

# **ORGANIZATIONAL RULES**

**of**

**Holcim Ltd**

Review date February 23, 2023

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## INTRODUCTION

### 1. Principles

These organizational rules (the "Rules") were enacted by the Board of Directors of Holcim Ltd (the "Company") on the basis of Art. 716b OR and Art. [18] of the Articles of Incorporation. These Rules determine the organization of the executive bodies and govern their respective powers and duties.

**Principles**

Throughout these Rules, all references to titles, functions, individuals and "he"/"his" shall include both the masculine and the feminine gender.

The Company is the ultimate parent holding organization of the Holcim Group (the "Group"). In this function it performs tasks of management, organization and financing not only for itself but also for all the companies controlled by it (the "Group Companies"). In view of this function of the Company, its bodies not only pass resolutions for the Company itself but also promulgate, pursuant to these Rules, certain guidelines for the Group Companies. However the legal rights, independence, competences and responsibilities of the executive bodies must be preserved at any rate.

**Group**

### 2. Executive bodies of the Company

The executive bodies of the Company are:

**Executive bodies**

- The Board of Directors
- The Chairperson of the Board of Directors (the "Chairperson")
- The Vice-Chairperson of the Board of Directors (the "Vice-Chairperson")
- The Independent Lead Director (the "Independent Lead Director")
- The Chief Executive Officer (the "CEO")
- The Executive Committee

In addition, committees and ad-hoc committees appointed by the Board of Directors exist.

## THE BOARD OF DIRECTORS

### 3. Organization

Except for the election of the Chairperson and the members of the Nomination, Compensation & Governance Committee, the Board of Directors constitutes itself. It elects one or two of its members as Vice-Chairpersons for a term of office until completion of the next ordinary general meeting of shareholders (the "General Meeting").

**Constitution**

The Chairperson is elected by the General Meeting for a term of office until completion of the next General Meeting. If the office of the Chairperson is vacant, the Board of Directors shall appoint a

**Chairperson**

new Chairperson from among its members for the remaining term of office.

The Board of Directors appoints a Secretary who does not need to be a member of the Board of Directors nor a shareholder. **Secretary**

The independence of the members of the Board of Directors is defined as per the Swiss Code of Best Practice for Corporate Governance. **Independence**

#### 4. Powers and duties

The Board of Directors is legally responsible for the non-transferable ultimate direction, the supervision and control of the management of the Company and the Group. It passes resolutions on all matters which are not reserved or transferred to the General Meeting or another body of the Company by law, the Articles of Incorporation or any other rules and regulations. **Principle**

In particular the Board of Directors shall have the following powers and duties subject to the Rules: **Powers and duties**

- a. Ultimate direction of the Company and the Group and the giving of the necessary directives (including approval of the strategic plan to be presented by the CEO to the Board of Directors pursuant to art. 15 of these Rules); **Ultimate direction**
- b. Establishment of the organization of the Company and the Group, in particular adoption and amendment of these Rules; **Organization**
- c. Structuring of the accounting system and reporting of the Company and the Group and of the financial controls as well as the financial planning of the Company and the Group (including approval of the budget to be presented by the CEO pursuant to art. 15 of these Rules); **Accountancy/  
Financial control**
- d. Appointment and dismissal of the members of the committees and of the ad-hoc committees, of the Secretary of the Board and of the CEO and of the other members of the Executive Committee (in this latter case, only as proposed by the CEO); **Appointments**
- e. Regulation of and delegation and removal of signatory rights for the Company; **Authority to sign**
- f. Ultimate supervision of the persons entrusted with the management of the Company and the Group, in particular in view of compliance with the law, the articles of incorporation, any rules and regulations and directives of the Company; **Ultimate supervision**
- g. Approval of the business report (including the annual report, the consolidated financial statements and the annual financial statements) and of 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 (exceptionally Q1 approved by Audit **Business report**

Committee);

- h. Preparation of the General Meeting of the Company and implementing of its resolutions; **General Meeting of Shareholders**
- i. Notification of the judge in case of overindebtedness; **Overindebtedness**
- j. Execution of the tasks reserved to the Board of Directors by law in the context of an increase of capital; **Increase of capital**
- k. Approval of the corporate concept and corporate strategy of the Group to be presented by the CEO to the Board of Directors pursuant to art. 15 of these Rules; **Corporate concept/ corporate strategy**
- l. Approval of the consolidated Group budget to be presented by the CEO to the Board of Directors pursuant to art. 15 of these Rules; **Group budget**
- m. Verification of the professional qualifications of the auditors in accordance with the statutory requirements. **Auditors**

Within the scope of these Rules and mandatory statutory provisions, the Board of Directors delegates the entire operational management and operational administration of the Company and the Group to the Executive Committee under the supervision and direction of the CEO. **Delegation of the operational management**

Once per year, the Board of Directors shall, under the direction of the Chairperson, assess its proper performance as well as the performance of the Executive Committee. **Performance assessment**

## 5. Meetings of the Board of Directors

The ordinary meetings of the Board of Directors are called by the Chairperson as often as the business of the Company requires in consultation with the CEO. Ordinary meetings are generally held four times a year. **Convening**

One meeting per year is used to define and periodically review the long-term goals and the positioning of the Company and the Group.

Members of the Executive Committee and/or heads of corporate functions shall be invited by the Chairperson at the initiative of the CEO.

The Board of Directors may hold discussions in Board Meetings without the presence of the CEO (Non-Executive Sessions). The matters to be addressed during such meetings shall be matters such as relating to the compensation of the CEO, the collaboration of the members of the Board with the CEO, the collaboration of the CEO with the Executive Committee, or the termination of the mandate of the CEO.

Executive Committee members shall be invited to the Board by the Chairperson at the initiative of the CEO, on an ad-hoc basis, to present current trading, capex, divestiture or specific items within their fields of responsibility.

At the initiative of the CEO the Chairperson may also invite heads of corporate functions to the Board.

The invitation to attend a meeting of the Board of Directors shall be made in writing, listing the items on the agenda at least ten days in advance. In urgent cases, the Chairperson may convene the Board of Directors by some other appropriate manner at short notice.

***Invitation***

The agenda shall be prepared by the Chairperson in consultation with the CEO. Motions for the agenda and any enclosures must be addressed to the Chairperson sufficiently in advance for the invitation and the motions to be circulated simultaneously, except in cases where urgency does not allow for keeping this time frame.

***Agenda items***

Any member of the Board of Directors may, in writing and stating the reasons, request the Chairperson to call a meeting of the Board of Directors.

***Convening an extraordinary meeting***

The meetings shall be chaired by the Chairperson or, 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 Chairperson, may invite other persons who are not members of the Board of Directors to attend the meetings in an advisory capacity.

***Chairpersonship***

Absent members of the Board of Directors may not be represented. Directors shall be authorized to attend the Board by any means of communication (e.g. by telephone, video, internet/intranet or other technical means).

***Representation***

## 6. Resolutions

The Board of Directors has a quorum if at least half of its members are 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 resolutions on an approved capital increase and the corresponding changes to the Articles of Incorporation.

***Authority to take resolutions***

Resolutions shall be passed by the majority of the votes cast, subject to the resolutions set forth below. Abstentions shall not be counted. In case of a tie, the Chairperson shall not have a casting vote.

***Quorum***

The following resolutions shall require a qualified majority of two-thirds of the members of the Board of Directors present:

- 1) decision to propose a change of the place of incorporation to the General Meeting or decision to change the corporate headquarters; and
- 2) decision to propose a change of the corporate name to the General Meeting or to rebrand products.

Resolutions of the Board of Directors may, on the instructions of the Chairperson, also be passed in writing unless a member requests oral consideration within the period indicated in the corresponding motion. These circular resolutions shall be considered approved if the majority of the members of the Board of Directors have given their written consent, subject to the special majorities of the preceding paragraph.

***Resolutions by written consent***

Matters not on the agenda may only be decided upon if all the members of the Board of Directors consent.

***Matters not on the agenda***

## 7. Minutes

Minutes of the proceedings and resolutions of the Board of Directors shall be taken and signed by the Chairperson and Secretary of the Board of Directors. If no Secretary has been appointed, or if the Secretary is not present at the meeting of the Board of Directors, an ad-hoc secretary shall be appointed.

***Writing the minutes***

The minutes shall state the following:

***Contents***

a. Date, place, time of the meeting;

***Date/Place/Time***

b. Presence and absence of the members of the Board of Directors and other participants;

***Presence/Absence***

c. The name of the Chairperson and the Secretary;

***Chairperson/Secretary***

d. Resolutions passed *verbatim* and election results, stating the outcome of the vote;

***Resolutions***

e. Summary of the main stand points of the discussions;

***Discussion***

f. Statements for the record made by a member of the Board of Directors;

***Statement for the record***

g. Requests for information and summary of the respective replies;

***Requests for information***

h. Wording and results of the votes on circular resolutions passed since the last meeting of the Board of Directors.

***Circular resolutions***

The minutes shall be distributed within three weeks following the meeting and shall be approved at the next meeting of the Board of Directors.

***Circulation/ approval***

## 8. Information and right to information of the Board of Directors

The Board of Directors shall determine the written documents which shall regularly be forwarded for its information.

***Documents***

Any member of the Board of Directors may request information about all matters concerning the Company and the Group. At the meetings, all members of the Board of Directors as well as all present members of the Executive Committee shall be obligated to

***Right to information***

provide the information. Apart from the meetings, any member may request from the CEO, after information of the Chairperson, information concerning the course of the business of the Group and the Company as well as on specific business dealings/matters of the Company.

To the extent necessary for the fulfillment of a duty, any member may apply to the Chairperson to be shown the books and files. ***Inspection rights***

## 9. Remuneration

As remuneration of the above stated obligations and responsibilities of the Board of Directors and committees, the members of the Board of Directors shall receive a fixed annual board fee, independent of the business results, which shall be determined by the Board of Directors upon motion by the Nomination, Compensation & Governance Committee. In addition, the members of the Board of Directors shall be reimbursed for their expenses. ***Determination***

Special services rendered by individual members, in particular the activity of the specifically delegated members of the Board of Directors pertaining to the management or supervision, may be rewarded by the Board of Directors in an appropriate manner. ***Special services***

## 10. Terms of Office and limitation of Terms of Office

The members of the Board of Directors and the Chairperson shall be elected for a term of office until completion of the next ordinary General Meeting. They may be re-elected upon expiry of a completed term. ***Terms of Office and re-election***

Directors may be proposed for re-election by the Board of Directors upon motion by the Nomination, Compensation & Governance Committee. The Nomination, Compensation & Governance Committee shall base its motion on a review of the overall performance of each candidate.

A member of the Board of Directors shall not serve on the Board of Directors for more than twelve years. The years as member of the Board of Directors of Lafarge SA and of Holcim Ltd prior to the merger of the two groups are also considered as years of office. ***Limitation of Terms of Office***

In addition, it is expected that a member of the Board of Directors will offer his resignation at the ordinary General Meeting following his 72nd birthday.

The Board of Directors may provide for exceptions to this rule in individual cases under special circumstances and if this is in the best interest of the Company.



## THE CHAIRPERSON

### 11. Powers and duties of the Chairperson

The Chairperson has the following powers and duties:

#### ***Powers and duties***

- |    |   |   |
|----|---|---|
| a. | Supervision of the CEO, as head of the Executive Committee, on behalf of the Board of Directors;  | <b><i>Supervision of the CEO</i></b>  |
| b. | Leading the Board of Directors, ensuring it is an effective working group at the head of the Company and promoting a culture of openness and debate;  | <b><i>Leading the Board</i></b>   |
| c. | Organization of Board meetings (agenda and minutes) and liaising with the CEO in preparation of such meetings;  | <b><i>Organization of Board meetings</i></b>  |
| d. | Yearly assessment of the Board of Directors;  | <b><i>Yearly assessment</i></b>   |
| e. | Ensuring that the committees meet regularly, function efficiently and report adequately to the Board of Directors;  | <b><i>Committees</i></b>  |
| f. | External communication, after consultation and in coordination with the CEO, on matters of general interest for the Company or the Group and outside the day to day operational management vis-à-vis shareholders, investors, the general public and the media, and without prejudice to art. 15. | <b><i>External communication</i></b>  |
| g. | Preparation of the General Meeting and meetings of the Board of Directors in consultation with the CEO;   | <b><i>Preparation of the General Meeting of Shareholders/ Meeting of the Board of Directors</i></b> |
| h. | Chairing the general meetings of shareholders and the meetings of the Board of Directors;   | <b><i>Chair</i></b>   |
| i. | Supervision of implementation by the CEO of the resolutions of the Board of Directors and committees;   | <b><i>Supervision of implementation</i></b>   |
| j. | Performance of all other tasks which accrue to the Chairperson by law, the Articles of Incorporation or these Rules.  | <b><i>Other tasks</i></b>   |

The Chairperson shall be available to discuss, on a regular basis, any operational issue the CEO may want to raise with him, it being understood that the Chairperson shall have non executive duties.

#### ***Interaction with the CEO***

The Chairperson further has the right to inspect all books and files.

#### ***Right to inspect documents***

The Secretary of the Board reports directly to the Chairperson.

#### ***Reporting***

## THE VICE-CHAIRPERSON

### 12. Powers and duties of the Vice-Chairperson or Vice-Chairpersons.

If the Chairperson is unable to exercise his office, the Vice-Chairperson empowered to act as deputy for the Chairperson, shall act as his deputy. The Board of Directors designates the Vice-Chairperson empowered to act as deputy for the Chairperson.

#### ***Deputy for the Chairperson***

The Vice-Chairperson empowered to act as deputy for the

#### ***Powers and duties***

Chairperson shall have the same powers and duties for the performance of his role as a deputy as those accruing to the Chairperson, but such powers and duties shall be confined to resolutions to be passed during the period of the representation.

The Board of Directors can permanently or temporarily delegate to any Vice-Chairperson expert or special tasks. Tasks and responsibilities are defined by resolution of the Board of Directors.

If the Vice-Chairperson is unable to act as deputy, the longest serving member of the Board of Directors shall take his office.

***Deputizing for the Vice-Chairperson***

## **THE LEAD INDEPENDENT DIRECTOR**

### **13. Appointment and powers and duties of the Lead Independent Director**

If the Chairperson is not independent, the Board of Directors appoints a Lead Independent Director who is to be confirmed annually.

***Appointment***

The Lead Independent Director coordinates the activities of the other independent directors, and performs such duties and responsibilities as the Board of Directors may determine. He serves as liaison between the independent directors, with whom he can call separate meetings.

***Powers and duties***

The Lead Independent Director shall:

- a. Call meetings without the Chairperson present;
- b. Chair the independent director's sessions of the Board of Directors taking place without the presence of the Chairperson, which will occur at least at every scheduled Board meeting;
- c. Approve meeting agendas and information sent to the Board, as well as meeting schedules to ensure that the Board and its Committees have sufficient time for discussion of all agenda items;
- d. Ensure checks and balances in all situations where good corporate governance may be impaired;
- e. Consult and communicate directly with major shareholders on request.

In general, the Lead Independent Director chairs the Nomination, Compensation & Governance Committee.

The independent members of the Board of Directors convene as often as business so requires, but at least once every year.

***Convening***

## THE COMMITTEES

### 14. Composition, powers and duties of the committees

The Board of Directors may appoint committees to perform special tasks and may further appoint ad-hoc committees if necessary. The Board shall in particular form the following standing committees:

***Committees and  
ad-hoc Committees***

- 1) Audit Committee
- 2) Nomination, Compensation & Governance Committee
- 3) Health, Safety & Sustainability Committee

The composition, powers and duties of these committees are determined in the Articles of Incorporation and separate charters which form an integral part of these Rules. The membership, powers and duties for ad-hoc committees are determined in the respective resolutions of the Board of Directors.

***Charters***

The members of the Nomination, Compensation & Governance Committee are elected by the General Meeting for a term of office until completion of the next ordinary General Meeting. They may be re-elected upon expiry of a completed term.

***Nomination,  
Compensation &  
Governances  
Committee***

If there are vacancies on the Nomination, Compensation & Governance Committee, the Board may appoint the missing members from among its members for the remaining term of office.

## THE CEO

### 15. Appointment, powers and duties of the CEO

The Board of Directors appoints the CEO, upon motion of the Nomination, Compensation & Governance Committee.

***Appointment***

The CEO shall head and direct the Executive Committee and be the contact person for the Board of Directors in its contact with the Executive Committee. As such, the CEO shall be responsible of the operational management of the Group under the supervision of the Board, run and motivate the Executive Committee as a dedicated, cohesive and results driven team and be responsible for the Executive Committee's good functioning and organization.

***Powers and duties***

The CEO shall supervise the members of the Executive Committee who shall report directly to the CEO, and shall determine their individual annual objectives taking into account the mid-term plan and the budget, and shall prepare and propose their individual compensation for the approval of the Board of Directors following the recommendation of the Nomination, Compensation & Governance Committee.

The CEO shall initiate, develop and manage the strategic planning process with the assistance of the relevant members of the Executive Committee. The CEO shall present the strategic plan to the Board of Directors for approval. Upon approval by the Board of Directors, the CEO shall be responsible for the implementation of the approved strategic plan within the Group, including the mid-term plan of the Group consistent with approved scorecards.

The CEO shall lead the process of determining the budget within the Group and shall present it to the Board of Directors for approval. Upon approval by the Board of Directors, the CEO shall be responsible for the implementation of the approved budget, its monitoring and control.

The CEO shall be responsible for the execution of the resolutions taken by the Board of Directors.

The Board of Directors shall determine the structure and, subject to applicable law, appoint and/or dismiss the members of the Executive Committee. Within that frame, appointments and dismissals shall in principle be made upon the proposal by the CEO (other than with respect to himself), after the recommendation by the Nomination, Compensation & Governance Committee.

***Appointment of the Executive Committee***

The CEO may assign the resolutions passed by the Board of Directors or a committee to the individual members of the Executive Committee for execution. The CEO shall monitor the implementation of such resolutions.

***Implementation of resolutions***

Without prejudice to art. 11 (f), the CEO shall be the only authority in charge of external communication.

***External communication -***

The CEO represents the Company vis-à-vis the shareholders and maintains the relations with shareholders and investors.

***Representation vis-à-vis shareholders and investors***

The CEO is responsible for ensuring compliance with all legal requirements of the capital markets. He may delegate this responsibility to the CFO.

***Capital markets***

The CEO's reporting line shall be to the Board of Directors and its Chairperson, who is mandated to supervise the CEO on behalf of the Board.

***Reporting***

The following persons report directly to the CEO:

- the members of the Executive Committee;
- the Head Legal and Compliance (who shall also have an additional functional reporting line to the Chairperson of the Audit Committee for the compliance aspect of its function);
- any other function in accordance with the functions diagram recommended by the CEO and approved by the Board of Directors and/or the allocation of responsibilities decided by the CEO.

The CEO shall present to the Nomination, Compensation & Governance Committee and to the Board a succession plan for the members of the Executive Committee and key executives on an

***Succession planning***

annual basis.

It shall be the responsibility of the CEO to ensure that all expenditure is within the budget and meets the profitability targets at the different levels.

***Budget controls***

## **THE EXECUTIVE COMMITTEE AND ITS MEMBERS**

### 16. Organization

Appointment and dismissal of the members of the Executive Committee shall in principle be proposed by the CEO (other than with respect to himself), reviewed and recommended by the Nomination, Compensation & Governance Committee and approved by the Board of Directors.

***Appointment***

Compensation of the members of the Executive Committee shall be proposed by the CEO based on the achievement of objectives and benchmarking, reviewed and recommended by the Nomination, Compensation & Governance Committee and approved by the Board of Directors.

The members of the Executive Committee, under the leadership and direction of the CEO, are responsible for the management of the Group as a dedicated, cohesive and results driven body.

***Responsibility***

#### ***Common and individual responsibility***

Within the scope of these Rules, the members of the Executive Committee (other than the CEO) take over individual tasks and are individually responsible to the CEO for the performance of these tasks.

The Company will be run in a decentralized way under the leadership and direction of the CEO, so that the members of the Executive Committee shall be allocated responsibility by country, business area or function. The members of the Executive Committee acting as region heads shall have clear profit and loss responsibility under the supervision of the CEO. Capital expenditures and investments shall be approved as described in Art. 23 of these Rules.

The CEO shall determine the annual objectives of the members of the Executive Committee taking into account the mid-term plan and the budget. The Executive Committee members shall be accountable vis-à-vis the CEO.

At the CEO's initiative, heads of corporate functions might also be invited to the Executive Committee.

The members of the Executive Committee may, in concert with the CEO, delegate their tasks relating to their areas of responsibility by country to Area Managers or by function to Function Heads.

***Delegation to Area Managers/  
Function Heads***

Upon motion of the relevant Executive Committee member to whom such manager reports, decisions relating to the appointment, mobility, removal and remuneration (within the framework of the Group's compensation guidelines) of Area Managers, Function Heads and Country Heads shall be taken by the CEO.

## 17. Powers and duties

Subject and according to these Rules, and under the leadership and direction of the CEO, the Executive Committee has the following collective powers and duties:

- a) Collective:**
- a. Organization, execution and supervision of the business of the Company and the Group in the areas which do not fall within the scope of the Board of Directors; – *Operational management*
  - b. Preparation of the business of the Board of Directors and implementation of its resolutions; – *Business of the Board of Directors*
  - c. Further development and implementation of the business concept; – *Business Concept*
  - d. Preparation of the consolidated Group budget for the Board of Directors; – *Consolidated Group budget*
  - e. Strategic development of the Group with a view to sustainably increase the value of the Company and Group in the frame of the strategic plan approved by the Board of Directors; – *Strategic Development*
  - g. Proposal by the relevant member of the Executive Committee to the CEO regarding appointment and dismissal of the Area Managers, and the Function Heads of the Group. – *Proposals for Area Managers, and Function Heads*

Within the collective powers and duties, and where applicable, each member of the Executive Committee performs the following individual tasks:

- b) Individual tasks:**
- a. Taking additional positions in existing markets, validation of existing positions and structures and opening of new markets; – *Existing / New Markets*
  - b. Securing relations between the Company and the Group Companies; – *Coordination*
  - c. Supervision of management of the Group Companies and responsibility for their successful development; – *Supervision*
  - d. Seeing to the associated companies<sup>1</sup> as well as to the equity interests in third parties; – *Service*
  - e. Responsibility for successful and economical management of the staff and divisional functions of the Group; – *Responsibility for staff / divisional functions*

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<sup>1</sup> Companies in which Holcim holds directly or indirectly by affiliates a participation of 20-50%.

- f. Taking the necessary corrective measures and informing the Board of Directors in due time via the CEO when significant negative deviations from the budget are reported in the Company and the Group. – *Corrective measures*

18. Reserve of approval rights by the Board of Directors in financial matters

The Board of Directors delegates approval rights related to investments, divestments, expenditures and financial decisions to the Executive Committee as provided in Section 23 except in the following matters with respect to which the Board of Directors reserves its approval rights: ***Delegation and reservation of approval rights by the Board of Directors***

- a. Investments and expenditures exceeding CHF 400 million; – *Investments and expenditures*
- b. Divestments exceeding CHF 400 million; – *Divestments*
- c. Issuance of derivative financial instruments where these are not solely used to hedge against the risks entailed in the course of ordinary business; – *Financial Decisions*
- d. Issuance of bonds and raising of 3<sup>rd</sup> party debt by the Company, or other financings guaranteed by the Company, providing bail, guarantees or similar surety, and assuming contingent liabilities, where these are not in the envelope approved by the Board; – *Financial Decisions*

The Board of Directors may issue further and more detailed regulations on delegation of its approval rights. – *Further regulations*

19. Meetings of the Executive Committee

The meetings of the Executive Committee shall be regularly called and organized by the CEO as often as the business of the Company or the Group requires. ***Number***

The CEO shall ensure that the passed resolutions by the Board are assigned to the individual members of the Executive Committee for execution. The CEO shall monitor the implementation of such resolutions. ***Implementation of resolutions***

Any member of the Executive Committee may request from the CEO in writing and stating the reasons, to immediately convene a meeting. ***Extraordinary meetings***

The invitation to attend a meeting of the Executive Committee shall be made in writing, indicating the agenda items, at least five days in advance. In urgent cases, the CEO may convene the Executive Committee in some other appropriate form at short notice. ***Invitation***

The CEO shall determine the agenda items of the meetings of the Executive Committee. ***Agenda items***

The CEO may delete incomplete motions, or motions submitted too ***Deletion of agenda***

late from the agenda or may defer such motions to a later meeting. **items**

The CEO shall conduct the meetings of the Executive Committee. The CEO may invite other persons who do not belong to the Executive Committee to attend the meeting in an advisory capacity. **Chairpersonship**

The CEO may call further meetings of the Executive Committee outside the formal meetings, to discuss matters of fundamental nature, as the case may be without taking formal resolutions. **Additional meetings**

## 20. Resolutions

The Executive Committee shall have a quorum if the majority of its members are present. The requirement of personal attendance is met if the members of the Executive Committee are able to communicate simultaneously (e.g. by telephone, video, internet/intranet or other technical means). **Quorum**

Resolutions shall be passed by a majority of the votes cast. **Resolutions**

Abstentions shall not be counted. In the event of a tie, the CEO shall have a casting vote. The Chairperson shall be notified by the CEO of any use of this casting vote.

Items which are not on the agenda may only be decided upon with the consent of all the present members of the Executive Committee. **Items not on the agenda**

Dissenting opinions made for the record in the context of resolutions of the Executive Committee will be minuted. **Dissenting opinions for the record**

## 21. Minutes

The CEO shall arrange for appropriate minutes of the meetings and timely delivery of such minutes to the Chairperson. **Minutes**

## 22. Reporting by the Executive Committee

The CEO shall inform the Chairperson on an ongoing basis and the Board of Directors regularly of the course of business and the compliance with the budget and of exceptional occurrences outside the ordinary course of business. In particular, the CEO shall regularly inform the Board of Directors of market trends and of objectives and strategies of the Company. **Informing the Chairperson and the Board of Directors**

Reporting to the Board of Directors shall be effected at the meetings of the Board. Where appropriate, the CEO shall report to the Board of Directors in writing on matters pertaining to the Company and the Group. **Nature of the reporting**

The CEO may delegate the reporting to the Board of Directors to the members of the Executive Committee.



## AUTHORITIES RELATING TO CAPITAL EXPENDITURES AND INVESTMENTS

### 23. Capital expenditures and investments

Capital expenditures and investments shall be approved, based on their own and individual merits and according to the approved strategic criteria and budget, as follows:

- by the Board of Directors upon motion of the CEO for capital expenditures and investments above CHF 400 million;
- by the Executive Committee under the following conditions:
  - Capital expenditures and investments between CHF 20 million and CHF 400 million shall be approved by the Executive Committee upon motion of the competent Executive Committee member in accordance with the functions diagram approved by the Board of Directors and, to the extent consistent with the functions diagram, the allocation of responsibilities decided by the CEO, it being agreed that no capital expenditure and investment can be agreed by the Executive Committee without the positive vote of the CEO, subject to the last paragraph of Section 20;
  - Capital expenditures and investments below CHF 20 million shall be approved based on the thresholds defined in the Group Delegated Authorities.

The amount above must be understood as including the initial amount but also all the commitments and undertakings (including off-balance-sheet) over time.

## GENERAL PROVISIONS

### 24. Conflicts of interest

Each member of a body of the Company is obligated to inform the respective body of actual or potential conflicting interests. ***Duty to inform***

In case of a direct conflict of interests, i.e. a situation where a member's vote would operate to the detriment of the Company to the extent it would advantage his own interests or any interest otherwise represented by him or a party related to him, the member shall abstain of his own initiative before discussing the respective matter. ***Abstention***

Even if there is a reason for abstention, the Board of Directors or the Executive Committee respectively, may decide to waive the abstention of the member affected, provided that the member shall give preference to the interests of the Company. ***Lifting of the abstention***

If a member does not abstain of his own initiative, the Chairperson within the Board of Directors or the CEO within the Executive Committee respectively, shall have the right to expel the relevant member from deliberation and decision on the respective matter. ***Right of expulsion***

25. Confidentiality

The members of the executive bodies of the Company shall keep in confidence and refrain from disclosing to third parties any information and documents which they received or which came to their attention in connection with their function as members of executive bodies of the Company.

**Confidentiality**

At the end of their term of office, the members of the executive bodies of the Company shall destroy all documents relating to the Company and Group or return the same. Such destruction or return shall be confirmed in writing by the respective member.

**Return of documents**

26. Written form

Wherever reference is made in these Rules to written communication, this may be done by any method of transmission which enables evidence of forwarding of the text and evidence of receipt of the message to be produced.

**Method of transmission**

27. Authority to sign

All persons authorized to represent the Company shall sign jointly with one other such person.

**Joint signature**

28. Policies and Directives

Within the framework of a policy landscape approved by the Board of Directors, the Board of Directors and the Executive Committee may issue specific policies and directives.

**Competence**

29. Final provisions

a. These Rules come into effect on July 28, 2015.

**Entry into force**

b. These Rules shall be verified and if necessary amended as deemed appropriate but at least every two years.

**Amendment**

Chairperson

Secretary of the Board

[sign]

[sign]

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Dr. Beat Hess

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Dragana Simijonovic

## **Annex to the Organization Rules**

The following documents form an integral part of these Organizational Rules and are published on the Holcim Website together with the Organizational Rules:

- Audit Committee Charter
- Nomination, Compensation & Governance Committee Charter
- Health, Safety & Sustainability Charter