



**LafargeHolcim**

**MINUTES**

**of the 107th Ordinary Annual General Meeting of**

**LafargeHolcim Ltd**

**held on May 15, 2019, 10:00am**

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

**Present Board Members**

Dr. Beat Hess	Chairman
Oscar Fanjul	Vice-Chairman
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
Dr. Dieter Spälti	Member of the Board of Directors

**Absent Board Members**

Paul Desmarais, Jr.	Member of the Board of Directors
Nassef Sawiris	Member of the Board of Directors
Hanne Birgitte Breinbjerg Sørensen	Member of the Board of Directors

**Others present**

Dr. h.c. Thomas Schmidheiny	Honorary Chairman
Dr Thomas Ris	Independent voting proxy
Markus Müller	Public Notary, Zürich-Altstadt

**Tellers**

Viktorija Tarasova	Teller (Chairperson)
Barbara Keiser	Teller (Vize-Chairperson)
Andrea Flüeli-Bugglin	Teller
Biserka Griffel	Teller
Barbara Hediger	Teller
Nicole Kissling	Teller
Manuela Rezes	Teller
Kaspar Theiler	Teller
Fabienne Tresp	Teller
Franziska Wälchli	Teller

David Quinlin	Representative of the auditors
Alexandre Dubi	Representative of the auditors

Dragana Simijonovic	Secretary
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## **Presence**

The shares are represented as follows:

131 637 357 by shareholders present

269 280 287 by the independent voting proxy

A total of 400 917 644 registered shares is represented, equivalent to 66,06 % of the issued share capital.

The absolute majority of the represented votes is 200 458 823. The absolute majority of the represented par values is CHF 400 917 646.00.

784 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 refers to the activities and results in the 2018 financial year of LafargeHolcim as a global market leader in the building materials industry. In particular, he comments on growth as a central component of Strategy 2022. He briefly explains the voting options regarding the dividend, which this year can also be received in the form of new LafargeHolcim shares at a discount of 8%. The Chairman also singles out sustainable operations as an important strategic goal that is central to the long-term success of the company. He provides information on improvements in the area of corporate

governance and compliance. In a brief moment of silence, he commemorates all the people who lost their lives working for the company. He speaks about the Swiss Group responsibility initiative, concluding his address with a look at the future of the company.

Mr. Jan Jenisch, CEO of LafargeHolcim, provides an overview of the Group's operational performance and the performance in the various regions in 2018. He comments on the progress made in the area of health and safety, briefly reports on the results of the first quarter of 2019 and refers to the strategy and its drivers growth, simplification and performance, financial strength, and vision and people. He concludes his talk with some remarks about the targets for the current year.

The Chairman gives the shareholders the opportunity to speak.

Mr. **Vincent Kaufmann**, director of the Ethos Foundation, speaks about the "Climate Action 100+" initiative, which aims to encourage the world's largest greenhouse gas emitters to engage in constructive dialog on the subject of climate change. He welcomes LafargeHolcim's willingness to engage in dialog and the steps it has taken on this issue, and outlines his organization's view on further necessary measures. Mr. Kaufmann makes positive remarks on the proposed changes in the composition of the Board of Directors and highlights some points of criticism regarding the company's compensation system.

The Chairman thanks Ethos for the constructive dialog with its management, which he hopes to continue. The CEO comments on the climate policy; Mr. Oscar Fanjul, Vice-Chairman and Chairman of LafargeHolcim's Compensation Committee, comments on the company's compensation system.

Mr. **Frank Van Pernis**, a member of Actares, speaks about his association's understanding of the cement industry's relationship with the environment and climate, and asks questions about the compensation of the members of the Board of Directors and Senior Management in this context.

The Chairman points out that LafargeHolcim is also engaged in a constructive dialog with Actares and expresses his views on the issues raised. He also refers to the written answers to extensive questions from Actares in the run-up to the Annual General Meeting. The CEO emphasizes the need for sustainable solutions in the area of energy and climate, where both politicians and all market participants have to pull together.

Ms. **Fiona Murie**, representing the International Federation of Building and Wood Workers, comments on health and safety issues in the workplace and criticizes the fatal incidents and injuries. She refers to the role of trade unions in helping to prevent risk and calls for a better global dialog.

The Chairman responds and confirms that the safety of employees is a top priority. He highlights preventative measures that contribute to achieving improvements worldwide, especially in the critical area of road traffic.

Ms. **Christelle Pillette**, an employee and representative of the Belgian Federation of Trade Unions (FGTB) and of the European Works Council, stresses the importance of Senior Management engaging in social dialog and treating employees with respect. She then talks about psychosocial risks in the workplace and recommends preventive measures such as a national and international survey on the subject. She concludes by commenting on the subject of gender equality.

The Chairman thanks her for her remarks. Ms. Géraldine Picaud, CFO of LafargeHolcim, comments on the governance issues raised and draws particular attention to the company's well-functioning whistleblowing system.

Ms. **Petra Kalman**, representative of the cement factory Királyegyháza in Hungary, once again comments on the legal dispute that has endured for several years regarding a plant in Hungary. She levels a number of accusations against LafargeHolcim, again presents her views on why previous settlement negotiations had failed and expresses her opinion on the statement she expects from the Chairman.

The Chairman notes these remarks and declines to make any further comments.

Mr. **Matthias Hartwich**, trade union secretary of IndustriALL, Global Union, speaks on health and safety issues and urges the company to treat its employees with respect. He also speaks about the most recent divestments and the, in his view, insufficient information provided to the employees concerned. He further refers to a letter from his trade union to the Senior Management of the company, which had remained unanswered.

The Chairman takes note of these statements and assures that the alleged failure to reply to the letter would be investigated. He also emphasizes that the local company engages in constructive cooperation with the local trade unions.

Mr. **Walter Grob** comments on workplace accidents, the court case in France concerning Syria and requests information about the reasons for the sale of certain plants.

The Chairman comments on the statements, confirms the cooperation with the French judicial authorities in the Syrian case and points out that the case is pending and therefore no further comment would be given. The CEO comments briefly on the company's market positioning.

Nobody else asks to be given the floor.

**Agenda****Item 1**

**Management report, annual consolidated financial statements of the Group, annual financial statements of LafargeHolcim Ltd, and 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 2018 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 7, 2019, 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 261 and 278 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:

398 194 870	votes in favour (99.30 %) to
491 682	votes against (0.12 %) and
2 319 692	abstentions (0.58 %)

**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 114 through 139 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:

304 030 660	votes in favour (75.82 %) to
88 459 727	votes against (22.06 %)
8 521 247	abstentions (2.12 %)

## **Item 2**

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

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 2018 financial year is granted by:

328 301 844	votes in favour (98.15 %) to
3 849 154	votes against (1.15 %) and
2 350 415	abstentions (0.70 %)

## **Item 3.1**

### **Appropriation of available earnings**

The Chairman makes introductory comments on the appropriation of available earnings and on payout from capital contribution reserves and proposes to the meeting that the available earnings of CHF 13, 034 million be carried forward to the new account.

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 available earnings is approved by the Annual General Meeting by:

400 403 102	votes in favour (99.85 %) to
273 767	votes against (0.07 %) and
331 431	abstentions (0.08 %)

### **Item 3.2**

#### **Distribution payable out of capital contribution reserves**

The Chairman comments on the distribution payable out of capital contribution reserves and explains - subject to the approval of the motion under agenda item 4 - the option to distribute CHF 2.00 per registered share in the form of either new registered shares issued at a discount of 8%, cash or a combination thereof. For further details he makes reference to the invitation and to additional information made available. There will be no distribution with respect to treasury shares held by the Company and by its affiliates as per the relevant date. Both the delivery of the new registered shares issued at a discount and the cash payment is expected to be made on June 25, 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 motion by the Board of Directors on the determination of the payout is approved by the Annual General Meeting by:

399 346 467	votes in favour (99.54 %) to
1 523 851	votes against (0.38 %) and
301 983	abstentions (0.08 %)

### **Item 4**

#### **Creation of authorized capital in connection with scrip dividend**

The Chairman makes reference to the invitation to the Shareholders and additional information made available and explains the motion of the Board of Directors.

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 creation of authorized capital in connection with scrip dividend is approved by the Annual General Meeting by:

397 064 833	votes in favour (98.98 %) to
3 551 540	votes against (0.89 %) and
555 797	abstentions (0.13 %)

## **Item 5**

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

Before proceeding to the elections, the Chairman bid farewell to Mr. Gérard Lamarche and to Mr. Nassef Sawiris, who have been members of LafargeHolcim's Board of Directors since the merger of Lafarge with Holcim and do not stand for re-election. The Chairman thanks them on behalf of the entire Board of Directors for their great commitment to the company and wishes them all the best for the future.

Mr. Gérard Lamarche has supported the Board of Directors with his great expertise and commitment. He has confidently chaired the Audit Committee in a difficult phase for the company.

Mr. Nassef Sawiris has been an important pillar of the Board of Directors over the last few years, shaping the Company's strategy through his entrepreneurial mindset, his excellent industry knowledge and, in particular, his foresight.

### **Item 5.1**

#### **Re-elections of members of the Board of Directors and re-election of the 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 5 as thereafter all candidates will be proposed for election in the foreseen order.

Nobody asked to be given the floor.

On behalf of the Board of Directors, the Chairman proposes all Board members who stand for re-election to be re-elected as members of the Board of Directors for a term of office of one year, expiring after the completion of the Annual General Meeting 2020.

The Chairman puts agenda items 5.1.1 to 5.1.8 to vote.

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

The Annual General Meeting re-elects Dr. Beat Hess by:

397 287 251	votes in favour (99.03 %) to
3 061 466	votes against (0.76 %) and
822 950	abstentions (0.21 %)

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

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

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

363 639 884	votes in favour (90.64 %) to
36 667 605	votes against (9.14 %) and
864 178	abstentions (0.22 %)

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

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

The Annual General Meeting re-elects Oscar Fanjul by:

387 976 623	votes in favour (96.71 %) to
12 326 333	votes against (3.07 %) and
868 711	abstentions (0.22 %)

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

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

The Annual General Meeting re-elects Patrick Kron by:

398 000 069	votes in favour (99.21 %) to
2 330 639	votes against (0.58 %) and
840 959	abstentions (0.21 %)

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

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

The Annual General Meeting re-elects Adrian Loader by:

395 512 787	votes in favour (98.59 %) to
4 793 481	votes against (1.19 %) and
865 399	abstentions (0.22 %)

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

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

The Annual General Meeting re-elects Jürg Oleas by:

398 695 016	votes in favour (99.39 %) to
1 614 224	votes against (0.40 %) and
862 427	abstentions (0.21 %)

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

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

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

389 854 872	votes in favour (97.18 %) to
10 333 016	votes against (2.58 %) and
983 779	abstentions (0.24 %)

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

**5.1.8 Re-election of Dr. Dieter Spälti as a member of the Board of Directors**

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

394 553 731	votes in favour (98.35 %) to
5 729 568	votes against (1.43 %) and
888 368	abstentions (0.22 %)

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

**Item 5.2****Elections of members of the Board of Directors**

On behalf of the Board of Directors, the Chairman proposes Mr Colin Hall, Mrs Naina Lal Kidwai, and Mrs Claudia Sender Ramirez to be elected as members of the Board of Directors for a term of office of one year, expiring after the completion of the Annual General Meeting 2020.

The Chairman puts agenda items 5.2.1 to 5.2.3 to vote.

**5.2.1 Election of Colin Hall as a member of the Board of Directors**

The Annual General Meeting elects Colin Hall by:

385 179 279	votes in favour (96.02 %) to
15 253 930	votes against (3.80 %) and
737 125	abstentions (0.18 %)

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

**5.2.2 Election of Naina Lal Kidwai as a member of the Board of Directors**

The Annual General Meeting elects Naina Lal Kidwai by:

398 380 225	votes in favour (99.30 %) to
1 946 700	votes against (0.49 %) and
843 409	abstentions (0.21%)

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

**5.2.3 Election of Claudia Sender Ramirez as a member of the Board of Directors**

The Annual General Meeting elects Claudia Sender Ramirez by:

395 752 566	votes in favour (98.65 %) to
4 578 889	votes against (1.14 %) and
838 879	abstentions (0.21%)

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

**Item 5.3****Re-elections of members of the Nomination, Compensation & Governance Committee**

On behalf of the Board of Directors, the Chairman proposes all members of the Nomination, Compensation & Governance Committee who stand for re-election to be re-elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2020.

The Chairman puts agenda items 5.3.1 to 5.3.4 to vote.

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

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

348 253 832	votes in favour (86.81 %) to
52 214 404	votes against (13.02 %) and
702 098	abstentions (0.17%)

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

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

The Annual General Meeting re-elects Oscar Fanjul by:

376 147 507	votes in favour (93.77 %) to
24 206 922	votes against (6.03 %) and
815 905	abstentions (0.20 %)

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

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

The Annual General Meeting re-elects Adrian Loader by:

375 314 838	votes in favour (93.56 %)
25 132 676	votes against (6.26 %) and
722 820	abstentions (0.18 %)

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

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

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

373 697 189	votes in favour (93.15 %) to
26 538 614	votes against (6.62 %) and
934 531	abstentions (0.23 %)

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

## **5.4**

### **Re-election of the auditor and re-election of the independent proxy**

#### **5.4.1 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 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 Deloitte AG, Zurich, as auditors for the financial year 2019 by:

398 388 567	votes in favour (99.31 %) to
2 162 944	votes against (0.54 %) and
618 823	abstentions (0.15 %)

#### **5.4.2 Re-election of the independent proxy**

On behalf of the Board of Directors, the Chairman proposes that Dr. Thomas Ris of Ris & Ackermann be re-elected for a term of office of one year, expiring after the completion of the Annual General Meeting 2020.

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 re-elects Dr. Thomas Ris of Ris & Ackermann, Zurich, as the independent proxy for a further term of office of one year.

400 390 555	votes in favour (99.81 %) to
201 172	votes against (0.05 %) and
578 607	abstentions (0.14 %)

## **Item 6**

### **Compensation of the Board of Directors and of the Executive Management**

#### **6.1 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 2019 to the Annual General Meeting 2020 of CHF 5,100,000. 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 2019 to the Annual General Meeting 2020 is approved by the Annual General Meeting by:

395 317 890	votes in favour (98.54 %) to
4 835 136	votes against (1.21 %) and
1 017 130	abstentions (0.25 %)

#### **6.2 Compensation of the Executive Management for the financial year 2020**

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 2020 of CHF 40,000,000. 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 2020 is approved by the Annual General Meeting by:

371 914 540	votes in favour (92.71 %) to
26 776 830	votes against (6.67 %) and
2 478 786	abstentions (0.62 %)

### **Item 7**

#### **Capital reduction through cancellation of shares repurchased under the share buyback program**

On behalf of the Board of Directors, the Chairman proposes to

- a) reduce the share capital of CHF 1'213'818'160 by CHF 20'567'308 to CHF 1'193'250'852 by way of cancellation of 10'283'654 registered shares with a nominal value of CHF 2.00 each which were bought back by LafargeHolcim Ltd under the share buyback program announced in June 2017 and completed in March 2018;
- b) to confirm as a result of the special report of the auditors that the claims of the creditors are fully covered notwithstanding the capital reduction; and
- c) to amend Article 3 of the Articles of Incorporation as follows:

#### **Article 3**

The Company has a share capital of CHF 1'193'250'852 which is divided into 596'625'426 registered shares of CHF 2.00 nominal value each, fully paid-in.

[Remainder of Article 3 remains unchanged]

The proposed amendments to Article 3 do not take into account the registered shares to be issued out of authorized capital in connection with the scrip dividend as proposed under agenda items 3.2 and 4.

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 related to the capital reduction through cancellation of shares repurchased under the share buyback program is approved by the Annual General Meeting by:

400 199 472	votes in favour (99.76 %) to
414 876	votes against (0.10 %) and
555 808	abstentions (0.14 %)

The Chairman declares the meeting closed at 13.00 pm.

Dübendorf, May 15, 2019

Chairman of the Board of Directors:

Secretary:

[sign]

[sign]

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.....

Dr. Beat Hess

Dragana Simijonovic

Teller:

[sign]

.....

Viktorija Tarasova

[sign]

.....

Barbara Keiser

[sign]

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Andrea Flüeli-Bugglin

[sign]

.....

Biserka Griffel

[sign]

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Barbara Hediger

[sign]

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Nicole Kissling

[sign]

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Manuela Rezes

[sign]

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Kaspar Theiler

[sign]

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Fabienne Tresp

[sign]

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Franziska Wälchli