

COMPENSATION VOTES

ITEMS 1.2, 5.1 AND 5.2 OF THE AGENDA

SHAREHOLDER INFORMATION ON THE
COMPENSATION VOTES
AT THE ANNUAL GENERAL MEETING 2016



DEAR SHAREHOLDERS

The LafargeHolcim Ltd Nomination, Compensation & Governance Committee, and the Board of Directors have carefully considered the situation and needs of the business in elaborating the remuneration policy applicable for the period from the 2016 Annual General Meeting until the 2017 Annual General Meeting (for members of the Board of Directors) and for the financial year 2017 (for members of the Executive Committee). In line with the Ordinance Against Excessive Compensation and our Articles of Incorporation, we are asking shareholders to vote on three compensation-related resolutions:

Advisory vote on past compensation

Resolution 1.2 proposes that you endorse the 2015 Remuneration Report, which can be found electronically on <http://reports.lafargeholcim.com/2015/annual-report/governance/compensation-report.html> and on pages 123 to 142 of the 2015 Annual Report.

Binding votes on future compensation

Resolution 5.1 requires your vote on the total maximum amount of compensation payable to the Board of Directors between the 2016 Annual General Meeting and the 2017 Annual General Meeting. A maximum amount of CHF 5,400,000 is proposed, and additional details, including a reminder of the compensation policy in place, are set out on page 5 – 8 of this brochure.

Resolution 5.2 requires your vote on the total maximum amount of compensation payable to the Executive Committee in respect of the financial year 2017. A maximum amount of CHF 40,500,000 is proposed. A reminder of the compensation policy applicable for the period of the financial year 2017 is provided on page 8 – 12 of this brochure, and further details are available in the Remuneration Report, which can be found electronically on <http://reports.lafargeholcim.com/2015/annual-report/governance/compensation-report.html> and on pages 123 to 142 of the 2015 Annual Report.

We will be available at the Annual General Meeting to answer any question you may have regarding remuneration at LafargeHolcim Ltd.

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

Wolfgang Reitzle
Chairman of the Board of Directors

Paul Desmarais, Jr.
Chairman of the Nomination,
Compensation & Governance Committee

COMPENSATION VOTES

VOTE 1.2

ADVISORY VOTE ON THE 2015 REMUNERATION REPORT

The purpose of our Remuneration Report is to inform shareholders regarding our Board of Directors and Executive Committee compensation policies and how these policies were implemented in 2015. It can be found electronically on <http://reports.lafargeholcim.com/2015/annual-report/governance/compensation-report.html> and between pages 123 and 142 of the 2015 Annual Report.

We request that shareholders endorse it in an advisory vote.

VOTE 5.1

BINDING VOTE ON MAXIMUM TOTAL COMPENSATION FOR MEMBERS OF THE BOARD OF DIRECTORS FROM THE 2016 ANNUAL GENERAL MEETING TO THE 2017 ANNUAL GENERAL MEETING, I.E. CHF 5,400,000

Director compensation policy applicable between 2016 and 2017 Annual General Meetings

All members of the Board of Directors will receive a base fee, paid 50% in cash and 50% in LafargeHolcim Ltd shares, subject to a five-year sale and pledge restriction period. In addition, expense allowances of CHF 10,000 are paid to each member, and the Chairman of the Board of Directors will receive a secretarial allowance of CHF 60,000.

Board members will receive additional compensation, reflecting their engagement and participation on the various Board Committees. All Board and Committee fees are summarized in the table on the following page.

Role	Cash compensation (in CHF)	Share-based compensation ¹ (in CHF)	Expense allowance (in CHF)	Secretarial allowance (in CHF)	TOTAL (in CHF)
Base compensation					
Chairman of the Board	725,000	725,000	10,000	60,000	1,520,000
Co-chairman of the Board	100,000	100,000	10,000		210,000
Board member	100,000	100,000	10,000		210,000
Committee membership and chairmanship fees					
Finance & Audit Committee Chairman	125,000				125,000
Finance & Audit Committee member	40,000				40,000
Nomination, Compensation & Governance Committee Chairman	125,000				125,000
Nomination, Compensation & Governance Committee member	40,000				40,000
Strategy & Sustainable Development Committee Chairman	125,000				125,000
Strategy & Sustainable Development Committee member	40,000				40,000

¹The shares are subject to a five-year sale and pledge restriction period

Additional fees can be paid to individual Board members to reflect any prolonged period where their time commitment is significantly above the normally expected time commitment. In 2015, CHF 903,333 in additional fees was paid in respect of that policy to 4 Board members. Whilst this policy remains in place for the period from the 2016 Annual General Meeting until the 2017 Annual General Meeting, no additional fee payments are currently foreseen under this policy.

Board members are not entitled to receive any performance-based compensation or stock options.

Proposed Total Maximum Amount of Director Compensation of CHF 5,400,000

The table on the following page shows the total maximum amount of compensation that could be paid to the Board members on a twelve months basis. It assumes that the Chairman, all Board members and Nomination, Compensation & Governance Committee members are elected at the 2016 Annual General Meeting. It includes a 'buffer', which would allow for any reasonable increase in the number of Committee members, or in the event of any additional fee payment required for an increased time commitment from a Board or a Committee member.

Role	TOTAL (in CHF)	Expected number of members		TOTAL COM- PENSATION (in CHF)
Base compensation				
Chairman of the Board	1,520,000	1		1,520,000
Co-chairman of the Board	210,000	1	14	210,000
Board member	210,000	12		2,520,000
Committee membership and chairmanship fees				
Finance & Audit Committee Chairman	125,000	1		125,000
Finance & Audit Committee member	40,000	3	4	120,000
Nomination, Compensation & Governance Committee Chairman	125,000	1		125,000
Nomination, Compensation & Governance Committee member	40,000	4	5	160,000
Strategy & Sustainable Development Committee Chairman	125,000	1		125,000
Strategy & Sustainable Development Committee member	40,000	3	4	120,000
Buffer for changes in Board or Committee composition, and for exceptional fees				375,000
PROPOSED TOTAL MAXIMUM AMOUNT				5,400,000
Maximum for 2015 AGM to 2016 AGM				6,950,000
Actual total compensation for the calendar year 2015				5,424,304¹

¹Without mandatory Swiss social security contributions

In addition to the total shown above, mandatory Swiss social security payments may have to be made by LafargeHolcim Ltd for certain Board members. The amount paid for Swiss social security between the 2015 Annual General Meeting and the 2016 Annual General Meeting was CHF 73,823. The amount to be paid for the period from the 2016 Annual General Meeting until the 2017 Annual General Meeting depends on the individual social security status of each Board Member.

VOTE 5.2

BINDING VOTE ON TOTAL MAXIMUM COMPENSATION FOR THE EXECUTIVE COMMITTEE IN RESPECT OF FINANCIAL YEAR 2017, I.E. CHF 40,500,000

Key features of the 2017 Executive Committee compensation policy

Executive compensation at LafargeHolcim is underpinned by the following founding principles:

- **Pay for performance:** LafargeHolcim's incentive plans provide the opportunity to achieve a higher level of overall remuneration, when delivering strong short- and long-term performance which is directly linked to the LafargeHolcim Group's strategy.
- **Consistency and transparency:** The LafargeHolcim Group rewards employees consistently across the business in a fair and transparent way; differentiating only by performance, value creation and market demands.

The compensation policy applicable to the CEO and Executive Committee members in 2017 is in line with the policy defined in 2015 and in place in 2016 and is summarized in the table on the following page.

Fixed pay

Element and link to strategy	Operation	Quantum	Link with performance
Basic salary			
Reflects key responsibilities, experience and market value	<ul style="list-style-type: none"> - Paid monthly in cash - Reviewed annually based on a market competitiveness review, market movements and individual performance 	<ul style="list-style-type: none"> - Set at a level comparable to the median of Swiss companies of similar size 	<ul style="list-style-type: none"> - Salary increase budgets reflect, inter alia, company performance - Salary increases will be closely linked to individual performance
Pension			
Provide competitive and appropriate retirement plans	<ul style="list-style-type: none"> - Defined benefit scheme applicable to Senior Management - Overall pension promise is inclusive of all other local and supplementary schemes participants may benefit from 	<ul style="list-style-type: none"> - Targeted to achieve, at age 62, assuming 10 years of service in Senior Management and 20 years of service with the Group, an amount of 40% of the average of last 3 years' salaries - Early or deferred retirement pensions adjusted based on actuarial calculations 	<ul style="list-style-type: none"> - N/A
Other benefits			
Provide competitive perquisites and appropriate expatriation-related benefits	<ul style="list-style-type: none"> - Car/transport allowance - Housing, schooling and travel allowances for members of senior management working outside their home country 	<ul style="list-style-type: none"> - Amounts consistent with the LafargeHolcim policies applicable to all members of staff 	<ul style="list-style-type: none"> - N/A

Variable pay

Element and link to strategy	Operation	Quantum	Link with performance
Annual bonus			
Rewards the achievement of the company's annual targets and the executive's own goals	<ul style="list-style-type: none"> - Paid 50% in cash after financial year end, and 50% in LafargeHolcim Ltd shares deferred for two years 	<ul style="list-style-type: none"> - Maximum opportunity is 200% of salary for the CEO and 125% of salary for other Executive Committee members - On-target opportunity is 60% of the maximum 	<ul style="list-style-type: none"> - Based on a combination of financial results at LafargeHolcim Group level (and at regional level when appropriate) and individual achievements, attitudes and behaviors
Performance Share Plan			
Rewards long-term financial performance and shareholder value creation	<ul style="list-style-type: none"> - Normally granted each year at LafargeHolcim Ltd's discretion - Rewards company performance over a three-year period - Delivered in LafargeHolcim Ltd shares (with dividend equivalents) - Strict leaver rules provide strong talent retention 	<ul style="list-style-type: none"> - Annual award of 225% of salary for the CEO and 75% to 125% of salary for other Executive Committee members 	<ul style="list-style-type: none"> - Based on a combination of internal financial measures and external measures in line with company strategy, to be defined from time to time, with next strategy meeting scheduled in late 2016

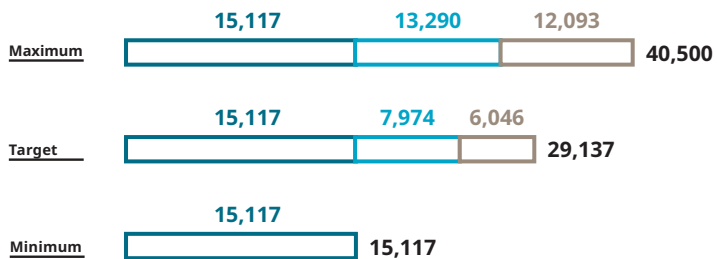
**Proposed Total Maximum Amount of Executive
Committee Compensation for 2017**

The amount proposed for shareholders' vote at the 2016 Annual General Meeting is CHF 40,500,000. The chart on the following page illustrates what total compensation for all Executive Committee members could be in three scenarios:

- Minimum, where only fixed compensation would be paid.
- Target, where annual incentives in respect of 2017 would be paid on target, at 60% of maximum, and 2017 awards under the Performance Share Plan would vest on target, at 50% of maximum.
- Maximum, where annual incentives would pay out at maximum and long-term incentives would vest in full. Note that this scenario would require all Executive Committee members to achieve a payout of 100% in all performance measures of short- and long-term incentive plans, which would be a genuinely exceptional performance.

The split of total remuneration into fixed, short-term incentives and long-term incentives is of indicative nature and subject to change. However, the total compensation payable will not exceed the total maximum compensation proposed.

All amounts in CHF



-
- Fixed (salary, pensions, employee benefits and other remuneration)
 - Short-Term Incentives (payable in respect of 2017)
 - Long-Term Incentives (awards to be made in 2017 under the Performance Share Plan)

A number of assumptions were used in the elaboration of the maximum compensation amount and the above chart:

- The Executive Committee comprises 10 members, including the CEO. Under the Company's Articles of Incorporation, the Company is authorized to make payments to any member(s) that join(s) the Executive Committee during a period for which the Annual General Meeting has already approved the total compensation, where the total amount approved is not sufficient, providing that any amount paid in excess of the total amount approved does not exceed 40% of the total amount approved.
- The impact of share price variations and dividend equivalents for the proportion of the annual incentive deferred in LafargeHolcim Ltd shares and for the long-term incentives that could be paid has not been taken into account.
- All Executive Committee members have their compensation denominated in Swiss Francs. Should any member of the Executive Committee be paid in another currency, the impact of currency variations would not be taken into account.
- The amounts shown above are gross, but exclude any employer-paid mandatory social security contributions.
- Amounts shown under Fixed pay include a number of international assignment benefits, in line with the LafargeHolcim policy, including housing, school fees and travel allowances.
- The Fixed pay amount includes a maximum budget for potential salary increases, if any.

