

# COMPENSATION VOTES

## Items 1.2, 6.1 and 6.2 of the agenda

Shareholder information on the compensation votes  
at the Annual General Meeting 2025

# 2024 WAS ANOTHER RECORD YEAR FOR HOLCIM.

## Dear Shareholders,

Holcim delivered record results in 2024 in challenging market conditions. Growing our multi-billion brands to meet customers' needs, 36% of net sales came from advanced branded solutions in 2024 (versus 30% in 2023). We met customer demand for sustainable building solutions and achieved profitable growth across all regions. Recurring EBIT reached a record CHF 5,049 million in 2024, up 10.5% organically, with a Recurring EBIT margin of 19.1%. Holcim delivered another record Free Cash Flow after leases of CHF 3,801 million, with a cash conversion of 57%. Return on Invested Capital (ROIC) rose to 11.2%, while earnings per share before impairment and divestment reached a record CHF 5.70. Advancing our leadership in sustainability, Holcim further reduced CO<sub>2</sub> per net sales, achieving a 44% reduction since 2020, and continued to lead in circular construction, recycling 10.2 million tons of construction demolition materials (+20% compared to the prior year). The Group's outstanding performance is the result of a continued focus on profitable growth in the most attractive markets, as we grow our multi-billion brands to meet customers' needs.

The Nomination, Compensation and Governance Committee (NCGC) continuously reviews and assesses the compensation system to ensure that it is fit for purpose. In the context of the envisaged listing of the North American business and the consequent change in the structure of Holcim, a thorough review of the compensation model has been initiated and is ongoing. The outcomes of this compensation review will be presented in the Compensation Report 2025.

As in previous years and in line with Article 735 of the Code of Obligations and our Articles of Incorporation, we are asking shareholders to vote on three compensation-related proposals at the upcoming Annual General Meeting:

### **Advisory vote on the Compensation Report 2024**

**Agenda item 1.2** relates to the advisory vote on the Compensation Report 2024, which can be found on pages 166 to 193 of the Integrated Annual Report 2024 (also available at *Holcim.com*).

### **Binding votes on the maximum aggregate compensation amount of the Board of Directors and the Executive Committee**

**Agenda item 6.1** requires shareholders' approval of the maximum aggregate compensation amount of the Board of Directors for the period from the Annual General Meeting 2025 to the Annual General Meeting 2026.

**Agenda item 6.2** requires shareholders' approval of the maximum aggregate compensation amount of the Executive Committee for financial year 2026.

The Compensation Report 2024 provides further information regarding our compensation system.

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



**JAN JENISCH**

Chairman of the Board of Directors



**HANNE BIRGITTE  
BREINBJERG SØRENSEN**

Chairwoman of the NCGC

# COMPENSATION VOTES

## AGENDA ITEM 1.2

### Advisory vote on the Compensation Report 2024

**Proposal of the Board of Directors:** Shareholders are asked to approve the Compensation Report 2024 in an advisory vote.

**Note:** The Compensation Report describes the compensation system and programs as well as the governance framework related to the compensation of the Board of Directors and the Executive Committee. The report also informs shareholders about the compensation awarded to the members of the Board of Directors and the Executive Committee for 2024. The Compensation Report can be found on pages 166 to 193 of the Integrated Annual Report 2024 (also available at *Holcim.com*).

## AGENDA ITEM 6.1

### Binding vote on the maximum aggregate compensation amount of the Board of Directors for the period from the Annual General Meeting 2025 to the Annual General Meeting 2026

**Proposal of the Board of Directors:** Shareholders are asked to approve a maximum aggregate compensation amount of CHF 4,500,000 for ten members of the Board of Directors for the period from the Annual General Meeting 2025 to the Annual General Meeting 2026.

## **Overview of the compensation system applicable to the Board of Directors for the period between the Annual General Meetings 2025 and 2026**

To strengthen their independence in exercising their supervisory duties, members of the Board of Directors only receive fixed compensation. They are not entitled to any performance-based compensation and if they are insured in the occupational benefits plan, they finance the entire cost themselves. The compensation of the Board of Directors consists of an annual retainer, paid 50% in cash and 50% in Holcim Ltd shares that are subject to a five-year restriction period, committee fees in cash and an expense allowance in cash.

Kim Fausing will be proposed as the new Chairman of the Board at the Annual General Meeting 2025. Subject to his election at this meeting, he will succeed Jan Jenisch, who will not stand for re-election following his appointment as the designated Chairman and CEO of the planned North American company.

In the context of the envisaged listing of the North American business and the consequent change in the structure of Holcim, a thorough benchmarking analysis and review of the compensation model and levels has been conducted. As a result, the following changes will apply as of the Annual General Meeting 2025:

- The annual board retainer for the Board chairperson will be reduced to CHF 1,200,000 in line with the scope of the role post listing of the North American business and with market practice.
- The annual board retainer for the Board members will be increased to CHF 250,000, in line with market median.
- The annual board retainer for the Board vice-chairperson will be the same as for the other Board members and will be reduced to CHF 250,000. The Board vice-chairperson will be eligible for committee fees in case of membership in a board committee.
- The committee fees for the committee chairpersons will be reduced to CHF 60,000 for all board committees.
- The committee fees for the committee members will remain unchanged at CHF 40,000 per committee.

Overall, these changes do not lead to a significant difference in the aggregate board compensation, with the exception of the reduction of the Board chairperson's annual board retainer. However, they align with market practice by reducing the compensation of the chair functions and increasing the annual board retainer for non-chair functions.

The compensation model applicable to the Board of Directors for the period between the Annual General Meetings 2025 and 2026 is summarized in the following table.

## Compensation model of the Board of Directors

Annual retainer (gross)	Cash compensation in CHF	Share-based compensation in CHF	Expense allowance in CHF
Board chairperson <sup>1</sup>	<b>600,000</b> (previously CHF 1,450,000)	<b>600,000</b> (previously CHF 1,450,000)	<b>10,000</b>
Board vice-chairperson	<b>125,000</b> (previously CHF 200,000)	<b>125,000</b> (previously CHF 200,000)	<b>10,000</b>
Board member	<b>125,000</b> (previously CHF 100,000)	<b>125,000</b> (previously CHF 100,000)	<b>10,000</b>

### Committee fees (gross)

Committee chairperson	<b>60,000</b> (previously CHF 160,000 for Audit committee and CHF 125,000 for other committees)
Committee member	<b>40,000</b>

In exceptional circumstances, additional compensation may be paid to Board members for tasks that go beyond their regular function as Board members.

<sup>1</sup> The Board chairperson is not eligible for committee fees.



## **Proposed maximum aggregate compensation amount of the Board of Directors for the period between the Annual General Meetings 2025 and 2026**

The maximum aggregate compensation amount of CHF 4,500,000 for ten members of the Board of Directors is a decrease of 31% compared to the amount approved for the previous compensation period. This is because the number of members of the Board of Directors will decrease from eleven to ten, with three committee members, next to the committee chairperson, in the Nomination, Compensation and Governance Committee (NCGC) compared to four members, next to the committee chairperson, in the previous compensation period. Furthermore, Jan Jenisch's role as the Chairman of the Board included the involvement in major acquisitions, divestments, and strategy execution in key markets, especially the listing of the North American business in the U.S. This will no longer be the case after the listing of the North American company and consequently, the compensation of the new Board chairperson will be set as an annual board retainer of CHF 1,200,000. Additionally, as mentioned above, the compensation for the Board vice-chairperson and the Board members will be set at an annual board retainer of CHF 250,000. The committee fee for the committee chairpersons will be reduced to CHF 60,000 whereas the fees for the committee members remain unchanged at CHF 40,000.

The following table illustrates the maximum aggregate compensation amount of the Board of Directors for the period from the Annual General Meeting 2025 to the Annual General Meeting 2026. The proposed amount has been calculated based on the structure of the compensation system described above and assumes a total of ten Board members.

## Compensation of the Board of Directors for the period between the Annual General Meetings 2025 and 2026

Annual retainer (gross)	Total in CHF	Expected number of members	Total in CHF
Board chairperson	1,210,000	1	1,210,000
Board member	260,000	9	2,340,000

Committee fees (gross)	Total in CHF	Expected number of members	Total in CHF
Committee chairperson	60,000	3	180,000
Committee member	40,000	10	400,000
Social security contribu- tion and buffer <sup>1</sup>			370,000
<b>Proposed maximum aggregate compensation amount</b>		10	<b>4,500,000</b>
<b>Maximum aggregate compensation amount approved for AGM 2024 to AGM 2025</b>		11	<b>6,500,000</b>

1 This amount includes mandatory employer contributions to the Swiss governmental social security system to the extent that they result in a future benefit entitlement, as well as a

reasonable buffer for any potential increase in the number of committee members or for any exceptional compensation for additional tasks going beyond the regular function as Board mem-

ber. The amount does not include employer contributions to the Swiss governmental social security system that do not result in an increase in the benefit entitlement.

## AGENDA ITEM 6.2

### **Binding vote on the maximum aggregate compensation amount of the Executive Committee for financial year 2026**

**Proposal of the Board of Directors:** Shareholders are asked to approve a maximum aggregate compensation amount of CHF 32,000,000 for nine members of the Executive Committee for financial year 2026.

### **Overview of the compensation system applicable to the Executive Committee as of 2025**

Holcim's compensation system is designed to support the company's strategy by attracting, motivating and retaining talented executives while aligning their interests with those of shareholders. It is built around the following principles:

- Drive sustainable and social impact
- Accelerate innovation
- Create shareholder value
- Pay for performance

The compensation system applicable to the CEO and the Executive Committee members for the financial year 2025 includes base salaries, pension contributions, benefits and perquisites as well as variable compensation delivered in the form of an annual incentive and a long-term incentive.

The variable compensation programs for financial year 2025 are summarized in the following table.

## Variable compensation

Element	Purpose	Structure	Size	Drivers
<b>Annual incentive</b>	Reward for annual performance	Variable annual amount paid in cash and in shares blocked for three years	<b>Target incentive:</b> CEO: 125% of salary ExCo: 90% of salary  <b>Maximum incentive:</b> 200% of target	Group and regional annual performance including – Relative Group sales growth (15%) – Relative Group Recurring EBIT growth (15%) – Group or regional Recurring EBIT (20%) – Group or regional Free Cash Flow after leases (35%) – Health, Safety & Environment (15%)
<b>Long-term incentive (LTI)</b>	<ul style="list-style-type: none"> <li>– Reward for long-term performance</li> <li>– Align with shareholders' interests</li> <li>– Retain</li> </ul>	Performance shares: three-year vesting period  Performance options: five-year vesting period	<b>LTI grant size:</b> CEO: 177.4% of salary ExCo: 96.3% of salary  <b>Maximum vesting:</b> 200% for performance shares, 100% for performance options	Financial and sustainability performance over three years: – EPS: 33 <sup>1</sup> / <sub>3</sub> % – ROIC: 33 <sup>1</sup> / <sub>3</sub> % – Sustainability: 33 <sup>1</sup> / <sub>3</sub> %  Relative performance over five years: relative TSR

Looking ahead, the Board of Directors will continue to assess and review the compensation system and programs to ensure that they fulfill their purpose in line with the business strategy and position of the company.

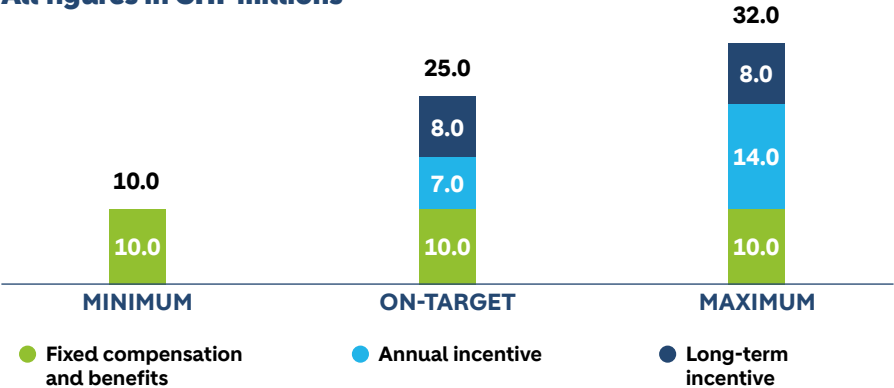
In the context of the envisaged listing of the North American business and the consequent change in the structure of Holcim, a thorough review of the compensation model has been initiated and is ongoing. The outcomes of this compensation review will be presented in the Compensation Report 2025.

**Proposed maximum aggregate compensation amount of the Executive Committee for financial year 2026**

The proposed maximum aggregate compensation amount of CHF 32,000,000 for nine members of the Executive Committee for financial year 2026 is 11% lower compared to the maximum aggregate compensation amount approved at the last Annual General Meeting for financial year 2025. This is attributed to the reduction in the Executive Committee from ten to nine members.

The following chart illustrates the potential outcome in terms of aggregate compensation for the Executive Committee members in three different scenarios:

**All figures in CHF millions**



**In the “Minimum” scenario,** only fixed compensation and benefits are paid out because the minimum performance thresholds under the incentive plans are not met, resulting in zero payouts under both the annual and the long-term incentive plans.

**In the “On-Target” scenario,** the achievements under the incentive plans correspond to the expected level of performance on all objectives.

**In the “Maximum” scenario,** all performance objectives under the annual incentive plan are outperformed. The long-term incentive is accounted for at fair value at grant. In the event that all performance objectives are outperformed, the long-term incentive vests at maximum level, which corresponds to 200% for the performance shares and 100% for the performance options.

Several assumptions were used in the calculation of the maximum aggregate compensation amount:

- The Executive Committee comprises nine members, including the CEO.
- The amount shown under fixed compensation includes the estimated annual base salaries, as well as the value of benefits provided in line with Holcim's policy.
- Mandatory employer contributions to the governmental social security system are included to the extent that they result in a future benefit entitlement, while employer contributions that do not result in an increase in the benefit entitlement are excluded. Employer contributions to occupational pension plans are included.
- The annual incentive amount has been calculated assuming a maximum payout of 200%.
- The long-term incentive amount has been calculated based on the fair value at grant of the performance shares and performance options. The maximum vesting level corresponds to 200% for the performance shares and to 100% for the performance options.
- The impact of share price variations during the respective vesting period for the long-term incentive is not taken into account.
- The impact of future currency variations is not taken into account for those Executive Committee members who are paid in foreign currencies.
- All amounts are calculated gross.

The split of total compensation into fixed compensation, annual incentive and long-term incentive is indicative and non-binding. However, the total compensation awarded will not exceed the maximum aggregate compensation amount proposed.

Please refer to the Compensation Report on pages 166 to 193 of the Integrated Annual Report 2024 for further information.

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