



**LafargeHolcim**

**MINUTES**

**of the 106th Ordinary Annual General Meeting of**

**LafargeHolcim Ltd**

**held on May 8, 2018, 10:00am**

**at Samsung Hall, Hoffnigstrasse 1, 8600 Dübendorf**

**Present Board Members**

Dr. Beat Hess	Chairman
Oscar Fanjul	Vice-Chairman
Bertrand Collomb	Member of the Board of Directors
Paul Desmarais, Jr.	Member of the Board of Directors
Patrick Kron	Member of the Board of Directors
Gérard Lamarche	Member of the Board of Directors
Adrian Loader	Member of the Board of Directors
Jürg Oleas	Member of the Board of Directors
Nassef Sawiris	Member of the Board of Directors
Dr. h.c. Thomas Schmidheiny	Member of the Board of Directors
Hanne Birgitte Breinbjerg Sørensen	Member of the Board of Directors
Dr. Dieter Spälti	Member of the Board of Directors

**Absent Board Members**

none

**Others present**

Dr Thomas Ris	Independent voting proxy
Markus Müller	Public Notary, Zürich-Altstadt

**Tellers**

Dzevrije Zendeli	Teller (Chairperson)
Kaspar Theiler	Teller (Vize-Chairperson)
Astrid Grassi	Teller
Barbara Keiser	Teller
Nicole Kissling	Teller
Liliane Leinhäuser	Teller
Chantal Olivier	Teller
Sarah Rüegg	Teller
Ines Surholt	Teller
Fabienne Tresp	Teller

David Quinlin	Representative of the auditors
Frédéric Gourd	Representative of the auditors

Dragana Simijonovic

Secretary

## **Presence**

The shares are represented as follows:

72 448 452 by shareholders present

317 014 396 by the independent voting proxy

A total of 389 462 848 registered shares is represented, equivalent to 64,17 % of the issued share capital.

The absolute majority of the represented votes is 194 731 425. The absolute majority of the represented par values is CHF 389 462 850.00.

743 shareholders are present.

## **Constitution**

Dr. Beat Hess, Chairman of the Board of Directors, takes the chair and declares the meeting open. He calls specific attention to the fact that a sound and video recording is being made of the entire Annual General Meeting and explains the safety rules.

Dragana Simijonovic is appointed Secretary.

The Chairman appoints the tellers.

The Chairman notes that this Annual General Meeting has been convened in compliance with the legal requirements and the Articles of Incorporation, with announcement of the agenda and motions of the Board of Directors.

The requirements stipulated by law and in the Articles of Incorporation for documents to be made available have been met.

During his address, the Chairman referred to the activities and results in the 2017 financial year of LafargeHolcim as the market leader in the global cement and building materials industry. He gave some insight into Strategy 2022 and the four value drivers: growth, simplification and performance, the correct deployment of capital and the implementation of the LafargeHolcim value culture. He commented on the current investigations by French

judicial authorities into unacceptable misconduct in connection with the production site in Syria and on compliance efforts in recent months. He spoke about the Group responsibility initiative, concluding his address with a look at the future of the company.

Mr. Jan Jenisch started his talk by discussing his first impressions and experiences as CEO of LafargeHolcim. He then provided an overview of the Group's operational performance and the performance in the various regions in 2017, before going into detail about the 2022 growth strategy. He concluded his talk with some remarks about the current year.

The Chairman gave the shareholders the opportunity to speak.

**Mr. Frank Van Pernis, from Erlenbach**, spoke about the problem of work and operational safety in his capacity as a member of Actares, referring to a fatal industrial accident in India. He suggested that LafargeHolcim, as a responsible employer, should ensure worldwide that laws governing industrial safety are implemented. He emphasized that in principle a padlock on the operating switch of a machine would be enough to ensure safety, and gave the Chairman a padlock as a symbolic gift.

The Chairman thanked him for the symbolic gift, commented briefly on the individual points raised by Mr. Van Pernis and stressed that the health of employees and suppliers in connection with their activities at LafargeHolcim was a top priority worldwide. He referred to the Health, Safety & Sustainability Committee set up within the Board of Directors last year to deal intensively with the issues of safety and sustainability.

**Mr. Vincent Kaufmann, from Geneva**, in his capacity as director of the Ethos Foundation, commented on the merger from the perspective of his organization and criticized the fact that no value had been added so far, alluding in particular to write-downs. He said that he appreciated the open dialogue with the Chairman of the Board of Directors, especially with regard to the questions at the last Annual General Meeting about why, at the time of the discharge vote for members of the Board of Directors and the Executive Committee, shares were allowed that could be assigned to the members of the Board of Directors Paul Desmarais, Jr. and Nassef Sawiris. He accepted the conclusions of the jointly commissioned legal opinion, but urged GBL and NNS Jersey Trust to abstain voluntarily from voting. He praised the commitment of Dr. h.c. Thomas Schmidheiny to the company and spoke about the challenges going forward for LafargeHolcim, especially with regard to environmental responsibility and the composition of the Board of Directors.

Mr. Kaufmann criticized the compensation policy and requested transparency with regard to the severance terms for Eric Olsen.

The Chairman thanked him for the constructive dialogue with the management of Ethos, which he said he would like to continue, and remarked briefly on the individual points raised

by Mr. Kaufmann. Ms. **Géraldine Picaud** commented briefly on the impairment of assets in her capacity as CFO.

Mr. **Yvan Maillard, from Bern**, member of Actares, spoke in his capacity as representative of the evangelical reformed organization "Bread for All" about a study on child labor in Uganda that was compiled on the basis of conversations with children and young people in the country, and which shines a light on the problems in the region. He raised the question in particular of whether LafargeHolcim would provide support to individuals who had previously been child laborers.

The Chairman noted his position in this regard and confirmed that several in-depth investigations had been conducted in Uganda, none of which uncovered any indication of child labor at LafargeHolcim. He made it clear that child labor would not be tolerated, and if child labor was discovered, he would take tough and consequent action. The CEO confirmed this, and Mr. Maillard was asked to make his study available so that it could be reviewed once again.

Mr. **Uwe Barkmann, from Hohenlockschedt, Germany**, spoke in his capacity as an employee and former employee representative about the important role of labor unions. He criticized the fact that the global framework agreement discussed at the last Annual General Meeting had not materialized, despite the fact that a declaration of intent was signed. He asked that framework conditions be provided that contribute to improving the situation of employees, and mentioned a fatal accident in Belgium and a technical claim in France.

The Chairman confirmed that the company had signed a declaration of intent for an global framework agreement. He noted that, after a thorough review, especially with regard to the new strategy, the company had concluded that it would give priority to continuing constructive cooperation with the local labor unions. The CEO confirmed this and emphasized that the company made a conscious decision to give countries the responsibility they need to develop their business and to continue to improve health and safety. He added that to accomplish this it was not necessary to have a comprehensive framework agreement.

Mr. **Jean-Michel Culot, from Belgium**, spoke in his capacity as a trade union representative and on behalf of Johann Baumann, who was ill. He described a work-related accident in which a colleague lost his life. He requested that the global framework agreement be signed, pointing to constraints related to country responsibility. In conclusion, he suggested that a moment of silence be observed for the colleague who had died and for all those persons who had lost their lives while working in factories.

The Chairman referred to his previous remarks on responsibility in the area of health and safety. He respected the proposal of a brief moment of silence to commemorate the employees who had died.

Mr. **Joel Ondoma, from Uganda**, spoke in his capacity as an employee and representative of the local labor union on the topic of health and safety. He commented on workplace safety in particular and mentioned that most of the union representatives were laid off when the merger took place. He also requested that the global framework agreement be signed, and pointed out some difficulties at the local level.

The Chairman took note of the comments and referred to his previous statements on the topics that were raised once again.

Mr. **Antoun, from Lebanon**, in his capacity as an employee and head of the local trade union, requested that the global framework agreement be signed.

The Chairman took note of his statement, referred to his previous remarks and emphasized again that the question of the global framework agreement has thoroughly been reviewed by the Board of Directors and the Executive Committee.

Ms. **Lena Yuliana, from Indonesia**, spoke about social dialogue in her capacity as an employee and representative of the local union. She mentioned in particular mass layoffs that had taken place. She explained the local situation in the area of health and safety and also urged that the global framework agreement be signed.

The Chairman noted these remarks and referred to his previous comments.

Ms. **Shalini Gera, from India**, in her capacity as a representative of the union Unia, mentioned several workplace accidents in India that had resulted in deaths, and remarked that there was a lack of responsibility towards the employees of suppliers. She criticized the company management and also urged that the global framework agreement be signed.

The Chairman noted these remarks and referred to his previous comments.

Ms. **Petra Kalman, from Budapest, Hungary**, representative of the cement factory Királyegyháza in Hungary, once again commented on the legal dispute that has endured for several years regarding a plant in Hungary. She leveled a number of accusations against LafargeHolcim, and again presented her views on why previous settlement negotiations had failed.

The Chairman rejected the accusations and – as in previous Annual General Meetings – pointed to the numerous offers of potential solutions to the conflict. During these discussions, Ms. Kalman and LafargeHolcim were too far apart in their respective views. The Chairman emphasized that the company was prepared to continue the discussions if a reasonable basis could be found.

Mr. **Walter Grob, from Bern**, commented on workplace accidents and urged the company to include statistics in the Annual Report.

The Chairman thanked him for his comments and referred to the Sustainability Report, which is published annually and is to be regarded as the second part of the Annual Report. This report goes into detail about accidents and the topic of health and safety.

Nobody else asked to be given the floor.

## **Agenda**

### **Item 1**

**Management report, annual consolidated financial statements of the Group, annual financial statements of LafargeHolcim Ltd, and the compensation report; auditor's reports**

#### **Item 1.1**

**Approval of the management report, the annual consolidated financial statements of the Group, and the annual financial statements of LafargeHolcim Ltd**

The Chairman points out that the Annual Report for 2017 was made available for consultation 20 days prior to the Annual General Meeting at the registered office of the Company and sent to shareholders upon request. The shareholders have been notified in writing about this. From March 2, 2018, the report could be consulted on the LafargeHolcim homepage. No motions by shareholders in view of today's general meeting have been put forward by shareholders.

The annual consolidated financial statements of the Group and the annual financial statements of LafargeHolcim Ltd have been audited by the auditors, Deloitte AG. Their reports can be found on pages 222 and 244 of the Annual Report (English version). The representatives of the auditors, upon consultation, stated before the meeting that no additional comments have to be made by the auditors.

The Chairman gives the shareholders the opportunity to speak out on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The management report, annual consolidated financial statements of the Group and annual financial statements of LafargeHolcim Ltd are approved by:

386 928 369	votes in favour (99.38 %) to
264 554	votes against (0.06 %), and
2 161 849	abstentions (0.56 %)

**Item 1.2****Advisory vote on the compensation report**

The Chairman points out that the compensation report can be found in the Annual Report, pages 84 through 106 and in the financial part of the Annual Report. He comments on the compensation policy and objectives of LafargeHolcim.

The Chairman gives the shareholders an opportunity to speak out on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the advisory vote.

The compensation report 2017 is approved in the advisory vote by:

270 123 659	votes in favour (69.38 %) to
118 062 348	votes against (30.32 %), and
1 160 545	abstentions (0.30 %)

**Item 2****Discharge of the members of the Board of Directors and the persons entrusted with management**

The Chairman remarked briefly on the question raised by Vincent Kaufmann, director of the Ethos Foundation, at last year's Annual General Meeting and which he mentioned in his statement this year. The jointly commissioned expert concluded that, in view of the particular factual circumstances, there were no legal grounds to exclude from the discharge vote shares that were held by companies assigned to the Board members Paul Desmarais, Jr. and Nassef Sawiris. The Chairman thanked Ethos and Mr. Kaufmann for raising this question, and stated that this had helped to clarify a situation that was unclear.

The Chairman notes that for this agenda item the members of the Board of Directors and other persons who have participated in management are not entitled to vote, that the number of shares represented and therefore the absolute majority is reduced accordingly, and he gives the shareholders the opportunity to comment on this agenda item.

The Chairman gives the shareholders an opportunity to speak out on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The discharge of the members of the Board of Directors and the persons entrusted with management of LafargeHolcim Ltd during the 2017 financial year is granted by:

246 113 739	votes in favour (76.61 %) to
70 644 617	votes against (21.99 %), and
4 497 075	abstentions (1.40 %)

### **Item 3**

#### **Appropriation of retained earnings; determination of the payout from capital contribution reserves**

##### **Item 3.1**

#### **Appropriation of retained earnings**

The Chairman makes introductory comments on the appropriation of retained earnings and on payout from capital contribution reserves and proposes to the meeting the appropriation of retained earnings of CHF 11 650 mio to be carried forward.

The Chairman gives the shareholders the opportunity to comment on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The motion by the Board of Directors on the appropriation of the retained earnings is approved by the Annual General Meeting by:

388 798 850	votes in favour (99.86 %) to
190 174	votes against (0.05 %), and
353 296	abstentions (0.09 %)

##### **Item 3.2**

#### **Determination of the payout from capital contribution reserves**

The Chairman comments on the appropriation from capital contribution reserves to free reserves and payout of CHF 2.00 per registered share of CHF 2.00 par value on the registered share capital entitled to payout up to an amount of CHF 1 214 mio. This amount will be reduced by the part of the payout attributable to the treasury shares held by the Company and by its affiliates as per the relevant date. As per April 30, 2018 the number of treasury shares was 10 807 394. Payment of the payout is expected to be made on May 16, 2018.



The Chairman gives the shareholders the opportunity to comment on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The motion by the Board of Directors on the determination of the payout is approved by the Annual General Meeting by:

388 427 308	votes in favour (99.77 %) to
240 091	votes against (0.06 %), and
674 921	abstentions (0.17 %)

#### **Item 4**

##### **Re-elections**

Before proceeding to the elections, the Chairman bid farewell to Mr. Bertrand Collomb and Dr. h.c. Thomas Schmidheiny, who were not standing for re-election to the Board of Directors. The Chairman thanked them both on behalf of the Board and all employees of LafargeHolcim for their many years of valuable service and paid tribute to their outstanding personal and professional qualities as well as their extraordinary contributions to LafargeHolcim and its predecessor companies.

Mr. Bertrand Collomb held various positions and made a key contribution to the success of Lafarge and later to the launch of LafargeHolcim. Under his leadership, Lafarge became the market leader of the international construction materials industry.

Dr. h.c. Thomas Schmidheiny was a key contributor to the success of Holcim for almost 50 years and helped establish LafargeHolcim as a global market leader. He was largely responsible for the successful expansion in promising growth markets and made Holcim one of the leading companies in its industry. In appreciation of his extraordinary contribution to LafargeHolcim, the Board of Directors decided to make Thomas Schmidheiny Honorary Chairman.

The Chairman gave the shareholders the opportunity to speak.

Mr. **Jean-Claude Wenger, from Zumikon**, in his capacity as former long-time member of the Board of Directors of Holcim, paid tribute to the founding Schmidheiny family by providing a brief overview of the family members who were primarily involved in the company. He said that he hoped the entrepreneurial spirit of the Schmidheiny family would continue at LafargeHolcim, adding that they deserved recognition and respect for their significant entrepreneurial achievement as well as a huge thank you from shareholders.

In closing, **Dr. h.c. Thomas Schmidheiny** addressed the shareholders by commenting on the thoughts that his father shared at his last Annual General Meeting and that had shaped him as a person. He described the entrepreneurial principles that guided him in his work, explained the path that led to today's LafargeHolcim and mentioned what he believed were the biggest challenges going forward. In conclusion, he thanked the shareholders, the entire Board of Directors and all employees. He thanked the Chairman and wished him all the best for the future.

The Chairman thanked him.

Nobody else asked to be given the floor.

#### **Item 4.1**

#### **Re-elections of members of the Board of Directors and re-election of the chairman of the Board of Directors**

##### **4.1.1 Re-election of Dr. Beat Hess as a member and re-election as chairman of the Board of Directors**

The Chairman gives the shareholders the opportunity to comment on this agenda item and explains that now is the opportunity for all comments related to all motions under agenda item 4 as thereafter all candidates will be proposed for election in the foreseen order.

Nobody asked to be given the floor.

The Vice-Chairman, Mr. Oscar Fanjul, on behalf of the Board of Directors, proposes Dr. Beat Hess to be re-elected as a member of the Board of Directors and re-elected as chairman of the Board of Directors for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Vice-Chairman puts the agenda item to the vote.

The Annual General Meeting elects Dr. Beat Hess by:

382 914 105	votes in favour (98.37 %) to
5 954 352	votes against (1.53 %), and
389 138	abstentions (0.10 %)

for a term of office of one year as a member of the Board of Directors and as Chairman of the Board of Directors.

#### **4.1.2 Re-election of Paul Desmarais, Jr. as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Paul Desmarais, Jr. be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Paul Desmarais, Jr. by:

350 340 306	votes in favour (90.00 %) to
33 658 841	votes against (8.65 %), and
5 255 557	abstentions (1.35 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.3 Re-election of Oscar Fanjul as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Oscar Fanjul be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Oscar Fanjul by:

385 220 668	votes in favour (98.97 %) to
3 238 310	votes against (0.83 %), and
794 056	abstentions (0.20 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.4 Re-election of Patrick Kron as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Patrick Kron be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Patrick Kron by:

387 387 678	votes in favour (99.52 %) to
872 072	votes against (0.22 %), and
993 284	abstentions (0.26 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.5 Re-election of Gérard Lamarche as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Gérard Lamarche be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Gérard Lamarche by:

354 313 719	votes in favour (91.02 %) to
33 967 594	votes against (8.73 %), and
971 721	abstentions (0.25 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.6 Re-election of Adrian Loader as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Adrian Loader be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Adrian Loader by:

386 923 984	votes in favour (99.40 %) to
1 778 630	votes against (0.46 %), and
550 420	abstentions (0.14 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.7 Re-election of Jürg Oleas as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Jürg Oleas be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Jürg Oleas by:

387 681 114	votes in favour (99.60 %) to
603 935	votes against (0.15 %), and
967 985	abstentions (0.25 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.8 Re-election of Nassef Sawiris as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Nassef Sawiris be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Nassef Sawiris by:

367 437 681	votes in favour (94.40 %) to
20 524 135	votes against (5.27 %), and
1 291 218	abstentions (0.33 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.9 Re-election of Hanne Birgitte Breinbjerg Sørensen as a member of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes that Hanne Birgitte Breinbjerg Sørensen be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Hanne Birgitte Breinbjerg Sørensen by:

387 171 646	votes in favour (99.47 %) to
1 472 980	votes against (0.38 %), and

608 408 abstentions (0.15 %)

for a further term of office of one year as member of the Board of Directors.

#### **4.1.10 Re-election of Dr. Dieter Spälti as member of the Board of Directors**

The Vice-Chairman passes the floor to the Chairman.

On behalf of the Board of Directors, the Chairman proposes that Dr. Dieter Spälti be re-elected for a further term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting re-elects Dr. Dieter Spälti by:

383 093 495	votes in favour (98.42 %) to
5 717 826	votes against (1.47 %), and
441 713	abstentions (0.11 %)

for a further term of office of one year as a member of the Board of Directors.

### **Item 4.2**

#### **Re-elections of members of the Nomination, Compensation & Governance Committee**

##### **4.2.1 Re-election of Paul Desmarais, Jr. as a member of the Nomination, Compensation & Governance Committee**

On behalf of the Board of Directors, the Chairman proposes that Paul Desmarais, Jr. be re-elected for a further term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting re-elects Paul Desmarais, Jr. by:

327 676 129	votes in favour (84.25 %) to
56 562 881	votes against (14.54 %), and
4 701 650	abstentions (1.21%)

for a further term of office of one year as a member of the Nomination, Compensation & Governance Committee.

#### **4.2.2 Re-election of Oscar Fanjul as a member of the Nomination, Compensation & Governance Committee**

On behalf of the Board of Directors, the Chairman proposes that Oscar Fanjul be re-elected for a further term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting re-elects Oscar Fanjul by:

365 205 309	votes in favour (93.90 %) to
23 254 615	votes against (5.98 %), and
480 136	abstentions (0.12 %)

for a further term of office of one year as a member of the Nomination, Compensation & Governance Committee.

#### **4.2.3 Re-election of Adrian Loader as a member of the Nomination, Compensation & Governance Committee**

On behalf of the Board of Directors, the Chairman proposes that Adrian Loader be re-elected for a further term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting re-elects Adrian Loader by:

364 391 517	votes in favour (93.69 %) to
23 903 709	votes against (6.15 %), and
644 834	abstentions (0.16 %)

for a further term of office of one year as a member of the Nomination, Compensation & Governance Committee.

#### **4.2.4 Re-election of Nassef Sawiris as a member of the Nomination, Compensation & Governance Committee**

On behalf of the Board of Directors, the Chairman proposes that Nassef Sawiris be re-elected for a further term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting re-elects Nassef Sawiris by:

344 072 429	votes in favour (88.47 %) to
44 397 194	votes against (11.41 %), and
470 437	abstentions (0.12 %)

for a further term of office of one year as a member of the Nomination, Compensation & Governance Committee.

#### **4.2.5 Re-election of Hanne Birgitte Breinbjerg Sørensen as a member of the Nomination, Compensation & Governance Committee**

On behalf of the Board of Directors, the Chairman proposes that Hanne Birgitte Breinbjerg Sørensen be re-elected for a further term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman puts the agenda item to the vote.

The Annual General Meeting re-elects Hanne Birgitte Breinbjerg Sørensen by:

366 313 664	votes in favour (94.18 %) to
22 166 487	votes against (5.70 %), and
459 909	abstentions (0.12 %)

for a further term of office of one year as a member of the Nomination, Compensation & Governance Committee.



**4.3****Re-election of the auditor and re-election of the independent proxy****4.3.1 Re-election of the auditor**

On behalf of the Board of Directors, the Chairman proposes that Deloitte AG, Zurich, be appointed as auditors for the financial year 2018.

The Chairman gives the shareholders the opportunity to comment on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Deloitte AG, Zurich, as auditors for the financial year 2018 by:

386 087 035	votes in favour (99.27 %) to
2 382 350	votes against (0.61 %), and
470 675	abstentions (0.12 %)

**4.3.2 Re-election of the independent proxy**

On behalf of the Board of Directors, the Chairman proposes that Dr. Thomas Ris of Ris & Ackermann be elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2019.

The Chairman gives the shareholders the opportunity to comment on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The Annual General Meeting elects Dr. Thomas Ris of Ris & Ackermann, Zurich as the independent proxy for a term of office of one year.

388 169 748	votes in favour (99.81 %) to
362 440	votes against (0.09 %), and
407 872	abstentions (0.10 %)

**Item 5****Compensation of the Board of Directors and of the Executive Management****5.1 Compensation of the Board of Directors for the next term of office**

On behalf of the Board of Directors, the Chairman proposes approval of the total maximum amount of compensation for the members of the Board of Directors for the period from the Annual General Meeting 2018 to the Annual General Meeting 2019 of CHF 4,800,000. He makes short remarks and refers to the related information in the documentation for this annual meeting of shareholders.

The Chairman gives the shareholders the opportunity to comment on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The motion by the Board of Directors on the compensation of the members of the Board of Directors for the period from the Annual General Meeting 2018 to the Annual General Meeting 2019 is approved by the Annual General Meeting by:

376 744 272	votes in favour (96.86 %) to
8 967 881	votes against (2.31 %), and
3 227 907	abstentions (0.83 %)

**5.2 Compensation of the Executive Management for the financial year 2019**

On behalf of the Board of Directors, the Chairman proposes approval of the total maximum amount of compensation of the Executive Committee for the financial year 2019 of CHF 39,500,000. He makes short remarks and refers to the related information in the documentation for this annual meeting of shareholders.

The Chairman gives the shareholders the opportunity to comment on this agenda item.

Nobody asks to be given the floor. The Chairman puts the agenda item to the vote.

The motion by the Board of Directors on the approval of the total maximum amount of compensation of the members of the Executive Committee for the financial year 2019 is approved by the Annual General Meeting by:

355 895 142	votes in favour (91.51 %) to
31 893 487	votes against (8.20 %), and
1 146 281	abstentions (0.29 %)

The Chairman declares the meeting closed at 13.30 pm.

Zurich, May 8, 2018

Chairman of the Board of Directors:

Secretary:

[sign]

[sign]

.....

.....

Dr. Beat Hess

Dragana Simijonovic

Teller:

[sign]

[sign]

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Dzevrije Zendeli

Kaspar Theiler

[sign]

[sign]

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Astrid Grassi

Barbara Keiser

[sign]

[sign]

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Nicole Kissling

Liliane Leinhäuser

[sign]

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Chantal Olivier

Sarah Rüegg

[sign]

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Ines Surholt

Fabienne Tresp