement as well as the resolution on the use of the balance sheet profit, in particular, the declaration of dividends;
4. the determination of interim dividends and the approval of the interim financial statements required for this purpose;
5. the resolution on the repayment of the statutory capital reserve;
- ~~6. 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;
- ~~7. 5.~~ the election and removal of the members of the Board of Directors, the Chairperson of the Board of Directors, the members of the Nomination, Compensation & Governance Committee, the Auditors and the independent voting rights representative;
- ~~8. 6.~~ the discharge of the members of the Board of Directors and the persons entrusted with management;

9. the delisting of the Company's equity securities;

10. 7. the passing of resolutions on all matters reserved to it by law or; these Articles of Incorporation, ~~or any by laws or organizational rules~~ which are submitted to it by the Board of Directors (subject to Art. 716a CO) or the Auditors.

Article 9 para. 1

Each share which is registered in the share register with the right to vote has one vote. Any shareholder may 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.

Article 10 para. 1

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 11

The Ordinary General Meeting shall be held no later than 6 months after the end of the financial year. It shall be called by the Board of Directors.

Extraordinary General Meetings shall be convened upon a resolution of the General Meeting, or of the Board of Directors, or upon the request of the Auditors. One or more shareholders together representing at least one tenth of the share capital of the Company may also request the calling of an Extraordinary General Meeting; they shall do so in writing, indicating the purpose of the Meeting.

Article 9 para. 1

Each share which is registered in the share register with the right to vote has one vote. Any shareholder may have himself be represented at the General Meeting by its legal representative, the independent voting rights representative or, with a written power of attorney, ~~another shareholder with the right to vote~~ by any other representative who need not be a shareholder. The Board of Directors shall determine the particulars for the participation and representation in the General Meeting and the requirements as to proxies and instructions.

Article 10 para. 1

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

Article 11

The Ordinary General Meeting shall be held no later than 6 months after the end of the financial year. It shall be called by the Board of Directors or, if necessary, by the Auditors.

Extraordinary General Meetings shall be convened upon a resolution of the General Meeting, or of the Board of Directors, or upon the request of the Auditors. One or more shareholders together representing at least one twentieth tenth of the share capital or votes of the Company may also request the calling of an Extraordinary General Meeting; they shall do so in writing, ~~indicating the purpose of the Meeting~~ stating the agenda item and proposal, and in the case of elections, the names of the proposed candidates.

Shareholders whose combined holdings represent an aggregate nominal value of at least one million francs may request items to be included in the agenda. A respective written request listing the items shall be lodged with the Board of Directors at least 40 days prior to a General Meeting.

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 General Meeting in the Swiss Official Gazette of Commerce, and in any other newspapers designated by the Board of Directors. Holders of registered shares 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 who are registered in the share register shall be notified thereof by written notice.

Shareholders whose combined holdings represent an aggregate nominal value of at least one million francs may request items to be included in the agenda or that a motion relating to an agenda item be included in the notice convening the General Meeting. A respective written request listing the agenda items and the proposal or proposals shall be lodged with the Board of Directors at least 40 days prior to a General Meeting.

Article 12

The Calling notice of the General Meeting ~~stating the agenda items and motions as well as the place and time of the General Meeting~~, shall be ~~published~~ given at least 20 days prior to the General Meeting ~~in the Swiss Official Gazette of Commerce, and in any other newspapers designated by the Board of Directors~~ by way of a single announcement pursuant to Art. 31 of these Articles of Incorporation. Holders of registered shares who are registered in the share register may in addition be notified of the General Meeting ~~by mail~~ in another form that allows proof by text.

The notice shall include:

1. the date, start time, form and venue of the General Meeting;
2. the agenda;
3. the proposals of the Board of Directors together with a brief statement of the reasons;
4. the proposals of the shareholders, if any, together with a brief statement of the reasons; and
5. name and address of the independent voting rights representative.

At least 20 days prior to the Ordinary General Meeting, the business report, the compensation report, ~~and~~ and the report on non-financial matters pursuant to Art. 964c CO shall be made available to the shareholders for inspection. ~~by the shareholders at the registered office of the Company. Holders of registered shares who are registered in the share register shall be notified 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.

[new Article 12a]

If the documents are not accessible electronically, ~~Any~~ shareholder may request that a copy of these be ~~immediately~~ sent to them in time.

Article 12a

The Board of Directors shall determine the venue of the General Meeting.

The Board of Directors may provide that the General Meeting shall be held simultaneously at different locations, provided that the contributions of the participants are transmitted directly in video and audio format to all venues, and that shareholders who are not present at the venue or venues of the General Meeting may exercise their rights by electronic means.

Alternatively, the Board of Directors may also provide that the General Meeting will be held exclusively by electronic means without a physical venue.

Article 13

The General Meeting shall be presided over by the Chairperson of the Board of Directors, in his 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 (the "Chair of the Meeting").

The minute keeper shall be appointed by the Board of Directors. He does not need to be a shareholder. The scrutineers shall be appointed by the Chair of the Meeting.

Artikel 13

The General Meeting shall be chaired by the Chairperson of the Board of Directors, in his absence, by the Vice Chairperson (or the more senior Vice Chairperson, if two Vice Chairpersons have been elected), ~~or~~ or another member of the Board of Directors or a person designated by the Board of Directors. If the Board of Directors has not designated another person, the acting Chair shall be elected by the General Meeting ~~(the "Chair of the Meeting")~~.

The Chair of the Meeting shall have all powers and authority necessary and appropriate for the orderly conduct of the General Meeting.

The minute keeper shall be appointed by the Chair of the Board of Directors Meeting. He does not need to be a shareholder. The scrutineers shall be appointed by the Chair of the Meeting; they also do not need to be shareholders.

The Minutes shall set forth:

1. the number, type, par value and classes of shares represented by shareholders and the independent voting rights representative;
2. the resolutions and the results of elections;
3. the requests for information and the respective replies;
4. the statements made for the record by shareholders.

The Minutes shall be signed by the Chair of the Meeting, the minute keeper and the scrutineers.

The General Meeting shall conduct its votes and elections by a show of hands. The 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 votes and elections to be conducted by secret ballot.

The Chair of the Meeting may have votes and elections conducted also electronically. Votes and elections by electronic means shall be equivalent to 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.

The Minutes shall set forth:

1. the date, start and end times, form and venue of the General Meeting;

~~±~~ 2. the number, type, par value and classes of shares represented, specifying the shares represented by ~~shareholders and~~ the independent voting rights representative;

~~2~~ 3. the resolutions and the results of elections;

~~3~~ 4. the requests for information and the respective replies;

~~4~~ 5. the statements made for the record by shareholders.

The Minutes shall be signed by the Chair of the Meeting and; the minute keeper ~~and the scrutineers~~.

The resolutions and election results shall be made available electronically within 15 days of the General Meeting, stating the exact voting proportions; any shareholder may request that the Minutes be made available to him within 30 days of the General Meeting.

The Chair of the Meeting shall determine whether resolutions and elections are to be decided by open ballot, in writing or electronically.

~~The General Meeting shall conduct its votes and elections by a show of hands. The 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 votes and elections to be conducted by secret ballot.~~

~~The Chair of the Meeting may have votes and elections conducted also electronically. Votes and elections by electronic means shall be equivalent to 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.

Article 22 para. 2

The Auditors shall be elected individually for a term of office until completion of the next Ordinary General Meeting. The rights and duties of the Auditors are determined by applicable law.

Article 29 para. 1

Five percent of the annual profit shall be allocated to the general reserve until it has reached twenty percent of the paid-in share capital.

Article 29 para. 3

The remaining balance sheet profit shall be at the disposal of the General Meeting, subject to the legal provisions regarding reserves.

Article 30

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

Article 31

All notices to shareholders shall be validly given by publication in the Swiss Official Gazette of Commerce. The Board of Directors may also notify shareholders by publication in any other newspapers.

Article 22 para. 2

The Auditors shall be elected individually for a term of office ~~until completion of the next Ordinary General Meeting of one financial year. Their term of office ends upon approval of the annual financial statement for such financial year by the General Meeting. Re-election is possible.~~ The rights and duties of the Auditors are determined by applicable law.

Article 29 para. 1

Five percent of the annual profit shall be allocated to the ~~statutory profit general~~ reserve until ~~it this, together with the statutory capital reserve, reaches twenty percent of the share capital entered in the commercial register. has reached twenty percent of the paid-in share capital.~~ it this, together with the statutory capital reserve, reaches twenty percent of the share capital entered in the commercial register.

Article 29 para. 3

The remaining balance sheet profit shall be at the disposal of the General Meeting, subject to the legal provisions regarding reserves. The General Meeting may create further reserves.

Article 30

Any dividends that have not been collected within five years ~~of their allocation shall be forfeited to the Company~~ after their due date shall enure to the Company and be allocated to the statutory profit reserve.

Article 31

The official means of publication of the Company shall be the Swiss Official Gazette of Commerce. In particular cases, the Board of Directors may specify other means of publication.

~~All Notices by the Company to shareholders shall be validly~~ may at the option of the Board of Directors be given by publication in the Swiss Official Gazette of Commerce or in a form that allows proof by text. The Board of Directors may also notify shareholders by publication in any other newspapers.

4

Agenda item 4.4: Restricted transferability and resolutions at the General Meeting

The Board of Directors proposes that Article 5 paras. 3 and 4 and Article 10 para. 2 be amended or newly adopted, as indicated below:

Current version

Article 5 para. 3

Acquirers of registered shares shall be registered upon request in the share register as shareholders with the right to vote if they expressly declare to have acquired the registered shares in their own name and for their own account.

Article 5 para. 4

If persons fail to expressly declare in their registration applications that they hold the shares for their own account (the “Nominees”), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the Nominee has entered into an agreement with the Company concerning his status, and further provided that the Nominee is subject to a recognized bank or financial market supervision.

Article 10 para. 2

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 with respect to:

- a) the removal of the restrictions set forth in Art. 5 of these Articles of Incorporation;
- b) the removal of the mandatory bid rule (Art. 22 para. 3 of the Stock Exchange Act);
- c) the removal or amendment of this para. 2.

Proposed version

(additions underlined / deletions ~~crossed-out~~)

Article 5 para. 3

Acquirers of registered shares shall be registered upon request in the share register as shareholders with the right to vote if they expressly declare to have acquired the registered shares in their own name and for their own account, that there is no agreement on the redemption of the relevant shares and that they bear the economic risk associated with the shares.

Article 5 para. 4

If persons fail to expressly make the declarations pursuant to paragraph 3 in their registration applications ~~that they hold the shares for their own account~~ (the “Nominees”), the Board of Directors ~~shall~~may enter such persons in the share register with the right to vote, provided that the Nominee has entered into an agreement with the Company concerning his status, and further provided that the Nominee is subject to a recognized bank or financial market supervision.

Article 10 para. 2

In addition to Art. 704 para. 1 CO, 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 with respect to:

- a) the removal of the restrictions set forth in Art. 5 of these Articles of Incorporation;
- b) the removal of the mandatory bid rule (Art. ~~22~~ 125 para. ~~3~~ 4 of the Swiss Financial Market Infrastructure Act ~~Stock-Exchange Act~~);
- c) the removal or amendment of this para. 2.

5

Agenda item 4.5: Board of Directors and compensation

The Board of Directors proposes that Article 16 paras. 1, 3 and 4, Article 17 paras. 2 and 4, Article 24, Article 26 para. 3 and Article 27 para. 4 be amended, deleted or newly adopted, as indicated below:

Current version

Article 16 para. 1

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

Article 16 para. 3

In order to constitute a quorum, at least half the members 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 resolutions regarding an executed capital increase and the corresponding amendment of these Articles of Incorporation.

Article 16 para. 4

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. In case of a tie, the Chairperson of the Board of Directors has no casting vote.

Article 17 para. 2

It has in particular the following duties:

1. the ultimate direction of the Company and the giving of necessary directives;

Proposed version

(additions underlined / deletions ~~crossed-out~~)

Article 16 para. 1

The Board of Directors shall meet at the invitation of the Chairperson or a Vice Chairperson. Any member of the Board of Directors may in writing or via e-mail or another form of electronic communication, stating the reasons, request the Chairperson to immediately call a meeting.

Article 16 para. 3

In order to constitute a quorum, at least half the members 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 resolutions regarding an executed capital ~~increase~~ change or a change in the currency of the share capital and the corresponding amendment of these Articles of Incorporation.

Article 16 para. 4

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. In case of a tie, the Chairperson of the Board of Directors or the Chair of the Meeting has no casting vote.

Article 17 para. 2

It has in particular the following duties:

1. the ultimate direction of the Company and the giving of necessary directives;

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;

3. the preparation of the General Meetings and the implementation of its resolutions;

4. the establishment of the organization of the Company;

5. the structuring of the accounting system and of the financial controls as well as the financial planning;

6. the appointment and removal of the persons entrusted with the management and representation of the Company;

7. 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 by-laws or organizational rules, policies and directives;

8. the notification of the judge in the case of over indebtedness.

Article 17 para. 4

It is also responsible that the preparation of the income statement and the balance sheet are prepared in accordance with the requirements of law, that they are submitted to the Auditors for examination and that they are presented, along with the written business report, to the General Meeting.

2. the preparation of the business report (including the management report, the consolidated financial statements and the annual financial statements), ~~and~~ the compensation report, the report on non-financial matters pursuant to Art. 964c CO, and other reports as required by law, 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;

3. the preparation of the General Meeting and the implementation of its resolutions;

4. the establishment of the organization of the Company;

5. the structuring of the accounting system and of the financial controls as well as the financial planning;

6. the appointment and removal of the persons entrusted with the management and representation of the Company;

7. 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 by-laws or organizational rules, policies and directives;

8. the adoption of resolutions on the increase of the share capital to the extent that such power is vested in the Board of Directors, the ascertainment of capital increases, the preparation of the report on the capital increase, and the respective amendments of the Articles of Incorporation (including deletions);

~~8.~~ 9. the submission of a petition for debt-restructuring moratorium and the notification of the judge in the case of over indebtedness.

Article 17 para. 4

It is also responsible that the income statement and the balance sheet are prepared in accordance with the requirements of law, that they are submitted to the Auditors for examination and that they are presented, along with the written or electronic business report, to the General Meeting.

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 shall in total not exceed 40% of the aggregate amount of compensation last approved by the General Meeting.

Article 26 para. 3

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.

Article 27 para. 4

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.

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~~ of 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 shall in total not exceed 40% of the aggregate amount of compensation last approved by the General Meeting.

Article 26 para. 3

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, but shall in no event exceed the average of the compensation of the last three financial years.

Article 27 para. 4

Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. ~~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.

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