Prospectus dated 3 April 2019

Holcim Finance (Luxembourg) S.A.

(incorporated as a société anonyme under the laws of Luxembourg)

€500,000,000 Subordinated Fixed Rate Resettable Notes

guaranteed on a subordinated basis by

LafargeHolcim Ltd

(incorporated in Switzerland with limited liability)

Issue Price: 99.412 per cent.

The €500,000,000 Subordinated Fixed Rate Resettable Notes (the "**Notes**") will be issued by Holcim Finance (Luxembourg) S.A. (the "**Issuer**") on 5 April 2019 (the "**Issue Date**") and guaranteed on a subordinated basis pursuant to a Guarantee (the "**Guarantee**") issued by LafargeHolcim Ltd (the "**Guarantor**").

The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 5 July 2024 (the "**First Reset Date**") at a rate of 3.000 per cent. per annum, payable annually in arrear on 5 July in each year, except that the first payment of interest, to be made on 5 July 2019, will be in respect of the period from (and including) the Issue Date to (but excluding) 5 July 2019 and will amount to €7.48 per €1,000 in principal amount of the Notes. Thereafter, unless previously redeemed, the Notes will bear interest from (and including) the First Reset Date to (but excluding) 5 July 2029 at a rate per annum which shall be 3.074 per cent. above the 5 year Swap Rate (as defined in the Terms and Conditions of the Notes, the "**Conditions**"), payable annually in arrear on 5 July in each year. From (and including) 5 July 2029 to (but excluding) 5 July 2044 the Notes will bear interest at a rate per annum which shall be 3.324 per cent. above the 5 year Swap Rate payable annually in arrear on 5 July in each year. From (and including) 5 July 2044, the Notes will bear interest at a rate per annum which shall be 4.074 per cent. above the 5 year Swap Rate payable annually in arrear on 5 July in each year, all as more particularly described in "*Terms and Conditions of the Notes—Interest Payments".*

If the Issuer does not elect to redeem the Notes in accordance with Condition 7(g) thereof on or before the 31st day following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) shall be increased by 5 per cent. per annum with effect from (and including) such date, see "*Terms and Conditions of the Notes—Interest Payments—Step-up after Change of Control Event*".

The Issuer may, at its discretion, elect to defer any payment of interest in whole but not in part on the Notes as more particularly described in "*Terms and Conditions of the Notes—Optional Interest Deferral*". Any amount so deferred, together with further interest accrued thereon (at the interest rate per annum prevailing from time to time), shall constitute Arrears of Interest (as defined in the Conditions). The Issuer may pay outstanding Arrears of Interest, in whole but not in part, at any time in accordance with the Conditions. Notwithstanding this, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date (as defined in the Conditions) following the Interest Payment Date on which a Deferred Interest Payment (as defined in the Conditions) arose, all as more particularly described in "*Terms and Conditions of the Notes—Optional Interest Deferral—Mandatory Settlement of Arrears of Interest*".

The Notes will be perpetual securities in respect of which there is no fixed redemption date, but shall be redeemable (at the option of the Issuer) in whole but not in part on any Call Date (as defined in the Conditions), at the principal amount of Notes, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest. In addition, upon the occurrence of a Tax Event, a Gross-up Event, a Rating Agency Event, an Accounting Event, a Repurchase Event or a Change of Control Event, (each such term as defined in the Conditions), the Notes shall be redeemable (at the option of the Issuer) in whole but not in part at the prices set out, and as more particularly described in "*Terms and Conditions of the Notes—Redemption*".

The Issuer may, upon the occurrence of a Tax Event, a Gross-up Event, a Rating Agency Event or an Accounting Event, at any time, without the consent of the holders of the Notes, either: (i) substitute all, but not some only, of the Notes for; or (ii) vary the terms of the Notes with the effect that they remain or become, as the case may be, Qualifying Securities (as defined in the Conditions), in each case in accordance with Condition 8 thereof and subject to the receipt by the Fiscal Agent of the certificate of the directors of the Issuer and any relevant opinions referred to in Condition 9 thereof.

Subject to certain preconditions which are set out in "*Terms and Conditions of the Notes–Substitution of Issuer*", the Issuer may at any time substitute for itself as the principal debtor under the Notes, any company that is the Guarantor or a Subsidiary (as defined in the Conditions) of the Guarantor. The Notes will be unsecured securities of the Issuer and will constitute subordinated obligations of the Issuer, all as more particularly described in "*Terms and Conditions of the Notes—Status*" and "*Terms and Conditions of the Notes—Subordination*". The payment obligations under the Guarantee will constitute subordinated obligations of the Guarantor, all as more particularly described in "*Form of Subordinated Guarantee*".

Payments in respect of the Notes and under the Guarantee shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of Luxembourg (in the case of payments under the Notes) and Switzerland (in the case of payments under the Guarantee), unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer or the Guarantor, subject to certain exceptions as are more fully described in "*Terms and Conditions of the Notes—Taxation*" and "*Form of Subordinated Guarantee*".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Market**"). References in this Prospectus to the Notes being "**listed**" (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Law on prospectuses for securities.

The Notes will initially be issued in registered form and represented upon issue by a registered global certificate which will be registered in the name of a nominee for a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking SA ("**Clearstream**, **Luxembourg**") on or about the Issue Date. Notes in definitive form will be issued only in limited circumstances (as described in "*The Global Certificate*").

The Notes are expected to be rated BB+ by S&P Global Ratings Europe Ltd ("**Standard & Poor's**") and Ba1 by Moody's Deutschland GmbH ("**Moody's**") (each, a "**Rating Agency**"). Each of Standard & Poor's and Moody's is established in the European Union (the "**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Notes involves a high degree of risk. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

Structuring Agents to the Guarantor and the Issuer and Global Co-ordinators

HSBC **J.P. Morgan**

Joint Bookrunners

BNP PARIBAS **Citigroup** **HSBC** **J.P. Morgan**

MUFG **NATIXIS** **Société Générale Corporate & Investment Banking**

This Prospectus comprises a prospectus for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and for the purpose of giving information with regard to the Issuer, the Guarantor and its subsidiaries taken as a whole (together, the "**Group**" or "**LafargeHolcim**") and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor. The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Joint Bookrunners (as defined in "*Subscription and Sale*" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of the Notes and distribution of this Prospectus, see "*Subscription and Sale*" below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor or the Joint Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either the Issuer or the Guarantor since the date hereof or that there has been no adverse change in the financial position of either the Issuer or the Guarantor since the date hereof or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Bookrunners accept no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by a Joint Bookrunner or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of Notes or any responsibility for any acts or omissions of the Issuer, the Guarantor or any other person (other than the Joint Bookrunners) in connection with this Prospectus or the issue and offering of Notes. Each Joint Bookrunner accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**").

Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or the Joint Bookrunners that any recipient of this Prospectus or any other financial statements should purchase the Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Notes; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes.

The credit ratings assigned to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold Notes and may be revised or withdrawn by the rating agency at any time. A credit rating is not a statement as to the likelihood of deferral of interest on the Notes. Holders of the Notes ("**Noteholders**" or "**Holders**") have a greater risk of deferral of interest payments than persons holding other securities with similar credit ratings but no, or more limited, interest deferral provisions. In addition, each of the Rating Agencies, or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called notching. If the Rating Agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (1) the Notes are legal investments for it; (2) the Notes can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Certain financial and statistical information in this Prospectus has been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the total. In addition, all financial information in this Prospectus is qualified by reference to, and should be read in conjunction with, the documents incorporated by reference in to this Prospectus (see "*Documents Incorporated by Reference*" below).

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "**€**", "**EUR**", "**Euro**" and "**euros**" are to the single currency of those member states of the European Union participating in the third stage of the European economic and monetary union from time to time as amended, references to "**U.S.$**" or "**USD**" are to United States dollars, references to "**GBP**" and "**Sterling**" are to pounds sterling, and references to "**CHF**" are to Swiss francs.

In connection with the issue of the Notes, J.P. Morgan Securities plc (in such capacity, the "Stabilising Manager") (or any person acting on behalf of any Stabilising Manager) may over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager or person acting on behalf of any Stabilising Manager in accordance with all applicable laws and rules.

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. They are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements are identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*estimate*", "*expect*", "*intend*", "may", "*plan*", "*predict*", "*project*", "*will*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Group's business and management, its growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that LafargeHolcim makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including the Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. The Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the following sections of this Prospectus: "*Risk Factors*", "*Documents Incorporated by Reference*", "*Overview*" and "*Business*". These sections include more detailed descriptions of factors that might have an impact on the Group's business and the markets in which it operates. In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur.

In addition, none of the Issuer, the Guarantor or the Joint Bookrunners assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the

Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Amounts payable under the Notes are calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Reuters screen "ICESWAP2" as of 11:00 a.m. (Central European time) on the relevant Reset Interest Determination Date (as defined in the Conditions) which is provided by ICE Benchmark Administration ("**ICE**") or by reference to EURIBOR, which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, ICE appears in the European Securities and Markets Authority ("**ESMA**")'s register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**") and EMMI does not appear in ESMA's register of administrators under the Benchmark Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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RISK FACTORS

The Issuer and the Guarantor believe that the following factors, together with the section entitled "Risk and control" and notes 14.5 and 17 to the consolidated financial statements of LafargeHolcim for the year ended 31 December 2018, each incorporated by reference in this Prospectus (on pages 66 to 82, 227 to 237 and 252 to 255, respectively of the 2018 Annual Report, see "Documents incorporated by reference") may affect its ability to fulfil its obligations under the Notes and/or the Guarantee, as the case may be. All of these factors are contingencies which may or may not occur and the Issuer and the Guarantor is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer and the Guarantor may be unable to pay interest, principal or other amounts on or in connection with the Notes and/or under the Guarantee, as the case may be, for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Risks Relating to the Group's Business

Legal and compliance risks

Competition

The markets for cement, aggregates and other construction materials and services are very competitive. Competition in these markets is largely based on price, but also increasingly on quality and service. On the basis of data contained in the Global Cement Directory (2018), as at January 2018, the top four global cement producers represented approximately 25 per cent. of global capacity (excluding China). Competition for the Group in the cement industry varies from market to market, but on a global basis LafargeHolcim believes that its major competitors are HeidelbergCement AG, CRH plc and Cemex S.A.B. de C.V.. The Group also competes with numerous small or local competitors. Competition, whether from established market participants or new entrants, could cause the Group to lose market shares, or reduce pricing, any one of which could have an adverse effect on business, financial condition, results of operations or prospects.

The Group competes in each of its markets with domestic and foreign building materials suppliers, as well as with importers of foreign products and with local and foreign construction service providers. Accordingly, the profitability of the Group is generally dependent on the level of demand for such building materials and services as a whole as well as the Group's ability to maximise efficiencies and control operating costs. Prices in these markets are subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions and other market conditions beyond the control of the Group. As a consequence, LafargeHolcim may face price, margin or volume declines in the future, which could (if significant), have an adverse effect on the Group's results of operations. Risk of such declines are particularly acute in markets where overcapacity and/or oversupply exists.

Competition regulation

In recent years, various competition regulators worldwide have imposed fines on cement, building materials and building materials services companies for involvement in illegal cartel practices or other anticompetitive practices.

The competition authorities in various regions have initiated competition law investigations against certain members of the Group regarding alleged involvement in illicit agreements and anti-competitive practices. The investigations and proceedings are at different stages and are ongoing (for the material cases, see also "*Business—Competition Proceedings*").

The Group cannot predict the outcome of the pending competition proceedings or investigations. A finding of an infringement of competition law could adversely affect the Group in a variety of ways. For example, it could result in: (i) the imposition of significant fines (the amount of any such fine could vary significantly from one jurisdiction to the next, and depends on a variety of factors; it is typically based around the turnover generated by the relevant company from sales of the product subject to the infringement); (ii) third parties (such as customers, and in more limited cases, competitors) initiating civil litigation claiming damages caused by anticompetitive practices; (iii) reputational damage to LafargeHolcim; (iv) restrictions on the Group's ability to carry out acquisitions (in certain jurisdictions); (v) forced divestments; (vi) significant costs or changes in business practices that may result in reduced revenues and/or margins; and/or (vii) potential debarment from public tenders. These potential consequences could have a material adverse effect on the business, and the results of operations and financial condition of the Group.

The Group has in place a code of business conduct including principles of fair competition and has a fair competition compliance programme across the Group that aims to ensure no member of the Group infringes applicable competition laws. The programme focuses heavily on training and the conduct of Fair Competition Reviews (in-depth assessments of risks based on interviews, document and email reviews). Fair competition controls, along with those of other risk areas (bribery, sanctions, data privacy) were updated and included in the revised minimum control standards for Group companies. Additionally, the Group manages all competition investigations, information requests and enforcement cases through a central team of legal specialists.

Minority interests, minority participations and joint ventures

The Group conducts its business through subsidiaries. In some cases, minority shareholders hold significant interests in such subsidiaries. Various disadvantages may result from the participation of minority shareholders whose interests may not always be aligned with those of the Group. Minority interests may, among other things, impede the ability of LafargeHolcim to implement organisational efficiencies, enforce its global transfer pricing policy and its controls framework, including its full compliance program, and to transfer cash and assets from one subsidiary to another in order to allocate assets in the most effective way.

In certain jurisdictions, members of the Group have entered into shareholders' and/or joint venture agreements with respect to the corresponding participation in such jurisdiction. Such contractual obligations may limit in the future the freedom of action of the Group and/or may result, under certain circumstances, in financial obligations of LafargeHolcim towards joint venture partners. Certain joint venture agreements may contain "deadlock" provisions that may result in put and/or call options becoming exercisable in the event of disagreements, rights of first refusal or the sale of the joint venture. The Group could be required to expend significant sums to perform its obligations under these options. In addition, stable relationships with local joint venture partners may be critical to the success of the operations of the Group in these jurisdictions. There can be no assurance that relationships with joint venture partners will remain stable or that joint venture partners will not be acquired by competitors of LafargeHolcim.

In certain of its operations, the Group has a significant but not always a controlling interest. Under the governing documents for certain of these partnerships and corporations, certain key matters, such as the approval of business plans and decisions as to the timing and amount of cash distributions, may require the consent of the partners of LafargeHolcim or may be approved without the consent of the Group. These limitations could constrain the Group's ability to pursue its corporate objectives in the future.

Litigation risks

In the ordinary course of business, the Group is and may in the future become involved, in lawsuits, claims, investigations and proceedings, including product liability, ownership, commercial, environment, health and safety, social security and tax claims.

In connection with acquisitions made by the Group in past years, the Group is or may become subject to various demands or complaints, including those from minority shareholders.

In connection with disposals made in the past, the Group has provided customary warranties notably relating to accounting, tax, employees, product quality, litigation, competition, and environmental matters. The Group may receive in the future notice of claims arising from said warranties.

For further information on proceedings in connection with alleged dealings in Syria, see "*Business – Court, Arbitral and Administrative Proceedings – Syria*" on page 83.

LafargeHolcim tracks all Group-relevant commercial litigation cases, and provides support to the relevant operating companies in defense and dispute resolution. In addition, root cause analysis of disputes and enforcement cases is taken into account in the continuous improvement cycle. Notwithstanding, any proceedings where the Group is and may in the future become involved may have a material adverse effect on the reputation of the Group. In addition, there can be no assurance that such proceedings will not have a material adverse effect on the asset position, financial condition and results of operations of the Group (see also "*Business — Legal Proceedings*").

Compliance risks

The LafargeHolcim compliance programme covers several areas:

(i) Bribery, corruption, money laundering and fraud: anti-corruption activities centred on training, management of third party risk through targeted due diligence, and management of conflicts of interest.
(ii) Fair Competition: the programme focuses heavily on training and the conduct of Fair Competition Reviews as described in the "*Competition regulation*" risk above.
(iii) Sanctions & Trade Restrictions: the Group's requirements are set through the Group's Sanctions Compliance Directive, which is implemented through dedicated training, communications and screening for potentially restricted transactions. In addition, procedures for the screening and continuous monitoring of all suppliers and customers against worldwide sanctioned party and enforcement lists in those exposed operations.
(iv) Data Privacy: data privacy, and compliance with the European Union General Data Protection Regulation is also supported with specific training, controls, monitoring and reporting systems.

Notwithstanding the preventive measures the Group takes to reduce compliance related risks, the risk that the Group is found to have violated laws and regulations covering business conduct and unfair competition cannot be excluded and its corresponding potential impacts (iInvestigation costs, financial penalties, debarment, profit disgorgement and reputational damage) cannot be underestimated.

Sustainability risks

Environmental regulations

Building materials suppliers' operations are subject to numerous national and supranational environmental, health and safety laws, regulations, treaties and conventions (together with the other laws and regimes discussed below), including those designed to control greenhouse gas emissions, the discharge of materials into the environment and the use, handling and disposal of hazardous materials and substances, requiring removal and clean-up of environmental contamination; establishing certification, licensing, noise, health and safety, taxation, labour and training standards; or otherwise related to the protection of human health and the environment (including in relation to asbestos and crystalline silica dust). Violations of existing environmental regulations expose violators to substantial fines and sanctions and may require technical measures or investments to ensure compliance with mandatory emission or immission limits. In some cases, violations may lead to the Group being unable to produce and/or to market certain products. Environmental regulations currently in force may be amended or modified or new environmental regulations may be adopted, further curtailing or regulating the cement industry and related industries in the various jurisdictions in which the Group operates. LafargeHolcim cannot predict the extent to which its future earnings may be affected by compliance with such new environmental regulations.

Carbon dioxide emissions and climate change

Cement industry carbon dioxide ("**CO2**") emissions result mainly from the chemical process of producing clinker and from the combustion of fossil fuels. Compared to other energy-intensive industrial activities, CO2 emissions per unit of financial added value for the cement industry is relatively high. Public concerns over greenhouse gas emissions may lead to regulations to curb emissions which may significantly increase costs for the cement and related industries. In the European Union, the cement industry is subject to a cap and trade scheme on CO2 emissions, requiring cement producers to surrender emission allowances for the CO2 it has emitted. Cement producers are allocated CO2 allowances corresponding to the CO2 intensity of their production. Any remaining allowance surplus can be sold, and any shortage can be addressed, on the CO2 allowance market. Companies that fail to meet their obligation to surrender allowances are subject to significant penalties. The quantity of allowances allocated to the cement industry is scheduled to decrease in the future, and the cost of carbon allowances could materially increase the cost of clinker production in the European Union (as well as in other European countries covered by the scheme – including Switzerland).

Similar cap and trade schemes (or carbon pricing schemes) have been implemented, among others, in Canada, in China (seven provinces), and in New Zealand. The implementation of those systems in these and/or other jurisdictions may lead to exposure to similar business risks as in the European Union.

The implementation of varied CO2 regulatory systems in different countries may affect international competitiveness and could eventually lead to ineffective use of assets (including discontinuation of the use of such assets) in regions with stringent CO2 emissions regulations. There can be no assurance that LafargeHolcim will be able to meet its own CO2 emissions targets or comply with targets that external regulators may impose upon the cement industry. Furthermore, additional, new and/or different regulations, such as the imposition of lower limits than those currently contemplated or a ban on the use of coal or other traditional fossil fuels could be enacted. These new or additional regulations, including as a consequence of implementing the global agreement on the reduction of greenhouse gas emissions reached at the 2015 United Nations Climate Change conference in Paris (known as "**COP 21**") could have a material adverse effect on the business, results of operations and financial condition of the Group or reputational damage. Large carbon emitters could also be subject to climate change litigation resulting in compensation of alleged damages caused to society which may impact the financial performance of the Group.

Waste management and environmental remediation

Many of the Group's current and former properties are or have been used for industrial purposes. LafargeHolcim has arranged for and will continue to arrange for disposal of waste on its own premises, in its quarries and at third-party disposal sites. Under certain environmental laws, liability for activities at contaminated sites, including buildings and other facilities, is strict, and in some cases, joint and several. The Group may in the future be subject to potentially material liabilities relating to the investigation and clean-up of contaminated areas, including groundwater, at properties owned or formerly owned, operated or used by the Group, and to claims alleging personal injury or damage to natural resources. There can be no assurance that the Group's current provisions will be sufficient to cover all potential future liabilities related to environmental contamination. Changes in applicable law or regulation relating to waste management and environmental remediation in jurisdictions in which the Group operates could lead to greater tax liabilities.

LafargeHolcim has been increasingly using alternative fuels and raw materials to reduce CO2 and other emissions as well as fuel and raw material costs. Some of these alternative fuels are hazardous and require LafargeHolcim to use special procedures to protect workers and the environment. When using hazardous waste for this purpose, the above-mentioned risks of environmental liabilities or the health and safety liabilities discussed below as well as reputational risk may arise if such procedures are not executed correctly.

Other regulations affecting mining operations

Access to the raw materials necessary for operations (such as limestone, aggregates and other key raw materials) is essential to the sustainability and profitability of the Group's operations and is a key consideration in the Group's investments. In addition to environmental regulations, the Group's operations are subject to extensive governmental regulations in the majority of countries in which the Group operates on matters such as permitting and licensing requirements as well as reclamation and restoration of mining properties after mining is completed. LafargeHolcim believes that it has obtained all material permits and licenses required to conduct its present mining operations. However, the Group expects that it will need additional permits and renewals of permits for future operations and to renew existing licences and permits. New site approval procedures generally require preparation of geological surveys, and may also require endangered species studies and other studies to assess the environmental impact of new sites. Compliance with these regulatory requirements is expensive and requires an investment of substantial funds well before the Group knows whether a site's operation will be economically successful and often significantly lengthens the time needed to develop a new site. Additional legal requirements could be adopted in the future that would render compliance still more burdensome. Furthermore, obtaining or renewing required permits and licenses is sometimes delayed or prevented due to community opposition and other factors beyond the Group's control. LafargeHolcim could be adversely affected if current provisions for reclamation and closure costs were determined to be insufficient at a later stage, or if future costs associated with reclamation were to be significantly greater than its current estimates. The Group cannot be sure that current or future mining regulation, and compliance with such regulation, will not have an adverse effect on its business, or that it will be able to obtain or renew permits and licenses in the future.

Health and safety

Cement production involves a number of health and safety risks. For example, the Group's production facilities require individuals to work with chemicals (including crystalline silica), equipment and other hazardous materials (including hazardous alternative fuels) that could cause harm, injury or fatalities in the Group's operations. The Group continuously monitors its health and safety record and continues to implement safety and health measures. Notwithstanding the preventive measures that the Group may take, there can be no assurance that such measures will be effective in reducing the number of incidents and any such incidents

may impact the reputation or public perception of LafargeHolcim and could result in additional costs and fines, which could have an adverse effect on the Group's business, financial condition and results of operations.

Financial risks

The Group's ability to borrow from banks or in the capital markets may be materially adversely affected by a financial crisis (in a particular geographic region, industry or economic sector) and/or by the Group's short-term and long-term credit ratings

The Group's ability to borrow from banks or access the capital markets to meet the Group's financial requirements is dependent on market conditions. Financial crises in particular geographic regions, industries or economic sectors have led, in the recent past, and could lead, in the future, to sharp declines in the currencies, stock markets and other asset prices, which in turn threaten the affected financial systems and economies.

Any market slowdown may adversely impact the Group's ability to borrow from banks or access the capital markets and may significantly increase the costs of such borrowing. If sufficient sources of financing are not available in the future for these or other reasons, the Group may be unable to meet its financial requirements, which could materially and adversely affect its business, results of operations and financial condition.

In the course of business LafargeHolcim uses external sources to finance a portion of its capital requirements. The cost and availability of financing are generally dependent on short-term and long-term credit ratings. Factors that are significant in the determination of the Group's credit ratings or that otherwise could affect its ability to raise short-term and long-term financing include: level and volatility of earnings, relative positions in the markets in which LafargeHolcim operates, its global and product diversification, risk management policies and financial ratios, such as net debt to Recurring EBITDA and cash flow from operations to net debt. It is expected that credit rating agencies will focus, in particular, on the Group's ability to generate sufficient operating cash flows to cover the repayment of debt. Deterioration in any of the previously stated factors or a combination of these factors may lead rating agencies to downgrade LafargeHolcim credit ratings, thereby increasing our cost of obtaining financing.

Currency translation and transactional risks

The Group operates internationally and a very high portion of its products are produced locally, with most sales and costs incurred in the respective local currencies. The Group however faces foreign exchange risks arising mostly from the translation of local financial statements for the consolidated financial statements. The Group operates in around 80 countries worldwide and the vast majority of its net sales occur in currencies other than the Swiss franc (its reporting currency). As a result, movements in exchange rates could have an influence on the Group's business, results of operations and financial condition. Such translation into the Group's reporting currency Swiss francs leads to currency translation effects, which the Group does not actively hedge in the financial markets. In addition, the statement of financial position is only partially hedged by debt in foreign currencies and therefore a significant decrease in the aggregate value of such local currencies against the Swiss franc may have a material effect on the Group's shareholders' equity.

Currency fluctuations can also result in the recognition of foreign exchange losses on transactions, which are reflected in the Group's consolidated statement of income. With regard to transaction-based foreign currency exposures, the Group's policy is to hedge material foreign currency exposures through derivative instruments. The Group seeks to reduce the overall exposure by netting purchases and sales in each currency on a global basis, where feasible, and then covers its net position in the market. These derivative instruments are

generally limited to forward contracts and the Group does not enter into foreign currency exchange contracts other than for hedging purposes.

Each subsidiary is responsible for managing the foreign exchange positions arising as a result of commercial and financial transactions performed in currencies other than its domestic currency with the support of the Corporate Finance and Treasury Department. Exposures are centralised and hedged with the Corporate Finance and Treasury Department using foreign currency derivative instruments or hedged with local banks.

Interest rate risks

The Group is exposed to interest-rate risk through debt and cash. The Group's interest rate exposure can be sub-divided among the following risks:

(i) Price risk for fixed-rate financial assets and liabilities

- by contracting a fixed-rate liability, for example, the Group is exposed to an opportunity cost in the event of a reduction in interest rates. Changes in interest rates impact the market value of fixed-rate assets and liabilities, leaving the associated financial income or expense unchanged; and

(ii) Cash flow risk for floating-rate assets and liabilities.

- changes in interest rates have little impact on the market value of floating-rate assets and liabilities, but directly influence the future income or expense flows of the Group.

Any changes in interest rates could negatively impact the Group's financial results. For the year ended 31 December 2018, a 1 percentage increase in interest rates would have resulted in an increase in the Group's borrowing cost of CHF 22 million (CHF 34 million for the year ended 31 December 2017) before tax on a post-hedge basis, subject to certain assumptions. In accordance with its policy, the Group seeks to manage these two types of risks with interest-rate swaps and forward rate agreements. The corporate finance and treasury department manages the Group's financing and interest rate risk in order to keep a balance between fixed rate and floating rate exposure.

Counterparty risk for financial operations

The Group is exposed to credit risk in the event of default by a counterparty (mainly banks and other financial institutions). The exposure to counterparty risks is limited by rigorously selecting the Group's counterparties, by regularly monitoring the ratings assigned to counterparties by credit rating agencies, and by taking into account the nature and maturity of the Group's exposed transactions, according to Group policies. Counterparty limits are defined and regularly reviewed, however this may not prevent the Group from being significantly impacted in the case of a systemic crisis.

Capital expenditure programme

The Group's business production is capital intensive. The capital expenditure programmes of the Group comprise both maintenance capital expenditure on property, plant and equipment to maintain production capacity, and expansion capital expenditure to implement new growth projects. In response to changing market conditions, LafargeHolcim may also undertake maintenance and expansion capital expenditure projects. There can be no assurance that such projects will be completed on time or to budget. Factors that could result in planned capital expenditure projects being delayed or cancelled include changes in economic conditions, construction difficulties and cost overruns. In developed countries in particular, it can be difficult to obtain permits for new installations and quarries, and extending the duration of existing permits may become more challenging. Difficulties with permits could result in significant delays in future investments

and growth or even in the suspension of particular projects. Increased funding costs or greater difficulty in accessing financing to satisfy the capital expenditure programme of the Group may have a material adverse effect on the business, results of operations and financial condition.

Acquisition and disposal of businesses

As part of its strategy, the Group may make selective acquisitions and divestments to strengthen, develop or streamline its existing business portfolio. Divestments can pose substantial challenges to the Group. The divestment and separation process can affect business continuity and employee and business relationships (i.e., lenders and suppliers). In addition, the possibility of regulatory interference in a disposal process, as well as delays, cannot be ruled out.

Disposals may result in the indemnification of unknown past liabilities as well as representation and warranties. Moreover, the consideration received for a specific asset or business may be less than its actual value for the Group, which could result in the recognition of losses in the period in which the sale occurs.

There may be challenges or delays in integrating and generating value from acquired businesses. The costs of integration can be materially higher than budgeted and the Group may fail to realise synergies expected from such acquisitions. The challenges presented by integrating new businesses can be even greater in emerging markets as a result of risks not faced to the same extent in more mature markets, including certain political and legal risks and cultural and linguistic difficulties.

Acquisitions can also result in the assumption of unexpected or greater than expected liabilities relating to the acquired assets or businesses and the possibility that indemnification agreements with the sellers of such assets may be difficult to enforce or insufficient to cover all potential liabilities, the possibility of regulatory interference, the imposition and maintenance of regulatory controls, procedures and policies and the impairment of relationships with employees and counterparties as a result of difficulties arising out of integration. Moreover, the value of any business that the Group acquires or invests in may be less than the consideration the Group will pay.

Investments in certain jurisdictions are regulated by, *inter alia*, foreign investment regulations. There can be no assurance that the Group will be able to obtain or maintain all government approvals required in all jurisdictions in which it makes investments.

Impairment risks

The cement and, to a lesser extent, the aggregates and the other construction materials businesses, are very capital intensive. At each statement of financial position date, the Group will assess whether there is any indication that an asset may be impaired. For example, a detailed review of the asset portfolio, and specifically the country risk, led to an impairment of CHF 3,831 million as at 31 December 2017, mainly affecting goodwill and assets re-evaluated in the context of business combinations. The review of the portfolio did not lead to significant impairment in 2018 (see Note 4.5 to the consolidated financial statements of LafargeHolcim in the 2018 Annual Report). Where any indication of an asset impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. If the recoverable amount of an asset is established to be less than its carrying amount, the carrying amount of such asset is reduced to its recoverable amount. The assessment of assets may lead to other impairments in the future. Impairment losses are recognised in the statement of income and may therefore have a material effect on the results of operations and financial condition of the Group.

Group's pension commitments and multi-employer pension plans

The Group has obligations under defined benefit pension plans, mainly in the United Kingdom, Switzerland and North America. The Group's funding obligations depend upon future asset performance, the level of interest rates used to measure future liabilities, actuarial assumptions and experience, benefit plan changes, and government regulations. Due to the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for the Group's pension plans and other post employment benefit plans could be significantly higher than the amounts estimated as at 31 December 2018. If so, these funding requirements could have a material adverse effect on the Group's financial situation or results.

The Group participates in a number of union-sponsored multiemployer pension plans in the US. These plans are subject to substantial deficits due to market conditions and business actions, plan trustee decisions, plan failure, as well as actions and decisions of other contributing employers. The Group has essentially no control on how these plans are managed. Therefore, material risk that substantial cash contributions could be required in the future to satisfy any outstanding obligations under these plans exists. Moreover, satisfying the Group's obligations might have a material impact on the Group's reported financial results. The financial condition of these plans is not currently reported in the Group's financial reports.

Tax risks

The Group is subject to multiple tax laws and various regulatory requirements, which affect its commercial, financial and tax objectives. As the tax laws and regulations in effect in the various countries in which the Group operates do not always provide clear or definitive guidelines, the Group's structure, the conduct of its business and the relevant tax regime are based on its interpretation of applicable tax laws and regulations. The Group cannot guarantee that these interpretations will not be questioned or challenged by the tax authorities, or that applicable laws and regulations in certain countries will not change, be interpreted differently or be applied inconsistently. More generally, any violation of tax laws and regulations in the countries where the Group and its subsidiaries are located or do business could lead to tax assessments or the payment of late fees, interest, fines and penalties. This could have a negative impact on the Group's effective tax rate, cash flow and results of operations.

The Group's tax filings for various periods will be subject to audit by tax authorities in most jurisdictions in which the Group operates. In particular, such jurisdictions may have extended focus on issues related to the taxation of multinational corporations. These audits may result in assessments of additional taxes, as well as interest and/or penalties, and could affect the Group's financial results. Due to the uncertainty associated with tax matters, it is possible that at some future date, liabilities resulting from audits or litigations could vary significantly from the Group's provisions. Changes in tax laws, regulations, court rulings, related interpretations, and tax accounting standards in countries in which the Group operates may adversely affect its financial results.

Direct creditors of subsidiaries of the Guarantor will generally have superior claims to cash flows from those subsidiaries

As a holding company, the Guarantor will depend upon cash flows received from its subsidiaries to meet its payment obligations under the Notes. Since the creditors of any subsidiary of the Guarantor would generally have a right to receive payment that is superior to the Guarantor's right to receive payment from the assets of that subsidiary, holders of the Notes will be effectively subordinated to creditors of those subsidiaries insofar as cash flows from those subsidiaries are relevant to the Notes. The terms and conditions of the Notes do not limit the amount of liabilities that Group subsidiaries may incur.

In addition, the Guarantor may not necessarily have access to the full amount of cash flows generated by its operating subsidiaries. A number of its subsidiaries are located in countries that may impose regulations restricting the payment of dividends outside the country through exchange control regulations. Furthermore, the transfer of dividends and other income from Group subsidiaries may be limited by various credit or other contractual arrangements and/or tax constraints, which could make such payments difficult or costly.

External risks

Emerging markets risks

LafargeHolcim's significant presence in emerging markets exposes the Group to risks that it does not face to the same extent in more mature economies such as economic and political risks and risks associated with legal systems being less certain than those in more mature economies. Emerging markets are exposed to greater volatility in GDP, inflation, exchange rates, interest rates, oil prices and commodity prices than developed markets, which may negatively affect the level of construction activity and the results of operations of the Group in a given emerging market. Instability in an emerging market may also lead to restrictions on currency movements, which may adversely affect the ability of emerging market operating subsidiaries of the Group to pay dividends, and impose restrictions on imports of equipment.

Other potential risks presented by emerging markets include:

- disruption of LafargeHolcim's operations due to civil disturbances and other actual and threatened conflicts and acts of terrorism;
- nationalisation and expropriation of assets;
- price and exchange controls;
- differences between and unexpected changes in regulatory environments, including environmental, health and safety, local planning, zoning and labour laws, rules and regulations;
- less certainty concerning legal rights and their enforcement;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by subsidiaries and joint ventures;
- fluctuations in currency exchange rates and restrictions on the repatriation of capital; and
- difficulties in attracting and retaining qualified management and employees, or reducing the size of the workforce of the Group.

Developments relating to any of the risks described above in an emerging market in which LafargeHolcim has a significant presence could result in lower profits and/or a loss in value of its assets. There can be no assurance that the assets, business, results of operations and financial condition of the Group will not be materially adversely affected through its exposure to emerging markets.

Political risks and risks arising from exceptional external incidents

LafargeHolcim operates in around 80 countries worldwide and is therefore exposed to potential turmoil and political risks such as nationalisation, prohibition of capital transfer, terrorism, war and unrest. At a number of locations, there are security risks resulting from internal political circumstances. For example, in the course of 2016, production at the Group's plants in Nigeria was adversely affected by severe gas shortages in Nigeria following a series of pipeline vandalism incidents. There may also be government intervention in production

control, such as the temporary decommissioning orders in China. In isolated cases, cement prices are subject to government regulation.

Exceptional external incidents, such as natural disasters, climate hazards, earthquakes or pandemics, could damage the Group's property or result in business interruptions, any of which could also negatively impact business performance.

Cyclical nature of the construction industries

LafargeHolcim's products and services are mainly used in the construction sector. Accordingly, in any jurisdiction, demand for the Group's products and services is dependent on the level of activity in the construction sector in that jurisdiction. The construction industry tends to be cyclical, and depends on the level of construction-related expenditures in the residential, commercial and infrastructure sectors. Political instability or changes in government policy can also affect the construction industry. The industry is sensitive to factors such as gross domestic product ("**GDP**") growth, population growth, interest rates and inflation. An economic downturn could have a negative impact on the level of activity in the construction sector, which in turn could adversely affect LafargeHolcim's business, results of operations, financial condition and prospects.

The Group operates in around 80 countries worldwide, and some markets or regions account for a significant portion of the Group's total sales. Although this broad geographic footprint might minimise exposure to cyclical declines in an individual market, economic downturns in significant individual markets or on a regional or global scale may have a material adverse effect on LafargeHolcim. Economic growth is not uniform across the geographic regions in which the Group operates, and there can be no assurance that a weakening in economic outlook will not affect the construction market globally or that negative economic conditions in one or more regions will not affect construction markets in other regions. The results of operations and profitability of the Group could be adversely affected by a continued or further downturn in construction activity on a global scale or in a significant market in which it operates.

In response to unfavourable market conditions, LafargeHolcim may decide to close plants or operations and may therefore incur significant exceptional costs in the relevant financial period and subsequent periods, even if such closures are made in order to reduce recurring costs and investments in future years.

Risk relating to the use of substitutes for cement

Materials such as plastic, aluminium, ceramics, glass, wood and steel can be used in construction as a substitute for cement. In addition, other existing construction techniques, such as the use of dry wall, as well as any new construction techniques and modern materials, could decrease the demand for cement, ready-mix concrete and mortars. In addition, new construction techniques and modern materials may be introduced in the future. The use of substitutes for cement could cause a significant reduction in the demand and prices for the products of the Group and may have an adverse effect on its results of operations and financial condition.

Seasonal nature of construction business

During the winter season in the northern hemisphere and the rainy season in tropical climates in Latin America, southeast Asia or Africa, there is typically lower activity in the construction sector, especially where meteorological conditions make large-scale construction projects difficult, resulting in lower demand for building materials.

The Group expects to continue to experience a decrease in sales during the first and fourth quarters reflecting the effect of the winter season in Europe and North America and an increase in sales in the second and third quarters reflecting the effect of the summer season in these markets. This effect can be especially pronounced

during harsh or long winters. In addition, high levels of rainfall in tropical countries during the rainy season can adversely affect operations during those periods.

If these adverse climatic conditions are unusually intense, occur unexpectedly or last longer than usual in major geographic markets, especially during seasonal peak construction periods, this could have a material adverse effect on the results of operations and financial condition of the Group.

Risks relating to energy

Risks associated with energy costs

Energy expenses account for a significant part of the production costs of the Group. Cement production in particular requires a high level of energy consumption, especially for the kilning and grinding processes. The principal elements of these energy costs are fuel expenses and electricity expenses (which include amongst others, costs for coal, petroleum coke, natural gas and alternative fuels such as biomass). The results of operations of the Group are therefore expected to be significantly affected by movements in energy prices. Energy prices may vary significantly in the future, largely due to market forces and other factors beyond the control of the Group, including, for example, changes in the regulatory regime applicable to energy prices in some countries where LafargeHolcim operates. Moreover, in certain emerging markets, there is a risk that the Group may see increases in electricity prices due to a lack of generation capacity and the effects of privatisation. The Group may also, particularly in the case of coal, experience time lags between movements in the energy prices and movements in production costs since the supply of a substantial proportion of energy resources is secured pursuant to long-term purchase agreements or as some of the exposure is hedged. Similarly, the Group's production facilities could experience interruption in the supply of energy or fuels.

LafargeHolcim seeks to protect itself against the risk of energy price increases through (i) its ability to diversify fuel sources, including the use of alternative fuels, (ii) its ability to fully or partially pass through cost increases to customers, (iii) negotiating long-term supply contracts / on-site power generation projects to reduce volatility and seize opportunities offered by renewable power prices and (iv) use of derivative instruments, mainly swaps and options on exchange-traded or over-the-counter markets. LafargeHolcim seeks to reduce the proportion of clinker used in the cement production process by using mineral components as substitutes as highest energy intensity is generally experienced during the clinker binding phase.

Despite these measures, if high energy prices prevail over time or if the Group encounters increases or significant fluctuations in energy costs, insufficient availability of cost-efficient alternative fuels or the violation of supply agreements, this could have a material adverse effect on the results of operations and profitability of the Group.

Operational risks

The Group relies upon third parties for the performance of logistical services

The Group relies upon third party service providers for certain aspects of its business, particularly the transport of its products to its customers. The Group's ability to service its customers at a reasonable cost depends in many cases upon its ability to negotiate reasonable terms with carriers including railroad, trucking and barge companies. Due to the heavy weight of its products, the Group expects to incur substantial transportation costs. To the extent that the Group's third-party carriers increase their rates, including to reflect higher labour, maintenance, fuel or other costs they may incur, the Group may be forced to pay such increased rates sooner than it is able to pass on such increases to customers, if at all. Any material increases in the transportation costs of LafargeHolcim that it is unable to fully pass on to customers could adversely affect its business, results of operations and financial condition.

In addition, the costs of the Group relating to shipments by barges may be increased as a result of a shortage of barges and logistical problems resulting from high demand. Any such occurrences could adversely affect the business, results of operations and financial condition of the Group.

Risks of business interruption, production curtailment or loss of assets

Due to the high fixed-cost nature of the building material industry, interruptions in production capabilities at any of the Group's facilities may cause a significant decrease in productivity and results of operations during the affected period. The manufacturing processes of producers of building materials and related services are dependent upon critical pieces of equipment such as cement kilns, crushers and grinders. On occasion, this equipment may be out of service during periodic maintenance periods, strikes, unanticipated failures, accidents or force majeure events. In addition, there is a risk that equipment or production facilities may be damaged or destroyed by such events, any of which could have an adverse effect on LafargeHolcim's results of operations and financial condition.

Risks relating to availability of raw materials

The operations of the Group are dependent on the availability of certain raw materials at a reasonable cost, in particular limestone and aggregates, which are used in the manufacture of its products. Accordingly, any limitations on the ability of the Group to obtain the various raw materials it needs, for instance because an existing supplier ceases operations or reduces or eliminates productions of by-products, could have an adverse effect on its results of operations. In addition, LafargeHolcim may be unable to increase selling prices in response to increases in raw material costs, which may result in a material adverse effect on its results of operations.

Information technology and cyber risk

The Group is dependent on information technology and therefore is exposed to risks related to the unavailability of critical systems and loss or manipulation of data resulting from computer viruses, cyber attacks, network outages, natural disasters or human mistakes. An information or cybersecurity event could lead to financial loss, reputational damage, safety or environmental impact.

Risks related to the Notes generally

The Notes will be perpetual securities

The Notes will be perpetual securities in respect of which there is no fixed redemption date by which the Issuer would be under the obligation to redeem the Notes. See "*Terms and Conditions of the Notes—Redemption*". Therefore, prospective investors should be aware that they may be required to bear financial risks of an investment in the Notes for an indefinite period of time and may not recover their investment in the foreseeable future.

The Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events

The Notes will be redeemable, at the option of the Issuer, in whole but not in part on any Call Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

In addition, upon the occurrence of a Tax Event, a Gross-up Event, a Rating Agency Event, an Accounting Event, a Repurchase Event or a Change of Control Event (each as defined in the Conditions and as more fully described in Condition 7 of the Notes), the Issuer shall have the option to redeem, in whole but not in part, the Notes at the prices set out therein, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In the case of a Change of Control

Event, in the event that the Issuer does not elect to redeem the Notes on or before the 31st day following the occurrence of a Change of Control Event, the then prevailing Interest Rate (as defined in the Conditions), and each subsequent Interest Rate otherwise determined in accordance with Condition 5 of the Notes, on the Notes shall be increased by 5 per cent. per annum with effect from (and including) such date.

During any period when the Issuer may elect to redeem or is perceived to be able to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may redeem the Notes when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is no redemption at the option of holders of the Notes.

The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change which may result in the occurrence of an Accounting Event

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the DP/2018/1 Paper). While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented, the IFRS equity classification of financial instruments such as the Notes may change. If such a change leads to an Accounting Event, the Issuer will have the option to redeem, in whole but not in part, the Notes pursuant to Condition 7(e) (*Redemption for Accounting Reasons*) or substitute or vary the terms of the Notes as described in Condition 8 (*Substitution or Variation*).

The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, no assurance can be given as to the future classification of the Notes from an accounting perspective or whether any such change may result in the occurrence of an Accounting Event.

For further description of risks related to early redemption or to substitution or variation of the Notes see also "*—Variation or substitution of the Notes without Noteholder consent*" and "*—The Notes will be subject to optional redemption by the Issuer including upon the occurrence of certain events*".

The interest rate on the Notes will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on the Notes and the market value of the Notes

Although the Notes will bear interest at a fixed rate until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the "**market interest rate**") typically changes on a daily basis. Since the initial fixed rate of interest for the Notes will be reset on the First Reset Date (as set out in the Conditions), and on each subsequent Reset Date, the interest payment on the Notes will also change. Noteholders should be aware that movements in these market interest rates can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell the Notes.

Noteholders are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the Notes.

Future discontinuance of EURIBOR may adversely affect the value of the Notes

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. Whilst the announcement related to LIBOR, similar concerns may be applicable to EURIBOR. The Financial Stability Board also made certain recommendations to reform major interest rate benchmarks, such as key interbank offered rates. It is not possible to predict whether, and to what extent, banks will continue to provide EURIBOR submissions to the administrator of EURIBOR going forwards.

The ECB and other European authorities have discussed proposals for alternative benchmarks. For example, the ECB announced plans for a new overnight rate for interbank unsecured lending among Euro-area banks in September 2017. The impact of such an overnight rate on six-month EURIBOR is currently unclear. In March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the EMMI) published a position paper referring to certain proposed reforms to EURIBOR, which reforms aim to clarify the EURIBOR specification, to develop a transaction-based methodology for EURIBOR and to align the relevant methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a "change in market activity as a result of the current regulatory requirements and a negative interest rate environment" and "under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path". In March 2018, EMMI published its first consultation paper on a hybrid methodology for EURIBOR, seeking the market's views on the proposed methodology. Following this, EMMI undertook a 3-month test of the hybrid methodology. In October 2018, EMMI published its second consultation setting out further details regarding the hybrid methodology and summarised the results of its test, based on submissions made by 15 of the 20 EURIBOR panel banks during the test phase. The consultation period closed in November 2018 and on the 12th February 2019, EMMI published the summary of stakeholder feedback on the second Consultation Paper. At the same time, EMMI also published a blueprint of the methodology, targetted to non-expert audiences and aimed at providing further transparency and clarity on the hybrid methodology. EMMI also announced that it is filing for authorisation to the Belgian Financial Services and Marketing Authority by Q2 2019 and will subsequently start transitioning panel banks from the current EURIBOR methodology to the hybrid methodology, with a view to finishing the process before the end of 2019.

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the rate of interest on the Notes for the period from (and including) the First Reset Date is based on a reset mid-swap rate and may be determined for each relevant Reset Period by the fall-back provisions applicable to the Notes. The fall-back provisions applicable to the Notes provide that in certain circumstances where EURIBOR is no longer available such other benchmark rate as is customarily used for euro interest rate swaps at the relevant time may be used. The fall-back provisions also provide in certain circumstances for the effective application of a fixed rate based on the rate which was last observed on the relevant Screen Page. The Conditions also include alternative fall-back provisions which apply in the event that a Benchmark Event occurs. See "*Risks related to the Notes generally—Discontinuation of the Original Reference Rate*" and "*Terms and Conditions of the Notes—Interest Payments — Benchmark discontinuation*".

Discontinuation of the Original Reference Rate

Benchmark Events include (amongst other events) permanent discontinuation of the Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser. The Issuer shall endeavour to consult with the Independent Adviser with a view to the

Issuer determining a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine a Subsequent Fixed Interest Rate is likely to result in the Notes performing differently (which may include payment of a lower Subsequent Fixed Interest Rate) than they would do if the Original Reference Rate were to continue to apply.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, the Conditions provide that the Issuer may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, the Conditions also provide that an Adjustment Spread will be determined by the Issuer and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (ii) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate, or (iii) if the Issuer determines that no such spread is customarily applied, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Subsequent Fixed Interest Rate) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser and/or may not be able to determine a Successor Rate or Alternative Rate in accordance with the terms and conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Issuer (in consultation with the Independent Adviser) is unable to determine a Successor Rate or Alternative Rate before the Reset Interest Determination Date in respect of a Reset Period, the 5 year Swap Rate applicable to each Interest Period ending during that Reset Period will be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as a rate, on the Reset Screen Page.

Where the Issuer has been unable to appoint an Independent Adviser or has failed to determine a Successor Rate or Alternative Rate in respect of any given Reset Interest Determination Date, it will continue to attempt to appoint an Independent Adviser in a timely manner before the next succeeding Reset Interest Determination Date and/or to determine a Successor Rate or Alternative Rate to apply the next succeeding and any subsequent Reset Periods, as necessary.

Applying the last available 5 year mid swap rate for euro swap transactions, expressed as a rate, on the Reset Screen Page, is likely to result in the Notes performing differently (which may include payment of a lower Subsequent Fixed Interest Rate) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or the Issuer (in consultation with the Independent Adviser) fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, or if a Successor Rate or Alternative Rate is not adopted because it could reasonably be expected to cause a Rating Agency Event to occur, the last available 5 year mid swap rate for euro swap transactions, expressed as a rate, on the Reset Screen Page, will continue to apply to maturity. This will result in the Notes, in effect, becoming fixed rate securities.

Notwithstanding any of the provisions of Condition 5(j), no Benchmark Amendments will be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a Rating Agency Event to occur.

Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, the Notes. See "*Terms and Conditions of the Notes—Interest Payments — Benchmark discontinuation*".

The Issuer has the right to defer interest payments on the Notes

The Issuer may, at its discretion, elect to defer any payment of interest on the Notes (in whole but not in part) which is otherwise scheduled to be paid on an Interest Payment Date. See "*Terms and Conditions of the Notes—Optional Interest Deferral*". Only upon the occurrence of a Compulsory Payment Event, in the event of a redemption, variation or substitution of the Notes pursuant to Condition 7 or Condition 8, in the event of a substitution of the Issuer pursuant to Condition 16, in the event of a winding-up (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy (*Konkurs*)) or liquidation of the Issuer or the Guarantor (other than an Issuer Solvent Liquidation or Guarantor Solvent Liquidation, as the case may be (each as defined in the Conditions)) in a manner falling within Condition 12 or in the event the Issuer does not elect to defer interest accrued in respect of the relevant period, will the Issuer or the Guarantor, as the case may be, be obliged to pay any such deferred interest (including further interest on such deferred interest) to Noteholders.

Any such deferral of interest payment shall not constitute an Enforcement Event or a default for any purpose unless such payment is required in accordance with Condition 6(b) of the Notes.

Any deferral of interest payments or perceived increased likelihood of deferral is likely to have an adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

Integral multiples of less than the specified denomination

The denominations of the Notes are €100,000 and integral multiples of €1,000 in excess thereof. Therefore, it is possible that the Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €100,000 in its account with the relevant clearing system, will not receive a Certificate in respect of such holding (should Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more denominations. If Certificates are issued, Noteholders should be aware that Certificates representing Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

There is a risk that the Notes are qualified as equity of the Issuer for Luxembourg tax purposes

Luxembourg tax law generally follows Luxembourg civil (or commercial) law and accounting principles when it comes to determining the nature of an instrument. According to Luxembourg income tax law, the tax treatment of any transaction should follow its accounting treatment unless any diverging tax provision applies. Provided that instruments such as the Notes are considered as debt for Luxembourg legal and accounting purposes (either under Lux GAAP and/or IFRS standards), such instruments are as a general rule also considered debt for Luxembourg tax purposes. As a result thereof, payments of interest made on such instruments should (i) be deductible for Luxembourg corporate income tax and (ii) not be subject to Luxembourg withholding tax; the principal amount of such instruments should further be deductible for Luxembourg net wealth tax purposes.

Nevertheless, in certain circumstances and on the basis of legal and factual elements, it may be that the economic reality differs from the legal documentation adopted, in which case, the tax analysis of the equity or debt qualification of a financial instrument must follow the "*economic substance over legal form*" approach derived from Sec. 11 *Steueranpassungesgesetz*. In accordance with this economic approach or "*wirtschaftliche Betrachtungsweise*", any analysis of the equity or debt qualification of an instrument must cover key features such as interest, maturity, voting rights, subordination, participation in the borrower's profits and liquidation proceeds, transferability, no single element being decisive. Since the Notes are subordinated and have a perpetual term (i.e., no pre-defined maturity), they have characteristics which economically are usually associated with equity. On the other hand, the Notes have no fixed redemption date but may be redeemed by the Issuer on any Call Date or occurrence of a Special Event. In addition, the Notes rank senior to the shares and do not give any voting rights to their Holders. Furthermore, given that the Notes have a fixed (though resettable) interest rate and that interest becomes due and payable irrespective of the financial performance of the Issuer, the remuneration of the Notes should not be considered to be dependent on the profit of the Issuer. In light of this lack of *affectio societatis*, there are good arguments to consider that the debt characteristics prevail and that the Notes should not be considered equity for Luxembourg tax purposes. Accordingly, interest payments on the Notes should in principle be deductible and payments of interest on the Notes should not be subject to Luxembourg dividend withholding tax.

However, the Issuer has sought advice and is of the view that there is a risk that, in light of the absence of a fixed maturity under the Notes, the Notes are qualified as equity of the Issuer for Luxembourg tax purposes and accordingly there is a risk that payments of interest under the Notes is (i) not deductible for Luxembourg corporate income tax purposes and (ii) subject to Luxembourg dividend withholding tax; there further is a risk that (iii) the principal amount of such Notes is no longer deductible for Luxembourg net wealth tax purposes.

To obtain certainty on the debt classification of the Notes for Luxembourg tax purposes, the Issuer may decide to request a ruling from the Luxembourg tax authorities. Any such ruling would not be obtained prior to the issuance of the Notes. Given that the specific features of every single transaction are reviewed by the Luxembourg tax authorities, it cannot be ascertained that the Ruling Commission adheres to the position previously adopted by the Luxembourg tax authorities with respect to characterisation of the Notes as debt instruments. Absent a final ruling, there is therefore a risk that the Notes are qualified as equity of the Issuer for Luxembourg tax purposes.

Investors should note that, in the event of a change in the official interpretation of a Luxembourg law or regulation or (in respect of a Tax Event) a change in the accounting classification of the Notes in the Issuer's statutory annual accounts filed with the *Registre de Commerce et des Sociétés* resulting from a change in accounting principles, which results in the part of the payment of interest under the Notes that is deductible for corporate income tax purposes being substantially reduced or payments under the Notes becoming subject

to withholding tax, a Tax Event, or a Gross-up Event (within the meaning of Condition 7 (*Redemption*) of the Terms and Conditions) may occur, enabling the Issuer to call for an early redemption.

The Issuer's obligations under the Notes and the Guarantor's obligations under the Guarantee will be, in each case, subordinated

The Issuer's obligations under the Notes will be unsecured and subordinated. In the event of:

(a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (other than an Issuer Solvent Liquidation (as defined in the Conditions));

(b) an administrator or receiver of the Issuer being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution; or

(c) any analogous event relating to the Issuer to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer,

the rights and claims of the Noteholders will rank: (i) junior to the claims of holders of all Senior Obligations of the Issuer; (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer; and (iii) senior to the claims of (x) holders of any class of share capital of the Issuer, (y) all obligations of the Issuer, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with any such class of share capital of the Issuer or (z) any guarantee or support agreement entered into by the Issuer in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank *pari passu* with the obligations referred to in (x) or (y) above. See "*Terms and Conditions of the Notes—Status and Subordination of the Notes*"

The obligations of the Guarantor under the Guarantee will be unsecured and subordinated. In the event of:

(a) the liquidation, dissolution, bankruptcy (*Konkurs*), insolvency, composition or other proceedings for the avoidance of insolvency (*Nachlassverfahren*) of the Guarantor (other than a Guarantor Solvent Liquidation (as defined in the Conditions)); or

(b) any analogous event relating to the Guarantor to those described in (a) above under any insolvency, bankruptcy or similar law applicable to the Guarantor,

the rights and claims of holders in respect of or arising under the Guarantee will rank: (i) junior to the claims of holders of all Senior Obligations of the Guarantor; (ii) *pari passu* with the claims of holders of all Parity Obligations of the Guarantor; and (iii) senior to the claims of (x) holders of any class of share capital of the Guarantor, (y) all obligations of the Guarantor, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with any such class of share capital of the Guarantor or (z) any guarantee or support agreement entered into by the Guarantor in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank *pari passu* with the obligations referred to in (x) or (y). See "*Terms and Conditions of the Notes—Status and Subordination of the Guarantee*" and "*Form of Subordinated Guarantee*".

By virtue of such subordination, payments to a Noteholder will, in the events described in the Conditions and/or, as the case may be, the Guarantee, only be made after all obligations of the Issuer or, as the case may be, the Guarantor resulting from higher ranking claims have been satisfied. A Noteholder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer or, as the case may be, the Guarantor. Furthermore, neither the Conditions nor the Guarantee will limit the amount of the liabilities ranking senior to, or *pari passu* with, the Notes or the Guarantee which may be incurred or assumed by the Issuer or the Guarantor respectively from time to time, whether before or after the

Issue Date. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders on a winding-up or liquidation (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy (*Konkurs*) and composition proceedings (*Nachlassverfahren*)) of the Issuer or, as the case may be, the Guarantor and/or may increase the likelihood of a deferral of interest payments under the Notes. Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes or any amount owed to it by the Guarantor in respect of, or arising under or in connection with, the Guarantee, and each Noteholder shall, by virtue of his or her holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities, such as the Notes, may bear a higher rate of interest than comparable debt securities which are not subordinated, there is a greater risk that an investor in subordinated securities such as the Notes will lose all or some of his or her investment should the Issuer and/or the Guarantor become insolvent.

Noteholders have restricted remedies for non-payment of principal or interest

The Conditions will provide that the Notes will be perpetual securities and there is, therefore, no obligation on the Issuer to repay principal on any given date. In addition, payments of interest on the Notes may be deferred in accordance with Condition 6(a) of the Notes and interest will not therefore be due other than in the limited circumstances described in Condition 6(b) of the Notes.

The only enforcement events in the Conditions are if a default is made by the Issuer and the Guarantor for a period of 14 business days or more in the payment of principal or interest, in each case in respect of the Notes or under the Guarantee, respectively, and which is due or in the event of a winding-up or liquidation (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy (*Konkurs*)) (other than an Issuer Solvent Liquidation or Guarantor Solvent Liquidation) of the Issuer or the Guarantor. Upon such a payment default, the sole remedy available to Noteholders for the recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings for the winding-up (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy proceedings (*Konkursverfahren*) and composition proceedings (*Nachlassverfahren*)) of the Issuer and/or the Guarantor and/or prove in the winding-up, and/or claim in the liquidation of, the Issuer and/or the Guarantor for such payment, in each case as permitted under applicable law.

Therefore, it will only be possible for the Noteholders to enforce claims for payment of principal or interest in respect of the Notes when the same are due or, in the case of a winding-up or liquidation (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy (*Konkurs*)) (other than an Issuer Solvent Liquidation or Guarantor Solvent Liquidation) of the Issuer or the Guarantor, all unpaid principal together with any accrued and unpaid interest in respect of the Notes. See "*Terms and Conditions of the Notes – Enforcement Event*".

In addition, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or liquidation proceedings (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy proceedings (*Konkursverfahren*) and composition proceedings (*Nachlassverfahren*)) before the Noteholders may expect to obtain any recovery in respect of their Notes or, as the case may be, under the Guarantee, and Noteholders will have only limited ability to influence the conduct of such winding-up or liquidation proceedings. See "*—The Issuer's obligations under the Notes and the Guarantor's obligations under the Guarantee will be, in each case, subordinated*".

Noteholder consent is not required for certain modifications to the Notes or for a substitution of the Issuer in certain circumstances

The Conditions will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions will permit defined majorities of holders of the Notes to bind all Noteholders, including those Noteholders who did not attend and vote at the relevant meetings and Noteholders who voted in a manner contrary to the majority.

The Conditions and the Fiscal Agency Agreement will also provide that the Fiscal Agent and the Issuer may agree, without the consent of Noteholders, to (i) any modification of the Notes or the Fiscal Agency Agreement which is of a formal, minor or technical nature or which is made to correct a manifest error or (ii) any other modification, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement that could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Issuer may also at any time, without the consent of the Noteholders, substitute for itself as the principal debtor under the Notes, any company that is the Guarantor, or a Subsidiary of the Guarantor, upon the fulfilment of certain preconditions set out under Condition 16. Notwithstanding each of these preconditions being satisfied prior to any such substitution, there can be no guarantee that any such substitution will not have an adverse effect on the price of the Notes and subsequently lead to losses for the Noteholders if they sell the Notes.

Variation or substitution of the Notes without Noteholder consent

Subject as provided in Condition 8 and Condition 9, the Issuer may, in its sole discretion and without the consent or approval of the Noteholders, elect to substitute the Notes for, or vary the terms of the Notes with the effect that they become or remain, Qualifying Securities at any time following the occurrence of a Tax Event, a Gross-up Event, a Rating Agency Event or an Accounting Event. Whilst Qualifying Securities are required to have terms not otherwise materially less favourable to the Noteholders than the terms of the Notes and the Guarantee, there can be no assurance that the Qualifying Securities will not have a significant adverse impact on the price of, and/or market for, the Notes or the circumstances of individual Noteholders. Subject as provided in the Condition 8 and Condition 9, the Issuer may substitute or vary the Notes to include a specified maturity date in such Qualifying Securities for the repayment of principal and any other outstanding amounts, see "*Terms and Conditions of the Notes – Substitution and Variation*".

Any such substitution or variation in accordance with the Conditions shall only be permitted if it does not result in the Qualifying Securities no longer being eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Notes on the date notice is given to Noteholders of the substitution or variation.

Further, prior to the making of any such modification or taking any action as aforementioned, or prior to any substitution or variation in a manner contemplated in Conditions 8 or 16, the Issuer, the Guarantor and the Fiscal Agent shall not be obliged to have regard to the tax position of individual holders of the Notes in respect of any such modification, substitution, variation or other action for individual holders of the Notes except to the extent already provided in Condition 13 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Fiscal Agency Agreement. No holder of Notes shall be entitled to claim, whether from the Fiscal Agent, the Issuer, the Guarantor, a Substitute or any other person, any indemnification or payment in respect of any tax consequence of any such modification, substitution, variation or other action upon individual holders of the Notes.

No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities which the Issuer may issue and which may rank senior or *pari passu* with, the Notes. The issue of any such securities may reduce the amount recoverable by holders of Notes on a winding-up of the Issuer and/or may increase the likelihood of a deferral of payments under the Notes.

Change of law

The Notes will be governed by English law and, in respect of Conditions 2(b) and 16 of the Notes only, Luxembourg law. The Guarantee will be governed by Swiss substantive law. No assurance can be given as to the impact of any possible judicial decision or change to English law, Luxembourg law or Swiss law or any administrative practice thereof after the Issue Date. The provisions of Articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded.

The Global Certificate is held by or on behalf of Euroclear and Clearstream, Luxembourg and investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Global Certificate will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg (the "**Relevant Nominee**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Certificate. While the Notes are represented by the Global Certificate, investors will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While Notes are represented by the Global Certificate, the Issuer will discharge its payment obligations under such Notes by making payments to (or for the order of) the Relevant Nominee for distribution to their account holders. A holder of an interest in a Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Certificate.

Noteholders of interests in the Global Certificate will not have a direct right to vote in respect of the Notes. Instead, Noteholders will be permitted to act only to the extent that they are enabled to do so by Euroclear or Clearstream, Luxembourg.

Provisions which provide for interest to be payable on interest may be unenforceable as a matter of Luxembourg law

The Notes contain provisions which provide that any Deferred Interest Payment (as defined in the Conditions) (or part thereof) shall itself bear interest. If it came to any proceeding before a Luxembourg court any provision relating to the payment of interest on interest may not be enforceable pursuant to Article 1154 of the Luxembourg Civil Code. If such a provision was not enforceable, Holders of the Notes may not be able to recover the interest that has accrued on such Deferred Interest Payment.

There exists no published case law in Luxembourg in relation to the recognition of provisions pursuant to which a party agrees to pay to the other party an interest on interest. If a Luxembourg court had to analyse the validity and enforceability of such provisions, it is likely to consider the position taken by the French *Cour de Cassation* and Belgian, French and Luxembourg legal scholars according to which Article 1154 of the Civil Code is not international public policy and, therefore, provisions relating to the payment of interest on interest provided for in a foreign law document, such as the Conditions, are not affected by Article 1154 of the Civil Code. There can, however, be no guarantee that a Luxembourg court would take this approach.

Any decline in the credit ratings of the Issuer may affect the market value of the Notes and changes in rating methodologies may lead to the early redemption of the Notes

The Notes have been assigned a rating by Standard & Poor's and Moody's. The rating granted by each of Standard & Poor's and Moody's or any other rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, each of Standard & Poor's and Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

Risks related to the market generally

The secondary market generally

Although application has been made to admit the Notes to trading on the Luxembourg Stock Exchange, the Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

The Issuer will repay principal of and pay interest on the Notes in euro. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro, or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro, would decrease: (1) the Investor's Currency equivalent yield on the Notes; (2) the Investor's Currency equivalent value of the principal payable on the Notes; and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed rate securities. During periods of rising interest rates, the prices of fixed rate securities, such as the Notes, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Notes involves the risk that changes in market interest rates may adversely affect the value of the Notes.

The interest rate reset may result in a decline of yield

As the Notes feature a fixed interest rate that will be reset during the term of the Notes, Noteholders are exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of such securities in advance.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF and the relevant sections set out below of those documents shall be incorporated by reference in, and form part of, this Prospectus.

The tables below set out the relevant page references for the information incorporated herein by reference.

This Prospectus should be read and construed in conjunction with:

Information incorporated by reference from LafargeHolcim Ltd's annual report and accounts for the year ended 31 December 2018 (the "Annual Report 2018")

Strategy 2022: Building for Growth	Pages	22-25
Risk and control	Pages	66-82
Corporate governance	Pages	106-108
Financing activity	Pages	144-146
Reconciliation of Non-GAAP measures	Page	147
Consolidated statement of income of LafargeHolcim	Page	162
Consolidated statement of comprehensive earnings of LafargeHolcim	Page	163
Consolidated statement of financial position of LafargeHolcim	Pages	164-165
Consolidated statement of changes in equity of LafargeHolcim	Pages	166-167
Consolidated statement of cash flows of LafargeHolcim	Page	168
Notes to the consolidated financial statements of LafargeHolcim	Pages	170-260
Report of the statutory auditor on the consolidated financial statements of LafargeHolcim	Pages	261-265
Statement of income of LafargeHolcim Ltd	Page	266
Statement of financial position of LafargeHolcim Ltd	Page	267
Notes to the statutory financial statements of LafargeHolcim Ltd (including data as required under Art. 663 b and c of the Swiss Code of Obligations)	Pages	268-277
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Such documents shall be incorporated by reference in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus. Such documents shall be made available, free of charge, at the specified offices of the Fiscal Agent and each of the Paying Agents for the time being in Luxembourg during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), as described in "*General Information*" below and will also be available to view on the website of the Luxembourg Stock Exchange (*www. bourse.lu*). In addition, copies of such documents may be obtained from the Issuer free of charge upon request by contacting its registered office or e-mailing *investor.relations@lafargeholcim.com*.

OVERVIEW

The following overview refers to certain provisions of the Conditions, and the Guarantee, and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms used herein have the meaning given to them in the Conditions.

Issuer	Holcim Finance (Luxembourg) S.A.
Guarantor	LafargeHolcim Ltd
Aggregate Principal Amount	€500,000,000
Issue Date	5 April 2019
Issue Price	99.412 per cent.
Interest	The Notes will bear interest on their principal amount from (and including) the Issue Date to (but excluding) the First Reset Date at a rate of 3.000 per cent. per annum, payable annually in arrear on 5 July in each year, except that the first payment of interest, to be made on 5 July 2019, will be in respect of the period from (and including) the Issue Date to (but excluding) 5 July 2019 and will amount to €7.48 per €1,000 in principal amount of the Notes. Thereafter, unless previously redeemed, the Notes will bear interest from (and including) the First Reset Date to (but excluding) 5 July 2029 at a rate per annum which shall be 3.074 per cent. above the 5 year Swap Rate, payable annually in arrear on 5 July in each year. From (and including) 5 July 2029 to (but excluding) 5 July 2044 the Notes will bear interest at a rate per annum which shall be 3.324 per cent. above the 5 year Swap Rate, payable annually in arrear on 5 July in each year. From (and including) 5 July 2044, the Notes will bear interest at a rate per annum which shall be 4.074 per cent. above the 5 year Swap Rate, payable annually in arrear on 5 July in each year, all as more particularly described in "*Terms and Conditions of the Notes—Interest Payments*". See also "*Change of Control"*.
Optional Interest Deferral	The Issuer may, at its discretion, elect to defer in whole but not in part any Interest Payment (a "**Deferred Interest Payment**") which is otherwise scheduled to be paid on an Interest Payment Date by giving a Deferral Notice of such election to the Noteholders, the Fiscal Agent, the Registrar and the Paying Agents. Subject as described in "*Mandatory Settlement of Arrears of Interest*", if the Issuer elects not to make an Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Enforcement Event or any other breach of its obligations under the Notes or for any other purpose. Arrears of Interest may be satisfied at the option of the Issuer in

	whole but not in part at any time (the "**Optional Deferred Interest Settlement Date**") following delivery of a notice to such effect given by the Issuer to the Noteholders, the Fiscal Agent, the Registrar and the Paying Agents informing them of its election to so satisfy such Arrears of Interest and specifying the Optional Deferred Interest Settlement Date. Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being "**Arrears of Interest**"), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 6(b), in each case such further interest being compounded on each Interest Payment Date. Non-payment of Arrears of Interest shall not constitute a default by the Issuer or the Guarantor under the Notes or for any other purpose, unless such payment is required in accordance with Condition 6(b) of the Notes.
Status of the Notes	The Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves.
Subordination of the Notes	In the event of: (a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion or amalgamation where the continuing entity assumes the obligations under the Notes and all or substantially all of the assets of the Issuer or the substitution in place of the Issuer of a Substitute in accordance with Condition 16, the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or substitution: (x) are authorised or permitted in accordance with the provisions of the Conditions or have been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement); and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions (an "***Issuer Solvent Liquidation***")); (b) an administrator or receiver of the Issuer being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution; or (c) any analogous event relating to the Issuer to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer, the rights and claims of the Noteholders against the Issuer in respect of or arising under the

	Notes will rank: (i) junior to the claims of all holders of Senior Obligations of the Issuer; (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer; and (iii) senior to the claims of holders of all Junior Obligations of the Issuer. See "*Risk Factors—Risks related to the Notes generally—Noteholders have restricted remedies for non-payment of principal or interest*".
Status of the Guarantee	The Guarantee constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor.
Subordination of the Guarantee	The Guarantee provides that in the event of: (a) the liquidation, dissolution, bankruptcy (*Konkurs*), insolvency, composition or other proceedings for the avoidance of insolvency (*Nachlassverfahren*) of the Guarantor (except, in any such case, a solvent liquidation solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion or amalgamation where the continuing entity assumes the obligations under the Guarantee and all or substantially all of the assets of the Guarantor, the terms of which reorganisation, restructuring, reconstruction, merger, conversion or amalgamation: (x) are authorised or permitted in accordance with the provisions of the Conditions and the Guarantee or have been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement); and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions (a "***Guarantor Solvent Liquidation***")); or (b) any analogous event relating to the Guarantor to those described in (a) above under any insolvency, bankruptcy or similar law applicable to the Guarantor, the rights and claims of Noteholders against the Guarantor in respect of or arising under the Guarantee will rank: (i) junior to the claims of the holders of all Senior Obligations of the Guarantor; (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor; and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor. See "*Risk Factors—Risks related to the Notes generally—Noteholders have restricted remedies for non-payment of principal or interest*".
Mandatory Settlement	Notwithstanding the provisions of "*Optional Interest Deferral*", the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.
No Fixed Maturity	The Notes will be perpetual securities in respect of which there is no fixed redemption date.
Optional Redemption	The Issuer may redeem in accordance with the Conditions all,

	but not some only, of the Notes on any date during the period from and including 5 April 2024 to and including the First Reset Date or any Interest Payment Date thereafter (each a "**Call Date**"), at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.
Special Event Redemption	If a Special Event has occurred and is continuing, then the Issuer may redeem at any time all, but not some only, of the Notes at: (i) in the case of a Tax Event, Rating Agency Event or Accounting Event where the relevant date fixed for redemption falls prior to 5 April 2024 (being the date falling three months prior to the First Reset Date), 101 per cent. of their principal amount; (ii) in the case of a Tax Event, Rating Agency Event or Accounting Event where the relevant date fixed for redemption falls on or after 5 April 2024 (being the date falling three months prior to the First Reset Date), their principal amount; (iii) in the case of a Repurchase Event or a Gross-up Event where any such redemption occurs at any time, their principal amount; or (iv) in the case of a Change of Control Event where any such redemption occurs at any time, their principal amount, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.
Change of Control	If a Change of Control Event has occurred and is continuing, the Issuer may elect to redeem in accordance with the Conditions all, but not some only, of the Notes at any time at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. If the Issuer does not elect to redeem the Notes on or before the 31st day following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate, on the Notes shall be increased by 5 per cent. per annum with effect from (and including) such date. See "*Terms and Conditions of the Notes—Interest Payments—Step-up after Change of Control Event*".
Substitution or Variation	If a Tax Event, a Gross-Up Event, a Rating Agency Event or an Accounting Event has occurred and is continuing, without the consent of Noteholders the Issuer may either: (i) substitute all, but not some only, of the Notes for; or (ii) vary the terms of the Notes with the effect that they remain or become, as the case

	may be, Qualifying Securities, in each case in accordance with Condition 8 thereof and subject, *inter alia*, to the receipt by the Fiscal Agent of the certificate of two Directors of the Issuer and the relevant opinions referred to in Condition 9 thereof. Any such substitution or variation in accordance with the Conditions shall only be permitted if it does not result in the Qualifying Securities no longer being eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Notes on the date notice is given to Noteholders of the substitution or variation.
Substitution of Issuer	Subject to the provisions set out in "*Terms and Conditions of the Notes—Substitution of Issuer*", the Issuer, or any previous substituted company, may, at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes, any company (the "**Substitute**") that is the Guarantor, or any Subsidiary of the Guarantor, provided that no payment in respect of the Notes is at the relevant time overdue. The substitution shall be made by deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Fiscal Agency Agreement. See "*Terms and Conditions of the Notes – Substitution of Issuer*" for further details.
Enforcement Event	If a default is made by the Issuer and the Guarantor for a period of 14 business days or more in the payment of principal or interest, in each case in respect of the Notes and which is due, then any Noteholder may, at its sole discretion, institute proceedings for the winding-up (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy proceedings (*Konkursverfahren*) and composition proceedings (*Nachlassverfahren*)) of the Issuer and/or the Guarantor and/or prove in the winding-up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor, for such payment. In the event of a winding-up of the Issuer or liquidation (other than an Issuer Solvent Liquidation), any Noteholder shall have a claim for all unpaid principal in respect of a Note it holds together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest in respect of any such Note, with such rights and claims subordinated as provided in Condition 2(b). For the avoidance of doubt, since in the event of a winding-up or liquidation of the Issuer (other than an Issuer Solvent Liquidation), all unpaid principal in respect of the Notes and any outstanding Arrears of Interest will become due and payable as described above, the Holders shall have a right to

	claim under the Guarantee against the Guarantor for, and the Guarantor shall be obliged to pay, as described in, and subject to the terms and conditions of the Guarantee, an amount equal to any unpaid principal on the Notes and any accrued and unpaid interest and any outstanding Arrears of Interest. In accordance with the terms of the Guarantee, such rights and claims against the Guarantor will be subordinated as described in Condition 4(b). In the event of a winding-up or liquidation (including, for the avoidance of doubt, bankruptcy (*Konkurs*)) of the Guarantor (other than a Guarantor Solvent Liquidation), the Notes will become immediately due and payable, and the Holders shall have a right to claim (i) against the Issuer (and the Issuer shall be obliged to pay) under the Notes and (ii) as a result thereof, as described in, and subject to the terms and conditions of, the Guarantee, against the Guarantor under the Guarantee in the winding-up or liquidation (including, for the avoidance of doubt, bankruptcy (*Konkurs*)) of the Guarantor, in each case for an amount equal to any unpaid principal on the Notes and any accrued and unpaid interest and any outstanding Arrears of Interest. Such rights and claims against the Issuer shall be subordinated as provided in Condition 2(b). In accordance with the terms of the Guarantee, such rights and claims against the Guarantor will be subordinated as described in Condition 4(b).
Additional Amounts	Payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within or on behalf of (in the case of the Issuer) Luxembourg or (in the case of the Guarantee) Switzerland or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer or the Guarantor, as the case may be, subject to certain exceptions as are more fully described under "*Terms and Conditions of the Notes—Taxation*" and "*Form of Subordinated Guarantee*".
Form	The Notes will be in registered form represented on issue by a global certificate (the "**Global Certificate**") which will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg on or about the Issue Date. Save in limited circumstances, Certificates will not be issued in exchange for interests in the Global Certificate.
Listing and Admission to Trading	Application has been made to list the Notes on the Official List

	and to be admitted to trading on the Luxembourg Stock Exchange.
Denominations	The Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No certificates will be issued with a denomination below €100,000. See further "*The Global Certificate*".
Governing Law	English law save for the provisions relating to subordination of the Notes contained in Condition 2(b) which shall, subject to the provisions of Condition 16, be governed by the laws of Luxembourg. The provisions of Articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded. The Guarantee is governed by and shall be construed in accordance with Swiss substantive law.
Ratings	The Notes are expected to be rated BB+ by Standard & Poor's and Ba1 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As of the date of this Prospectus, each Rating Agency is a credit rating agency established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.
Use of Proceeds	The net proceeds of the issue of the Notes will be used outside of Switzerland for general corporate purposes of the Group unless use in Switzerland is permitted under the Swiss taxation law in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.
Selling Restrictions	The United States, EEA, the United Kingdom, France, Luxembourg, Japan, the Republic of Italy, Switzerland and Singapore. See "*Subscription and Sale*". Category 2 offering restrictions have been implemented for the purposes of Regulation S under the Securities Act.
Risk Factors	Prospective investors should carefully consider the information set out in "*Risk Factors*" in conjunction with the other information contained or incorporated by reference in this Prospectus.
ISIN	XS1713466495
Common Code	171346649
Fiscal Agent and Agent Bank	Citibank N.A., London Branch

Paying Agent and Transfer Agent	Citibank Europe PLC
Registrar	Citigroup Global Markets Europe AG
Replacement Intention	*Unless: (a) the rating assigned by Standard & Poor's to the Guarantor is at least "BBB" (or such similar nomenclature then used by Standard & Poor's) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or (b) the Notes are not assigned an "equity credit" (or such similar nomenclature then used by Standard & Poor's), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Guarantor's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain at or below the maximum aggregate principal amount of hybrid capital to which Standard & Poor's would assign equity content under its prevailing methodology, the Guarantor intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Notes to but excluding the Reset Date falling on 5 July 2044, in the event of:* (i) *an early redemption of the Notes pursuant to Condition 7(b); or* (ii) *a repurchase of the Notes of more than: (a) 10 per cent. of the aggregate principal amount of the Notes originally issued in any period of 12 consecutive months; or (b) 25 per cent. of the aggregate principal amount of the relevant Notes originally issued in any period of 10 consecutive years,* *to cause the Issuer to redeem or repurchase such Notes only to the extent that such part of the aggregate principal amount of the relevant Notes to be redeemed or repurchased as was characterised as equity by Standard & Poor's at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) does not exceed such part of the net proceeds which is received by the Issuer, the Guarantor or any Subsidiary of the Guarantor prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or any Subsidiary of the Guarantor to third party purchasers (other than Subsidiaries of the Guarantor) of notes as is characterised by Standard & Poor's, at the time of sale or issuance, as equity.*

TERMS AND CONDITIONS OF THE NOTES

The following, except for paragraphs in italics, are the terms and conditions of the Notes which will be endorsed on each Note in definitive form (if issued).

The issue of the €500,000,000 Subordinated Fixed Rate Resettable Notes (the ***Notes***, which expression shall, unless the context otherwise requires, include any further securities issued pursuant to Condition 19 (*Further Issues*) and forming a single series with the Notes) of Holcim Finance (Luxembourg) S.A. (the ***Issuer***) was authorised by a resolution of the board of directors (the ***Directors***) of the Issuer passed on 29 October 2018, and the Guarantee (as defined below) was authorised by a resolution of the board of directors of LafargeHolcim Ltd (the ***Guarantor***) dated 21 June 2018. The Notes are subject to, and have the benefit of, a deed of covenant (the ***Deed of Covenant***) dated 5 April 2019 entered into by the Issuer. The Notes are also the subject of a fiscal agency agreement (the ***Fiscal Agency Agreement***) dated 5 April 2019 relating to the Notes between the Issuer, the Guarantor, Citibank N.A., London Branch as fiscal agent and paying agent (the ***Fiscal Agent***, and together with any additional or successor paying agents, the ***Paying Agents***), Citibank N.A., London Branch as agent bank (the ***Agent Bank***), Citigroup Global Markets Europe AG as registrar (the ***Registrar***) and the transfer agents named therein (together with the Registrar, the ***Transfer Agents***, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) . These terms and conditions (as amended from time to time) (the ***Conditions***) include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement and the Deed of Covenant. The Fiscal Agency Agreement includes the forms of the Notes. Copies of (i) the Fiscal Agency Agreement; (ii) the Deed of Covenant; and (iii) the Guarantee are available for inspection during usual business hours at the principal office of the Fiscal Agent (presently at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom). The holders of the Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Covenant and the Guarantee applicable to them and to have notice of all of the provisions of the Fiscal Agency Agreement applicable to them.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are issued in registered form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. A note certificate (each a ***Certificate***) will be issued to each holder in respect of its registered holding of Notes. Each Certificate will be serially numbered with an identifying number which will be recorded on the relevant Certificate and in the register of holders which the Issuer will procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the ***Register***).

(b) Title

Title to the Notes passes only by registration in the Register. The holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, ***Holder*** or ***holder*** means the person in whose name a Note is registered in the Register.

(c) Transfers

A Note may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Note to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed, insofar as they relate to the Notes, by the Issuer, with the prior written approval of the Registrar and the Holders. A copy of the current regulations will be made available by the Registrar to any Holder (and, for so long as the Notes are admitted to the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, any member of the public) upon request.

(d) Delivery of new Certificates

Each new Certificate to be issued shall be available for delivery within seven business days of receipt of the form of transfer. Delivery of the new Certificate(s) shall be made at the specified office of any Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 1(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Formalities free of charge

The transfer of Notes will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar.

(f) Closed periods

Neither the Issuer nor the Registrar will be required to register the transfer of any Note (or part thereof) during the period of 15 days immediately prior to the due date for any payment of principal or interest in respect of the Notes.

2 Status and Subordination of the Notes

(a) Status

The Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders are subordinated as described in Condition 2(b) (*Subordination*) below.

(b) Subordination

In the event of:

(a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion or amalgamation where the continuing entity assumes the obligations under the Notes and all or substantially all of the assets of the Issuer or the substitution in place of the Issuer of a Substitute in accordance with Condition 16 (*Substitution of Issuer*), the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or substitution (x) are authorised or permitted in accordance with the provisions of these Conditions or have been approved by an Extraordinary Resolution and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions (an ***Issuer Solvent Liquidation***));

(b) an administrator or receiver of the Issuer being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution; or

(c) any analogous event relating to the Issuer to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer,

the rights and claims of the Holders against the Issuer in respect of or arising under the Notes will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer.

Nothing in this Condition 2(b) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Agents or the rights and remedies of the Agents in respect thereof.

(c) No set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Holder shall, by virtue of his holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

3 The Guarantee

The Guarantor has unconditionally and irrevocably guaranteed on a subordinated basis, in accordance with the terms of Article 111 of the Swiss Code of Obligations, to the Holders the due and punctual payment of principal, interest and all other amounts payable by the Issuer under the Notes as and when the same become due under these Conditions. Its obligations in that respect are contained in, and are subject to the limitations provided in, a guarantee dated 5 April 2019 executed by the Guarantor (the ***Guarantee***).

4 Status and Subordination of the Guarantee

(a) Status

The Guarantee constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor. The nature of the subordination of the Guarantee is described in Condition 4(b) (*Subordination of the Guarantee*) below.

(b) Subordination

The Guarantee provides that in the event of:

(a) the liquidation, dissolution, bankruptcy (*Konkurs*), insolvency, composition or other proceedings for the avoidance of insolvency (*Nachlassverfahren*) of the Guarantor (except, in any such case, a solvent liquidation solely for the purposes of a reorganisation, restructuring, reconstruction, merger,

conversion or amalgamation where the continuing entity assumes the obligations under the Guarantee and all or substantially all of the assets of the Guarantor, the terms of which reorganisation, restructuring, reconstruction, merger, conversion or amalgamation (x) are authorised or permitted in accordance with the provisions of these Conditions and the Guarantee or have been approved by an Extraordinary Resolution and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions (a ***Guarantor Solvent Liquidation***)); or

(b) any analogous event relating to the Guarantor to those described in (a) above under any insolvency, bankruptcy or similar law applicable to the Guarantor,

the rights and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor.

(c) No set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Guarantee and each Holder shall, by virtue of his holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

5 Interest Payments

(a) Interest Rate

The Notes bear interest on their principal amount at the applicable Interest Rate from (and including) 5 April 2019 (the ***Issue Date***) in accordance with the provisions of this Condition 5 (*Interest Payments*).

Subject to Condition 6 (*Optional Interest Deferral*), interest shall be payable on the Notes annually in arrear on each Interest Payment Date as provided in this Condition 5 (*Interest Payments*), except that the first payment of interest, to be made on 5 July 2019, will be in respect of the period from (and including) the Issue Date to (but excluding) 5 July 2019 and will amount to €7.48 per Calculation Amount (as defined below).

(b) Interest Accrual

The Notes will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 7 (*Redemption*) or the date of substitution thereof pursuant to Condition 8 (*Substitution or Variation*), as the case may be, unless payment of all amounts due in respect of the Notes is not made, in which event interest shall continue to accrue in respect of unpaid amounts on the Notes, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Save as provided in Condition 5(c), where it is necessary to calculate an amount of interest in respect of any Note for a period which is less than a complete year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or first) scheduled Interest Payment Date.

Interest in respect of any Note shall be calculated per €1,000 in principal amount thereof (the ***Calculation Amount***). The amount of interest payable per Calculation Amount for any period shall, save as provided in Condition 5(c), be equal to the product of the relevant Interest Rate, the Calculation Amount and the day

count fraction as described in this Condition 5(b) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of each Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Note without any further rounding.

(c) First Fixed Interest Rate

For each Interest Period ending on or before the First Reset Date and subject to Condition 6 (*Optional Interest Deferral*), the Notes bear interest at the rate of 3.000 per cent. per annum (the ***First Fixed Interest Rate***), payable annually in arrear on the Interest Payment Date in each year, except that the first payment of interest, to be made on 5 July 2019, will be in respect of the period from (and including) the Issue Date to (but excluding) 5 July 2019 and will amount to €7.48 per Calculation Amount.

(d) Subsequent Fixed Interest Rates

For each Interest Period which commences on or after the First Reset Date and subject to Condition 6 (*Optional Interest Deferral*), the Notes bear interest at the relevant Subsequent Fixed Interest Rate. Such interest shall be payable annually in arrear on the Interest Payment Date in each year and shall be calculated, subject to Condition 5(i) and Condition 5(j) below, as follows:

Subsequent Fixed Interest Rate = 5 year Swap Rate + Margin

all as determined by the Agent Bank and where,

5 year Swap Rate means the annual mid-swap rate as displayed on Reuters screen "ICESWAP2" as at 11:00 a.m. (Central European time) (the ***Reset Screen Page***) on the day falling two Business Days prior to the first day of the relevant Reset Period (the ***Reset Interest Determination Date***).

If the 5 year Swap Rate does not appear on the Reset Screen Page on the Reset Interest Determination Date, the 5 year Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date, unless a Benchmark Event has occurred, in which case the 5 year Swap Rate shall be determined pursuant to and in accordance with Condition 5(j);

Reset Reference Bank Rate means the percentage rate determined on the basis of the 5 year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the ***Reset Reference Banks***) to the Agent Bank at approximately 11:00 a.m. (Central European time) on such Reset Interest Determination Date. If at least three quotations are provided, the 5 year Swap Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the 5 year Swap Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Banks Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate for the relevant period will be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as an annual rate, on the Reset Screen Page;

the ***5 year Swap Rate Quotations*** means, in respect of each Interest Period falling within a Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis); and

Margin means in respect of (i) the Reset Period ending on (but excluding) 5 July 2029, 3.074 per cent.; (ii) each Reset Period which falls in the period commencing on (and including) 5 July 2029 and ending on (but excluding) 5 July 2044, 3.324 per cent.; and (iii) each Reset Period which falls on or after 5 July 2044, 4.074 per cent.

The Subsequent Fixed Interest Rate shall be determined as provided above in respect of each Reset Period and, as so determined, such rate shall apply to each Interest Period falling within that Reset Period.

(e) Determination of Subsequent Fixed Interest Rates

The Agent Bank will, as soon as practicable after 11.00 a.m. (Central European time) on each Reset Interest Determination Date, determine the Subsequent Fixed Interest Rate in respect of each Interest Period falling within the relevant Reset Period.

(f) Publication of Subsequent Fixed Interest Rates

The Issuer shall cause notice of each Subsequent Fixed Interest Rate determined in accordance with this Condition 5 (*Interest Payments*) in respect of each relevant Interest Period to be given to the Fiscal Agent, the Registrar, the Paying Agents, any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 18 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

(g) Agent Bank and Reset Reference Banks

With effect from the Reset Interest Determination Date relating to the First Reset Date, the Issuer will maintain an Agent Bank and five Reset Reference Banks where the Interest Rate is to be calculated by reference to them. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may from time to time replace the Agent Bank with another leading financial institution in London or the eurozone. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine a Subsequent Fixed Interest Rate in respect of any Interest Period as provided in Condition 5(d), the Issuer shall forthwith appoint another leading financial institution in London or the eurozone to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Interest Payments*) by the Agent Bank shall (in the absence of wilful default, manifest error or negligence) be binding on the Issuer, the Guarantor, the other Agents and all Holders and (in the absence of wilful default, manifest error or negligence) no liability to the Holders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) Step-up after Change of Control Event

Notwithstanding any other provision of this Condition 5 (*Interest Payments*), if the Issuer does not elect to redeem the Notes in accordance with Condition 7(g) (*Redemption for Change of Control Event*) on or before the 31st day following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 5 (*Interest Payments*) (including, for the avoidance of doubt, in accordance with the provisions of Condition

5(j) below), on the Notes shall be increased by 5 per cent. per annum with effect from (and including) such date.

(j) Benchmark discontinuation

(i) Independent Adviser

If a Benchmark Event occurs, when any Subsequent Fixed Interest Rate (or any component thereof) remains to be determined by reference to the Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(j)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(j)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(j) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, the Agent Bank, the Paying Agents, the Transfer Agents or the Holders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(j).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(j)(i) prior to the Reset Interest Determination Date in respect of a Reset Period, the relevant 5 year Swap Rate applicable to each Interest Period ending during that Reset Period shall be equal to the last available 5 year mid swap rate for euro swap transactions, expressed as a rate, on the Reset Screen Page. If Condition 5(i) applies, the Subsequent Fixed Interest Rate determined in accordance with this Condition 5(j)(i) shall be increased as provided in Condition 5(i). For the avoidance of doubt, this paragraph shall apply to all payments of interest on the Notes from the end of the then current Reset Period onwards only, and the interest payable on the Notes during subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(j)(i).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Subsequent Fixed Interest Rate (or the relevant component part thereof) for all payments of interest on the Notes from the end of the then current Reset Period onwards (subject to the operation of this Condition 5(j)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Subsequent Fixed Interest Rate (or the relevant component part thereof) for all future payments of interest on the Notes from the end of the then current Reset Period onwards (subject to the operation of this Condition 5(j)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(j) and the Issuer, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(j)(v), without any requirement for the consent or approval of the Holders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 5(j)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 5(j), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a Rating Agency Event to occur.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(j) will be notified promptly by the Issuer to the Agent, the Agent Bank, the Paying Agents and, in accordance with Condition 18, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Fiscal Agent, the Agent Bank, the Paying Agents, the Transfer Agents and the Holders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under this Condition 5(j), the Original Reference Rate and the fallback provisions provided for in Condition 5(d) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions:

As used in this Condition 5(j):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets

transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied)

(iii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith and a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or is in customary market usage in the debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser, determines in accordance with Condition 5(j)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in euro.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(j)(iv).

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least 10 Business Days or ceasing to exist; or

(ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease to publish the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(v) it has become unlawful for any Paying Agent, the Agent Bank or the Issuer or other party to calculate any payments due to be made to any Holder using the Original Reference Rate;

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense) under Condition 5(j)(i).

"**Original Reference Rate**" means the 5 year Swap Rate.

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 Optional Interest Deferral

(a) Deferral of Payments

The Issuer may, at its discretion, elect to defer any Interest Payment in whole but not in part (a ***Deferred Interest Payment***) which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a ***Deferral Notice***) of such election to the Holders in accordance with Condition 18 (*Notices*), the Fiscal Agent, the Registrar and the Paying Agents no fewer than 7 Business Days prior to the relevant Interest Payment Date. Subject to Condition 6(b), if the Issuer elects not to make any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Enforcement Event (as defined in Condition 12 (*Enforcement Event*)) or any other breach of its obligations under the Notes or for any other purpose.

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole but not in part at any time (the ***Optional Deferred Interest Settlement Date***) following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 18 (*Notices*), the Fiscal Agent, the Registrar and the Paying Agents no fewer than 7 Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to so satisfy such Arrears of Interest and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being ***Arrears of Interest***), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 6(b), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer or the Guarantor under the Notes or for any other purpose, unless such payment is required in accordance with Condition 6(b).

(b) Mandatory Settlement of Arrears of Interest

Notwithstanding the provisions of Condition 6(a) relating to the ability of the Issuer to defer Interest Payments, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

Notice of the occurrence of any Mandatory Settlement Date shall be given to the Holders in accordance with Condition 18 (*Notices*), the Fiscal Agent, the Registrar and the Paying Agents not more than 14 and no fewer than 7 Business Days prior to the relevant Mandatory Settlement Date.

7 Redemption

(a) No Fixed Redemption Date

The Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2(b) (*Subordination*)) only have the right to redeem them in accordance with the following provisions of this Condition 7 (*Redemption*).

(b) Issuer's Call Option

The Issuer may, by giving not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Notes on (i) any date during the period from and including 5 April 2024 to and including the First Reset Date or (ii) any Interest Payment Date thereafter (each a ***Call Date***) at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(c) Redemption for Certain Taxation Reasons

If, immediately prior to the giving of the notice referred to below, a Tax Event or a Gross-up Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 9 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Notes at any time at (i) 101 per cent. of their principal amount (in the case of a Tax Event where such redemption occurs prior to 5 April 2024 (being the date falling three months prior to the First Reset Date)) or (ii) their principal amount (in the case of a Tax Event where such redemption occurs on or after 5 April 2024 (being the date falling three months prior to the First Reset Date)) or in the case of a Gross-up Event where such redemption occurs at any time), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(d) Redemption for Rating Reasons

If, immediately prior to the giving of the notice referred to below, a Rating Agency Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 9 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Notes at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to 5 April 2024 (being the date falling three months prior to the First Reset Date)) or (ii) their principal amount (where such redemption occurs on or after 5 April 2024 (being the date falling three months prior to the First Reset Date)), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(e) Redemption for Accounting Reasons

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 9 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Notes at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to 5 April 2024 (being the date falling three months prior to the First Reset Date)) or (ii) their principal amount (where such redemption occurs on or after 5 April 2024 (being the date falling three months prior to the First Reset Date)), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(f) Redemption following a Repurchase Event

If, immediately prior to the giving of the notice referred to below, a Repurchase Event has occurred, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 9 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(g) Redemption for Change of Control Event

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 9 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Notes at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

LafargeHolcim Ltd intends (without thereby assuming a legal or contractual obligation) that for so long as the Notes remain outstanding, if (i) a Change of Control Event occurs and (ii) the Issuer elects to redeem the Notes pursuant to Condition 7(g), it will launch a tender offer for all outstanding unsubordinated debt securities issued or guaranteed by LafargeHolcim Ltd (which do not already contain a contractual right of the holders of such debt securities for such securities to be redeemed or repurchased as a result of the events giving rise to the Change of Control Event) at a price equal to not less than their aggregate principal amount plus accrued and unpaid interest as soon as reasonably practicable following such event. LafargeHolcim Ltd also intends (without thereby assuming a legal or contractual obligation) to launch such tender offer in such a way as to ensure that the repurchase of any unsubordinated debt securities tendered to it will be effected prior to any redemption of the Notes pursuant to Condition 7(g).

8 Substitution or Variation

If an Accounting Event, a Rating Agency Event, a Tax Event or a Gross-up Event (each a ***Substitution or Variation Event***) has occurred and is continuing, then the Issuer may, subject to Condition 9 (*Preconditions to*

Special Event Redemption, Change of Control Event Redemption, Substitution and Variation) (without any requirement for the consent or approval of the Holders), and having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 18 (*Notices*), the Holders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Notes for, or (ii) vary the terms of the Notes with the effect that they remain or become (as the case may be), Qualifying Securities, and the Fiscal Agent shall (subject to the following provisions of this Condition 8 (*Substitution or Variation*) and subject to the receipt by it of the certificate of two Directors of the Issuer referred to in Condition 9 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*)) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Condition 8 (*Substitution or Variation*).

The Fiscal Agent shall, at the expense of the Issuer, use reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Securities, provided that the Fiscal Agent shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Securities or the participation in or assistance with such substitution or variation would impose, in the Fiscal Agent's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Fiscal Agent does not participate or assist as provided above, the Issuer may redeem the Notes as provided in Condition 7 (Redemption).

In connection with any substitution or variation in accordance with this Condition 8 (Substitution and Variation), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not give rise to any other Substitution or Variation Event with respect to the Qualifying Securities.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not result in the Qualifying Securities no longer being eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Notes on the date notice is given to Holders of the substitution or variation.

In these Conditions, ***Qualifying Securities*** means, at any time, any notes issued by the Issuer or the Guarantor or any direct or indirect wholly-owned Subsidiary of the Guarantor:

(a) that:

(i) carry the same rate of interest from time to time applying to the Notes prior to the relevant substitution or variation and carry the same rights to accrued interest;

(ii) rank *pari passu* with the Notes or, if the issuer of such Qualifying Securities is the Guarantor, the Guarantee prior to the relevant substitution or variation;

(iii) shall not at such time be subject to a Gross-Up Event, Tax Event, Rating Agency Event or Accounting Event;

(iv) where the Notes which have been substituted or varied had a solicited published rating from a rating agency immediately prior to such substitution or variation, each such rating agency has

confirmed its intention to ascribe at least the same published rating to such Qualifying Securities;

(v) have terms not otherwise materially less favourable to the Holders than the terms of the Notes, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Fiscal Agent a certificate to that effect signed by two of its Directors, provided that:

i. the inclusion of a specified maturity date in such Qualifying Securities (a ***Maturity Date***) for the repayment of principal and any other outstanding amounts where such Maturity Date is not earlier than the later of (i) the date falling 60 years from 5 April 2019; or (ii) the date on which the next Call Date would have fallen under the Notes, shall not be considered materially less favourable; and

ii. Qualifying Securities as described in sub-paragraph (v)(i) shall not contain an option for redemption on an Accounting Event;

(vi) to the extent the Guarantor is not the issuer of such Qualifying Securities, either:

(A) are guaranteed as to payment amounts due thereunder by the Guarantor under the Guarantee; or

(B) have the benefit of a guarantee of the Guarantor, which guarantee (1) has terms not materially less favourable to the Holders than the terms of the Guarantee, as reasonably determined by the Issuer and provided that the Issuer shall have delivered to the Fiscal Agent a certificate to that effect signed by two of its Directors, and (2) ranks *pari passu* with the Guarantee prior to the relevant substitution or variation;

(vii) have the same interest payment dates and optional redemption dates as those applying to the Notes prior to the relevant substitution or variation;

(viii) do not provide for any mandatory deferral of interest payments or the write down or conversion of principal; and

(b) that if (i) the Notes were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (ii) if the Notes were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer or Guarantor.

9 Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation

Prior to the publication of any notice of redemption pursuant to Condition 7 (*Redemption*) (other than redemption pursuant to Condition 7(b)) or any notice of substitution or variation pursuant to Condition 8 (*Substitution or Variation*), the Issuer shall deliver to the Fiscal Agent:

(a) a certificate signed by two Directors of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied, and where the relevant Special Event requires measures reasonably available to the Issuer to be taken, the relevant Special Event cannot be avoided by the Issuer taking such measures. In relation to a substitution or variation pursuant to Condition 8 (*Substitution or Variation*), such certificate shall also include further certifications that the criteria specified in paragraphs (a) and (b) of the definition of Qualifying Securities will be satisfied by

the Qualifying Securities upon issue and that such determinations were reached by the Issuer in consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing;

(b) in the case of a Gross-up Event only, an opinion of independent legal advisers of recognised standing addressed to the Fiscal Agent to the effect that the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 13 (*Taxation*)) on the Notes or, as the case may be, the Guarantor has or will become obliged to pay additional amounts pursuant to clause 6 of the Guarantee as a result of the relevant Tax Law Change; and

(c) in the case of a substitution or variation pursuant to Condition 8 (*Substitution or Variation*) only, an opinion from independent legal advisers of recognised standing addressed to the Fiscal Agent confirming:

(i) that the Issuer, the Guarantor or the relevant direct or indirect wholly-owned Subsidiary of the Guarantor, as the case may be, has capacity to assume all rights and obligations under the Qualifying Securities and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations;

(ii) if the issuer of the Qualifying Securities is not the Guarantor, that the Guarantor has capacity to assume all rights and obligations under the Guarantee or the guarantee described in clause (a)(vi)(b) of the definition of Qualifying Securities, as applicable; and

(iii) the legality, validity and enforceability of (A) the Qualifying Securities and (B) if the issuer of such Qualifying Securities is not the Guarantor, the Guarantee or the guarantee described in clause (a)(vi)(b) of the definition of Qualifying Securities, as applicable,

and the Fiscal Agent may rely absolutely upon and shall be entitled to accept such certificate and any such opinions without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs in which event it shall be conclusive and binding on the Holders.

Any redemption of the Notes in accordance with Conditions 7(b), 7(c), 7(d), 7(e), 7(f) or 7(g) (*Redemption*) or substitution or variation in accordance with Condition 8 (*Substitution or Variation*) shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 6 (*Optional Interest Deferral*) on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption, substitution or, as the case may be, variation date.

The Fiscal Agent is under no obligation to ascertain whether any Special Event or Change of Control Event or Change of Control or any event which could lead to the occurrence of, or could constitute, any such Special Event or Change of Control Event or Change of Control, has occurred and, until it shall have actual knowledge or express notice pursuant to the Fiscal Agency Agreement to the contrary, the Fiscal Agent may assume that no such Special Event, Change of Control Event or Change of Control or such other event has occurred.

10 Purchases and Cancellation

(a) Purchases

Each of the Issuer, the Guarantor and any of their respective Subsidiaries may at any time purchase Notes the open market or otherwise and at any price.

(b) Cancellation

All Notes redeemed or substituted by the Issuer pursuant to Condition 7 (*Redemption*) or 8 (*Substitution or Variation*), as the case may be, will forthwith be cancelled. All Notes purchased by the Issuer, the Guarantor or any of its/their respective Subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Fiscal Agent. Notes so surrendered shall be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

11 Payments

(a) Method of Payment

Payments of principal and premium in respect of each Note shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in the paragraph below.

Payments of interest in respect of each Note shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the record date). payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

For the purposes of this Condition 11(a), a Holder's ***registered account*** means the euro account maintained by or on behalf of it with a bank that processes payments in euro in a city in which banks have access to the TARGET System, details of which appear on the Register at the close of business on the relevant record date, and a Holder's registered address means its address appearing on the Register at that time.

(b) Payments Subject to Fiscal Laws

Without prejudice to the terms of Condition 13 (*Taxation*), all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Payments on Business Days

If any date for payment in respect of any Note is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 11, ***business day*** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located, and in Zurich and a day on which the TARGET System is open.

12 Enforcement Event

(a) Proceedings

If a default is made by the Issuer and the Guarantor for a period of 14 business days (as defined below) or more in the payment of principal or interest, in each case in respect of the Notes and which is due (an ***Enforcement Event***), then any Holder may, at its sole discretion, institute proceedings for the winding-up (including, for the avoidance of doubt, in the case of the Guarantor, bankruptcy proceedings (*Konkursverfahren*) and composition proceedings (*Nachlassverfahren*)) of the Issuer and/or the Guarantor

and/or prove in the winding-up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor, for such payment, in each case as permitted under applicable law, and in the event of a winding-up of the Issuer or liquidation (other than an Issuer Solvent Liquidation), any Holder shall have a claim for all unpaid principal in respect of a Note it holds together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest in respect of any such Note, with such rights and claims subordinated as provided in Condition 2(b).

For the avoidance of doubt, since in the event of a winding-up or liquidation of the Issuer (other than an Issuer Solvent Liquidation), all unpaid principal in respect of the Notes and any outstanding Arrears of Interest will become due and payable as described above, the Holders shall have a right to claim under the Guarantee against the Guarantor for, and the Guarantor shall be obliged to pay, as described in, and subject to the terms and conditions of the Guarantee, an amount equal to any unpaid principal on the Notes and any accrued and unpaid interest and any outstanding Arrears of Interest. In accordance with the terms of the Guarantee, such rights and claims against the Guarantor will be subordinated as described in Condition 4(b).

In the event of a winding-up or liquidation (including, for the avoidance of doubt, bankruptcy (*Konkurs*)) of the Guarantor (other than a Guarantor Solvent Liquidation), the Notes will become immediately due and payable, and the Holders shall have a right to claim (i) against the Issuer (and the Issuer shall be obliged to pay) under the Notes and (ii) as a result thereof, as described in, and subject to the terms and conditions of, the Guarantee, against the Guarantor under the Guarantee in the winding-up or liquidation (including, for the avoidance of doubt, bankruptcy (*Konkurs*)) of the Guarantor, in each case for an amount equal to any unpaid principal on the Notes and any accrued and unpaid interest and any outstanding Arrears of Interest.

Such rights and claims against the Issuer shall be subordinated as provided in Condition 2(b). In accordance with the terms of the Guarantee, such rights and claims against the Guarantor will be subordinated as described in Condition 4(b).

(b) Extent of Holders' remedy

No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 12 (*Enforcement Event*) shall be available to the Holders, whether for the recovery of amounts owing in respect of the Notes or the Guarantee or in respect of any other breach by the Issuer or the Guarantor of any of its or their respective other obligations under or in respect of the Notes or the Guarantee.

In this Condition 12 (*Enforcement Event*), "business day" means a day (other than a Saturday or Sunday) on which banks are open for business generally in Zurich and Luxembourg.

13 Taxation

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature (***Taxes***) imposed, levied, collected, withheld or assessed by or within or on behalf of Luxembourg or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (***Additional Amounts***) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note:

(a) **Other connection**: to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Note by reason of his having some connection with Luxembourg other than a mere holding of the Note; or

(b) **Lawful avoidance of withholding**: to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) is presented for payment; or

(c) **Presentation more than 30 days after the Relevant Date**: where the Certificate representing the Notes is presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth day; or

(d) **Payment to individuals**: where such withholding or deduction is imposed on a payment to a Luxembourg individual and is required to be made pursuant to the Luxembourg law dated 23 December 2005, as amended; or

(e) **Combination**: for or on account of any combination of taxes, duties, assessments or governmental charges referred to in the preceding clauses (a), (b), (c) and (d).

Notwithstanding any other provision in these Conditions, any amounts to be paid by or on behalf of the Issuer on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code (the ***Code***), as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a ***FATCA Withholding Tax***), and neither the Issuer nor any other person will be required to pay additional amounts on account of any FATCA Withholding Tax.

References in these Conditions to principal, premium, Interest Payments, Deferred Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Fiscal Agency Agreement.

14 Prescription

Claims in respect of Notes will become void unless made within a period of 10 years (in respect of claims relating to principal) and five years (in respect of claims relating to interest) from the Relevant Date relating thereto.

15 Meetings of Holders and Modification

(a) Meetings of Holders

The Fiscal Agency Agreement contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Holders holding or representing not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of redemption of the Notes or any date for payment of interest on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes or modification of the payment date in

respect of any interest, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest in respect of the Notes, (iv) to amend the Issuer's obligations with respect to, or vary the method of calculation of, any Arrears of Interest, (v) to vary any method of, or basis for, calculating the nominal amount payable upon redemption, (vi) to vary the terms of the subordination of the Notes and/or the Guarantee; (vii) to vary the currency or currencies of payment or denomination of the Notes or (vi) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Holders (whether or not they were present at the meeting at which such resolution was passed).

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in like form, each signed by or on behalf of one or more Holders.

The agreement or approval of the Holders shall not be required in the case of any Benchmark Amendments required by the Issuer pursuant to Condition 5(j).

(b) Modification of Agency Agreement

The Issuer and Guarantor shall only permit (i) any modification of the Fiscal Agency Agreement that is of a formal, minor or technical nature or which is made to correct a manifest error or (ii) any other modification, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement that could not reasonably be expected to be prejudicial to the interests of the Holders.

16 Substitution of Issuer

The Issuer, or any previous substituted company, may at any time, without the consent of the Holders, substitute for itself as principal debtor under the Notes any company (the ***Substitute***) that is the Guarantor, or a Subsidiary of the Guarantor, provided that no payment in respect of the Notes is at the relevant time overdue. The substitution shall be made by a deed poll (the ***Deed Poll***), to be substantially in the form scheduled to the Fiscal Agency Agreement as Schedule 5, and may take place only if:

(i) all payments of principal and interest in respect of the Notes by or on behalf of the Substitute shall be made free and clear of and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the tax jurisdiction to which it is subject or any political subdivision thereof or any authority thereof or therein having power to tax;

(ii) where the Substitute is not the Guarantor, the Guarantor shall acknowledge in the Deed Poll that the Substitute's payment obligations under the Notes are guaranteed by the Guarantor under the Guarantee, and shall enter into a guarantee of the Substitute's indemnification obligations described in (xi) below, substantially in the form scheduled to the Fiscal Agency Agreement (the ***Supplemental Guarantee***);

(iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Deed of Covenant and (where the Substitute is not the Guarantor) the Guarantee and the Supplemental Guarantee represent valid,

legally binding and enforceable obligations of the Substitute and/or the Guarantor, as applicable, have been taken, fulfilled and done and are in full force and effect;

(iv) the Substitute shall have become party to the Fiscal Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(v) the Substitute (if incorporated in a jurisdiction other than England) shall have appointed an agent to receive, for and on its behalf, service of process in any Proceedings (as defined in Condition 21 (*Governing Law and Jurisdiction*) in England;

(vi) legal opinions addressed to the Fiscal Agent shall have been delivered from a lawyer or firm of lawyers with a leading securities practice in the jurisdiction of incorporation of the Substitute and in England as to the fulfilment of the preceding conditions of this paragraph and the other matters specified in the Deed Poll;

(vii) each listing authority or stock exchange (if any) on which the Notes are then listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be admitted to listing by such listing authority or stock exchange;

(viii) each Rating Agency has confirmed that upon such substitution becoming effective the Notes will either still be eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Notes on the date immediately prior to such substitution or such eligibility or attribution will not be adversely affected;

(ix) two Directors of the Issuer or two Directors of the Substitute shall have certified to the Fiscal Agent that, following consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing, the Issuer or, as the case may be, the Substitute has concluded that such substitution (A) will not result in the Substitute having an entitlement, as at the date such substitution becomes effective, to redeem the Notes as a result of a Special Event and (B) will not result in the terms of the Notes immediately following such substitution being materially less favourable to holders than the terms of the Notes immediately prior to such substitution;

(x) the Issuer shall have given at least 14 days' prior notice of such substitution to the Holders, stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Holders, shall be available for inspection at the specified office of each of the Paying Agents; and

(xi) the Substitute shall, by means of the Deed Poll, agree to indemnify each Holder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to the Notes or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution.

Immediately following such substitution, references in these Conditions to the Issuer shall mean the Substitute except where the context otherwise requires, and, if the Substitute is the Guarantor, all references to the "Guarantor" and the "Guarantee" in these Conditions shall cease to apply, except that the references to the "Guarantor" and the "Guarantee", as the case may be, in clauses (ii) and (iii) of this Condition 16 (*Substitution of Issuer*), in Condition 9(c) and in clause (a) of the definition of Qualifying Securities will

remain applicable and such references to the "Guarantee" will be deemed to mean the Guarantee in effect immediately prior to such substitution.

In the event of a substitution pursuant to this Condition 16 (*Substitution of Issuer*), the governing law of Condition 2(b) shall be amended to the governing law of the jurisdiction of incorporation of the Substitute.

17 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

18 Notices

Notices to Holders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Such notices, as long as the Notes are admitted to the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, shall also be published in electronic form on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

So long as the Notes are represented by a global certificate and such global certificate is held on behalf of a clearing system, notices to the holders of Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the global certificate.

19 Further Issues

The Issuer may from time to time without the consent of the Holders create and issue further Notes ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Notes) and so that such further issue shall be consolidated and form a single series with the outstanding Notes.

20 Agents

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that it will:

(a) at all times maintain (i) a Fiscal Agent, a Transfer Agent and a Registrar, (ii) Paying Agents having specified offices in at least two major European cities and (iii) a paying agent in a jurisdiction within Europe other than Switzerland that will not be required to withhold or deduct tax pursuant to laws enacted in Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation of the Swiss Federal Council of 17 December 2014, or otherwise changing the Swiss federal withholding tax system from an issuer-based system to a paying agent-

based system pursuant to which a person other than the issuer is required to withhold tax on any interest payments; and

(b) whenever a function expressed in these Conditions to be performed by the Agent Bank or by the Reset Reference Banks falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank and/or, as appropriate, Reset Reference Banks.

Notice of any such termination or appointment and of any change in the specified offices of the Fiscal Agent, the Registrar or any of the Paying Agents or Transfer Agents will be given to the Holders in accordance with Condition 18 (*Notices*). If any of the Fiscal Agent, the Registrar, the Agent Bank or any Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Fiscal Agency Agreement (as the case may be), the Issuer shall appoint, an independent financial institution to act as such in its place. All calculations and determinations made by the Agent Bank or the Fiscal Agent in relation to the Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the other Agents and the Holders.

Notice of any change in the Agent Bank or its specified office shall, for so long as the Notes are admitted to the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, be given to the Luxembourg Stock Exchange.

21 Governing Law and Jurisdiction

(a) Governing Law

The Notes are governed by, and shall be construed in accordance with, English law, save for the provisions contained in Condition 2(b) which shall, subject to the provisions of Condition 16 (*Substitution of Issuer*), be governed by the laws of Luxembourg. The provisions of Articles 470-1 to 470-19 of the Luxembourg law on commercial companies of 10 August 1915, as amended, are excluded. For the avoidance of doubt, as specified therein, the Guarantee is governed by and shall be construed in accordance with Swiss substantive law.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes (***Proceedings***) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

For the avoidance of doubt, as specified therein, any dispute in respect of the Guarantee shall be settled in accordance with Swiss law, with the place of jurisdiction for any such dispute being the City of Zurich. The competent courts at the place of jurisdiction (which shall be, where applicable law so permits, the Commercial Court of the Canton of Zurich) shall have exclusive jurisdiction.

(c) Service of Process

The Issuer irrevocably appoints Holcim Participations (UK) Limited of Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent

ceases to be able to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent in England and to notify Holders of such appointment in accordance with Condition 18 (*Notices*). Nothing shall affect the right of any Holder to serve process in any manner permitted by law.

22 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999.

23 Definitions

In these Conditions:

an ***Accounting Event*** shall be deemed to occur if, following consultation with a recognised accounting firm of international standing, a certificate signed by two Directors of the Issuer or the Guarantor has been delivered stating that, as a result of a change in accounting principles occurring on or after the Issue Date, the funds raised through the issuance of the Notes must not or must no longer be recorded as "equity" pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of LafargeHolcim Ltd;

Additional Amounts has the meaning given to it in Condition 13 (*Taxation*);

Agent Bank has the meaning given to it in the preamble to these Conditions;

Agents means the Fiscal Agent, the Agent Bank, the Registrar, the Transfer Agents and the Paying Agents or any of them;

Arrears of Interest has the meaning given to it in Condition 6(a) (*Deferral of Payments*);

Business Day means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London, Zurich and Luxembourg and the TARGET System is operating;

Calculation Amount has the meaning given to it in Condition 5(b) (*Interest Accrual*);

Call Date has the meaning given to it in Condition 7(b) *(Issuer's Call Option)*;

Certificate has the meaning given to it in Condition 1(a) (*Form and Denomination*);

a ***Change of Control Event*** shall be deemed to occur if

(i) any person or any persons acting together pursuant to an agreement or understanding (whether formal or informal) directly or indirectly acquire (A) more than 50 per cent. of the issued share capital of LafargeHolcim Ltd or (B) shares in the capital of LafargeHolcim Ltd carrying more than 50 per cent. of the total voting rights attributable to the entire issued share capital of LafargeHolcim Ltd and which may be exercised at a general meeting of LafargeHolcim Ltd (each such event being a ***Change of Control***); and

(ii) on the date (the ***Relevant Announcement Date***) of the first public announcement of the relevant Change of Control either:

(A) LafargeHolcim Ltd carries a long term issuer rating in the case of Moody's or corporate credit rating of LafargeHolcim Ltd in the case of S&P (or such other nomenclature that the relevant Rating Agency may then use to describe LafargeHolcim Ltd's creditworthiness on a long term senior unsecured basis) (the ***Corporate Rating***) and:

(a) such Corporate Rating is an Investment Grade Rating from any Rating Agency and is, within the Change of Control Period, either downgraded to a Non-Investment Grade Rating or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to an Investment Grade Rating by such Rating Agency; or

(b) such Corporate Rating is a Non-Investment Grade Rating from any Rating Agency and is, within the Change of Control Period, either downgraded by one or more rating categories (by way of example, BB+ to BB being one rating category) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded to its earlier Rating or better by such Rating Agency; or

(B) LafargeHolcim Ltd does not carry a Corporate Rating and a Negative Rating Event occurs within the Change of Control Period,

provided that (X) if at the time of the occurrence of the Change of Control LafargeHolcim Ltd carries a Corporate Rating from more than one Rating Agency, at least one of which is Investment Grade, then sub paragraph (A)(a) above will apply and (Y) no Change of Control Event will be deemed to occur if at the time of the occurrence of the Change of Control LafargeHolcim Ltd carries a Corporate Rating from more than one Rating Agency and less than all of such Rating Agencies downgrade or withdraw such Corporate Rating as described in sub paragraphs (A)(a) and (A)(b) above; and

(iii) in making any decision to downgrade or withdraw a Corporate Rating pursuant to sub paragraphs (ii)(A)(a) and (ii)(A)(b) above or not to award a Corporate Rating of at least Investment Grade as described in paragraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to LafargeHolcim Ltd that such decision(s) resulted, in whole or predominantly, from the occurrence of the Change of Control.

If the rating designations employed by any Rating Agency are changed from those which are described in paragraph (ii) above, or if a Rating is procured from a Substitute Rating Agency, LafargeHolcim Ltd shall determine the rating designations of the relevant Rating Agency or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of such Rating Agency and the definition of "Change of Control Event" shall be construed accordingly;

Change of Control Period means the period commencing on the Relevant Announcement Date and ending 90 days after the Relevant Announcement Date;

a ***Compulsory Payment Event*** shall have occurred if:

(i) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Obligations or Parity Obligations (or, in the case of a Junior Obligation or Parity Obligation which is a guarantee or support agreement, in respect of the obligation in respect of which such guarantee or support agreement has been granted or entered into), except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes of the Issuer, the Guarantor or any other member of the Group or (y) the Issuer, the Guarantor or the issuer of the relevant securities is obliged under the terms of

such securities to make such dividend, distribution or other payment or (z) such dividend, distribution or payment is made (or to be made) only to the Issuer, the Guarantor and/or any other entity in the Group; or

(ii) the Issuer, the Guarantor or any other member of the Group has redeemed, repurchased or otherwise acquired any Junior Obligations or Parity Obligations (or, in the case of a Junior Obligation or Parity Obligation which is a guarantee or support agreement, the obligation in respect of which such guarantee or support agreement has been granted or entered into), except where (x) such redemption, repurchase or acquisition was undertaken in respect of any stock option plans or employees' share schemes of the Issuer, the Guarantor or any other member of the Group or pursuant to any share buyback programme publicly announced and/or established prior to the Issue Date, (y) the Issuer, the Guarantor or the issuer of the relevant securities is obliged under the terms of such securities or any associated liquidity arrangements or hedging transactions to make such redemption, repurchase or acquisition or (z) any payment in respect of such redemption, repurchase or acquisition is made (or to be made) only to the Issuer, the Guarantor and/or any other entity in the Group and further, in the case of Parity Obligations, except where such redemption, repurchase or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value;

Conditions means these terms and conditions of the Notes, as amended from time to time;

Deferred Interest Payment has the meaning given to it in Condition 6(a) (*Deferral of Payments*);

Enforcement Event has the meaning given to it in Condition 12(a) (*Enforcement Event*);

euro or ***€*** means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

Extraordinary Resolution has the meaning given to it in the Fiscal Agency Agreement;

First Fixed Interest Rate has the meaning given to it in Condition 5(c) (*First Fixed Interest Rate*);

First Reset Date means 5 July 2024;

Fiscal Agency Agreement has the meaning given to it in the preamble to these Conditions;

a ***Gross-up Event*** shall be deemed to occur if as a result of a Tax Law Change, in making any payments on the Notes or the Guarantee, (i) the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Notes or (ii) if the Guarantee were called, the Guarantor would on the next Interest Payment Date be required to pay additional amounts pursuant to clause 6 of the Guarantee and the Issuer or the Guarantor, as the case may be, cannot avoid the foregoing by taking measures reasonably available to it;

Group means LafargeHolcim Ltd and its Subsidiaries;

Guarantee has the meaning given to it in Condition 3 *(The Guarantee);*

Guarantor means LafargeHolcim Ltd;

Holder has the meaning given to it in the preamble to these Conditions;

IFRS means International Financial Reporting Standards as adopted by the EU;

Interest Payment means, in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 5 (*Interest Payments*);

Interest Payment Date means 5 July in each year, commencing on (and including) 5 July 2019;

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

Interest Rate means the First Fixed Interest Rate and/or each Subsequent Fixed Interest Rate, as the case may be;

Issue Date has the meaning given to it in Condition 5(a) (*Interest Rate*);

Issuer means Holcim Finance (Luxembourg) S.A.;

Investment Grade means Baa3 (in the case of Moody's) or BBB- (in the case of S&P) or the equivalent rating level of any other Substitute Rating Agency or higher;

Junior Obligations means the Junior Obligations of the Guarantor and the Junior Obligations of the Issuer;

Junior Obligations of the Guarantor means (i) any class of share capital of the Guarantor; (ii) all obligations of the Guarantor issued or incurred directly or indirectly by it, which rank or are expressed to rank *pari passu* with any class of share capital of the Guarantor; or (iii) any guarantee or support agreement entered into by the Guarantor in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank, *pari passu* with the obligations referred to in (i) or (ii);

Junior Obligations of the Issuer means (i) any class of share capital of the Issuer; (ii) all obligations of the Issuer issued or incurred directly or indirectly by it, which rank or are expressed to rank *pari passu* with any class of share capital of the Issuer; or (iii) any guarantee or support agreement entered into by the Issuer in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank, *pari passu* with the obligations referred to in (i) or (ii);

Mandatory Settlement Date means the earliest of:

(i) as soon as reasonably practicable (but not later than the seventh Business Day) following the date on which a Compulsory Payment Event occurs;

(ii) following any Deferred Interest Payment, the next scheduled Interest Payment Date on which the Issuer does not elect to defer the interest accrued for the relevant period;

(iii) the date on which the Notes are redeemed or varied or substituted or repaid following an Enforcement Event or the Issuer is substituted in accordance with Condition 7 (*Redemption*), Condition 8 (*Substitution or Variation*), Condition 12 (*Enforcement Event*) or Condition 16 (*Substitution of Issuer*); or

(iv) the date on which an order is made for the winding-up, liquidation or dissolution (including, for the avoidance of doubt, in the case of the Guarantor, the opening of bankruptcy proceedings (*Konkurseröffnung*)) of the Issuer or the Guarantor (other than an Issuer Solvent Liquidation or Guarantor Solvent Liquidation);

Moody's means Moody's Deutschland GmbH or any of its affiliates or any of their respective successors;

a ***Negative Rating Event*** shall be deemed to have occurred if at such time as there is no Corporate Rating assigned to LafargeHolcim Ltd by a Rating Agency, (i) LafargeHolcim Ltd does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a Corporate Rating of, LafargeHolcim Ltd or (ii) if

LafargeHolcim Ltd does so seek and use such endeavours, it is unable to obtain such a Corporate Rating of at least Investment Grade by the end of the Change of Control Period;

Non-Investment Grade Rating means Ba1 (in the case of Moody's) or BB+ (in the case of S&P) or the equivalent rating level of any Substitute Rating Agency or worse;

Notes has the meaning given to it in the preamble to these Conditions;

Parity Obligations means the Parity Obligations of the Guarantor and the Parity Obligations of the Issuer;

Parity Obligations of the Guarantor, with respect to the Guarantor means (if any) (i) any obligations of the Guarantor, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with its obligations under the Guarantee, (ii) any guarantee or support agreement entered into by the Guarantor in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank, *pari passu* with its obligations under the Guarantee (including any Supplemental Guarantee) or (iii) the guarantee granted by the Guarantor in respect of the CHF 200,000,000 subordinated fixed rate resettable notes issued by LafargeHolcim Helvetia Finance Ltd (ISIN: CH0398633724);

Parity Obligations of the Issuer, with respect to the Issuer means (if any) (i) any obligations of the Issuer, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Notes or (ii) any guarantee or support agreement entered into by the Issuer in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank, *pari passu* with the Notes;

Paying Agents has the meaning given to it in the preamble to these Conditions;

Qualifying Securities has the meaning given to it in Condition 8 (*Substitution or Variation*);

Rating Agency means S&P or Moody's or any rating agency (a ***Substitute Rating Agency***) substituted for, or added to, any of them by the Issuer from time to time;

a ***Rating Agency Event*** shall be deemed to occur if the Issuer or the Guarantor has received (directly or via publication by any Rating Agency), confirmation from any Rating Agency of an amendment to, clarification of or change in its assessment criteria or a change in the interpretation thereof which becomes effective on or after the Issue Date (or, if later, effective after the date on which the Notes are assigned "equity credit" by the relevant Rating Agency for the first time) and as a result of which, but not otherwise, the Notes will no longer be eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date (or if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time);

Register has the meaning given to it in Condition 1(a) (*Form and Denomination*);

Regulated Market means a market as defined by Article 4.1 (21) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments;

Relevant Date means (i) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Fiscal Agent on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 18 (*Notices*), and (ii) in respect of a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date which is one day prior to

the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

Relevant Tax Jurisdiction means each of Luxembourg, Switzerland or the jurisdiction of a Substitute (as applicable);

a ***Repurchase Event*** shall be deemed to occur if the Issuer, the Guarantor and/or any of their respective Subsidiaries has/have in the aggregate purchased or redeemed Notes in aggregate principal amount equal to or in excess of 75 per cent. in the principal amount of the Notes initially issued (which shall for this purpose include any further Notes issued pursuant to Condition 19 (*Further Issues*));

Reset Date means the First Reset Date and each date falling on the fifth anniversary of the First Reset Date;

Reset Period means the period from one Reset Date to (but excluding) the next following Reset Date;

Reset Reference Banks means five major banks in the interbank market in London or the eurozone as selected by the Agent Bank, after consultation with the Issuer;

S&P means S&P Global Ratings Europe Ltd or any of its affiliates or any of their respective successors;

Senior Obligations means the Senior Obligations of the Guarantor and the Senior Obligations of the Issuer;

Senior Obligations of the Guarantor means all obligations of the Guarantor, issued or incurred directly or indirectly by it, other than Parity Obligations of the Guarantor and Junior Obligations of the Guarantor;

Senior Obligations of the Issuer means all obligations of the Issuer, issued or incurred directly or indirectly by it, other than Parity Obligations of the Issuer and Junior Obligations of the Issuer;

Special Event means any of an Accounting Event, a Rating Agency Event, a Repurchase Event, a Tax Event or a Gross-up Event or any combination of the foregoing;

Subsequent Fixed Interest Rate has the meaning given to it in Condition 5(d) (*Subsequent Fixed Interest Rates*);

Subsidiary means, at any particular time, a company which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer, or the Guarantor, as the case may be, and/or one or more of their respective Subsidiaries. For a company to be "controlled" by another means that the other (whether directly or indirectly and whether by the ownership of share capital or the possession of voting power) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company;

Substitute has the meaning given to it in Condition 16 (*Substitution of Issuer*);

Substitution or Variation Event has the meaning given to it in Condition 8 (*Substitution or Variation*);

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

a ***Tax Event*** shall be deemed to have occurred if as a result of (a) a Tax Law Change, or (b) a change in the accounting classification of the Notes in the Issuer's statutory annual accounts filed with the Registre de Commerce et des Sociétés, Luxembourg resulting from a change in accounting principles applicable to the Issuer occurring on or after the Issue Date, the part of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for corporate income tax in its Relevant Tax Jurisdiction is, or will by the next

Interest Payment Date be, substantially reduced and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it;

Tax Law Change means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of a Relevant Tax Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which a Relevant Tax Jurisdiction is a party, or any change in the application or official or generally published interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after 3 April 2019.

The following paragraphs do not form part of the terms and conditions of the Notes.

Unless (a) the rating assigned by S&P to the Guarantor is at least "BBB" (or such similar nomenclature then used by S&P) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or (b) the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Guarantor's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain at or below the maximum aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology, the Guarantor intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Notes to but excluding the Reset Date falling on 5 July 2044, in the event of:

(i) an early redemption of the Notes pursuant to Condition 7(b); or

(ii) a repurchase of the Notes of more than (a) 10 per cent. of the aggregate principal amount of the relevant Notes originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the relevant Notes originally issued in any period of 10 consecutive years,

to cause the Issuer to redeem or repurchase such Notes only to the extent that such part of the aggregate principal amount of the relevant Notes to be redeemed or repurchased as was characterised as equity by S&P at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes) does not exceed such part of the net proceeds which is received by the Issuer, the Guarantor or any Subsidiary of the Guarantor prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or any Subsidiary of the Guarantor to third party purchasers (other than Subsidiaries of the Guarantor) of notes as is characterised by S&P, at the time of sale or issuance, as equity.

THE GLOBAL CERTIFICATE

Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common depositary for Euroclear and Clearstream Luxembourg (the "**Common Depositary**") and may be delivered on or prior to the Issue Date. Upon registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear and Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") as the holder of a Note represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his or her share of each payment made by the Issuer or the Guarantor, as the case may be, to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate or the Guarantee, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer or the Guarantor, as the case may be, in respect of payments due on the Notes and/or under the Guarantee, respectively, for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer or the Guarantor, as the case may be, will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

Exchange

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 1(c) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) upon an Enforcement Event; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer. Where a Global Certificate is only transferable in its entirety the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be a Global Certificate unless the transferee so

requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

Amendment to Conditions

The Global Certificate contains provisions that apply to the Notes that it represents some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is an overview of certain of those provisions:

Payments

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Meetings

The holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as being two persons for the purpose of any quorum requirements of a meeting of Holders and as being entitled to one vote in respect of each integral currency unit of the Notes.

Issuer's Option

Any option of the Issuer provided for in the Conditions of the Notes while such Notes are represented by a Global Certificate shall be exercised by the Issuer giving notice to the Holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

Rights of Accountholders

If an Enforcement Event occurs, the holder of a Note represented by the Global Certificate may elect for direct enforcement rights against the Issuer and the Guarantor under the terms of a Deed of Covenant executed as a deed by the Issuer and the Guarantor on 5 April 2019 to come into effect in respect of a principal amount of Notes up to the aggregate principal amount in respect of which such Enforcement Event has occurred in favour of the persons entitled to such payment as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion. However, no such election may be made in respect of Notes represented by the Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by the Global Certificate shall have been improperly withheld or refused.

Notices

So long as the Notes are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the holders of Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions, except that so long as the Notes are admitted to the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange, notices shall also be published in electronic form

on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above, provided that, in the case of notices delivered to a clearing system, such notices shall be deemed to be received on the date such notices are delivered to such clearing system.

Electronic Consent and Written Resolution

While any Global Certificate is registered in the name of any nominee for a clearing system, then:

(a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Holders duly convened and held, and shall be binding on all Holders whether or not they participated in such Electronic Consent; and

(b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely: (i) on consent or instructions given in writing directly to the Issuer by accountholders in the clearing system with entitlements to such Global Certificate; and/or (ii) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purposes of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificates or other documents issued by, in the case of (i) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (ii) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (ii) above. Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

FORM OF SUBORDINATED GUARANTEE

5 April 2019
by

LafargeHolcim Ltd
(the "Guarantor")

in respect of

EUR 500,000,000 SUBORDINATED FIXED RATE RESETTABLE NOTES ISSUED BY HOLCIM FINANCE (LUXEMBOURG) S.A. (THE "NOTES")

WHEREAS,

In accordance with the provisions of the subscription agreement entered into on 3 April 2019 (the "**Subscription Agreement**"), among Holcim Finance (Luxembourg) S.A. (the "**Issuer**"), the Guarantor, BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, J.P. Morgan Securities plc, MUFG Securities (Europe) N.V., Natixis and Société Générale (the "**Managers**"), the Issuer has agreed to sell to each of the Managers and each of the Managers has jointly and severally agreed to purchase the Notes in accordance with the Subscription Agreement. The Issuer has entered into a fiscal agency agreement on 5 April 2019 (the "**Fiscal Agency Agreement**"), in relation to the Notes with Citibank N.A., London Branch as fiscal agent and paying agent (the "**Fiscal Agent**") and the other agents referred to therein, and the Issuer has executed a deed of covenant dated 5 April 2019 (as amended from time to time) (the "**Deed of Covenant**").

The Guarantor has agreed to guarantee the payment of principal, interest and all other amounts payable by the Issuer to holders of the Notes (the "**Noteholders**"), and to the Accountholders (as defined in the Deed of Covenant) (the Noteholders and the Accountholders are, together, referred to herein as the "**Holders**").

NOW THEREFORE, the Guarantor undertakes as follows:

1. The Guarantor hereby irrevocably and unconditionally guarantees, in accordance with the terms of Article 111 of the Swiss Code of Obligations, to the Holders the due and punctual payment of principal, interest (including, without limitation, Arrears of Interest) and all other amounts payable by the Issuer under the Notes as and when the same become due according to the terms and conditions of the Notes (as amended from time to time) (the "**Conditions**").

2. The Guarantor irrevocably undertakes to pay on first demand to the Holders, in accordance with the terms of the Fiscal Agency Agreement, irrespective of the validity and the legal effects of the Notes and waiving all rights of objection and defence arising from the Notes, any amount up to 110 per cent. of the aggregate principal amount of the Notes outstanding from time to time (such total amount of this Subordinated Guarantee as may be reduced from time to time pursuant to clause 5 of this Subordinated Guarantee, the "**Guarantee Amount**"), covering principal, interest (including, without limitation, Arrears of Interest) and all other amounts payable in relation to the Notes, upon receipt of the written request to the Fiscal Agent by any Holder for payment in relation to the Notes held by such Holder and its confirmation in writing that the Issuer has not met its obligations arising from the Notes on the due date in the amount called under this Subordinated Guarantee.

3. (a) The obligations of the Guarantor under this Subordinated Guarantee constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and rank *pari passu* among themselves. The rights and claims of the Holders under this Subordinated Guarantee are subordinated as described in subclause (b) below.

(b) In the event of:

(i) the liquidation, dissolution, bankruptcy (*Konkurs*), insolvency, composition or other proceedings for the avoidance of insolvency (*Nachlassverfahren*) of the Guarantor (except, in any such case, a solvent liquidation solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion or amalgamation where the continuing entity assumes the obligations under the Guarantee and all or substantially all of the assets of the Guarantor, the terms of which reorganisation, restructuring, reconstruction, merger, conversion or amalgamation (x) are authorised or permitted in accordance with the provisions of the Conditions and this Subordinated Guarantee or have been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions); or

(ii) any analogous event relating to the Guarantor to those described in (i) above under any insolvency, bankruptcy or similar law applicable to the Guarantor,

the rights and claims of Holders against the Guarantor in respect of or arising under this Subordinated Guarantee will rank (A) junior to the claims of the holders of all Senior Obligations, (B) *pari passu* with the claims of the holders of all Parity Obligations and (C) senior to the claims of the holders of all Junior Obligations.

"**Senior Obligations**" means all obligations of the Guarantor issued or incurred directly or indirectly by it, other than Parity Obligations and Junior Obligations.

"**Parity Obligations**" means (x) any obligations of the Guarantor issued or incurred directly or indirectly by it that rank, or are expressed to rank, *pari passu* with its obligations under this Subordinated Guarantee, (y) any guarantee or support agreement entered into by the Guarantor in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank, *pari passu* with its obligations under this Subordinated Guarantee (including any Supplemental Guarantee), or (z) the guarantee granted by the Guarantor in respect of the CHF 200,000,000 subordinated fixed rate resettable notes issued by LafargeHolcim Helvetia Finance Ltd (ISIN: CH0398633724).

"**Junior Obligations**" means (x) any class of share capital of the Guarantor, (y) all obligations of the Guarantor issued or incurred directly or indirectly by it that rank, or are expressed to rank, *pari passu* with any class of share capital of the Guarantor, or (z) any guarantee or support agreement entered into by the Guarantor in respect of an obligation of any Subsidiary of the Guarantor where such guarantee or support agreement ranks, or is expressed to rank, *pari passu* with the obligations referred to in (x) or (y) above.

(c) Nothing in subclause (b) above shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Agents or the rights and remedies of the Agents in respect thereof.

(d) In accordance with the Conditions, no remedy against the Guarantor, other than as described in Condition 12 (*Enforcement Event*) shall be available to the Holders, whether for the recovery of

amounts owing in respect of this Subordinated Guarantee or in respect of any other breach by the Guarantor of any of its other obligations under or in respect of this Subordinated Guarantee.

4. Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with this Subordinated Guarantee and each Holder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

5. This Subordinated Guarantee will remain in full force and effect regardless of any amendment to the Conditions or any of the Issuer's obligations under any of them; *provided*, *however*, that if the Guarantor is substituted for the Issuer as principal debtor under the Notes pursuant to Condition 16 (*Substitution of Issuer*), this Subordinated Guarantee will cease to exist. It will remain valid until all amounts of principal, interest (including, without limitation, Arrears of Interest) and other amounts payable in relation to the Notes are paid in full, subject to the provisions set out in clause 2 of this Subordinated Guarantee. The Guarantee Amount will, however, be reduced (a) automatically in accordance with clause 2 of this Subordinated Guarantee upon reduction of the aggregate principal amount of the Notes outstanding from time to time, (b) by any payment of interest (including, without limitation, Arrears of Interest) and other amounts made to Holders hereunder, and (c) by any payment of any amounts made to the Holders under any Supplemental Guarantee entered into by the Guarantor in accordance with subclause (ii) of Condition 16 (*Substitution of Issuer*).

6. All payments under this Subordinated Guarantee shall be made free and clear of, and without withholding or deduction for, taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Switzerland or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Guarantor shall pay such additional amounts as shall result in receipt by the relevant Holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to this Subordinated Guarantee:

(a) to, or to a third party on behalf of, a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such payment under this Subordinated Guarantee by reason of its having some connection with Switzerland other than the holding of the mere benefit under this Subordinated Guarantee; or

(b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where payment under this Subordinated Guarantee is requested; or

(c) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the Holder of it would have been entitled to such additional amounts on presentation for payment on the last day of such period of 30 days; or

(d) where such withholding or deduction is required to be made pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the draft legislation of the Swiss Federal Council of 17 December 2014, or otherwise changing the Swiss federal withholding tax system from an issuer-based system to a paying agent-based system pursuant to which a person other than the issuer is required to withhold tax on any interest payments introduced in order to conform to, such agreements; or

(e) for or on account of any combination of taxes, duties, assessments or governmental charges referred to in the preceding subclauses (a), (b), (c) and (d).

As used herein, "**Relevant Date**" in respect of any payment under this Subordinated Guarantee means (i) the date on which such payment first becomes due or (ii) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date that is seven days after the date on which the Fiscal Agent gives notice to the Noteholders that it has received the full amount payable.

Notwithstanding any other provision of this Subordinated Guarantee, any amounts to be paid hereunder, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Guarantor nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

7. This Subordinated Guarantee is governed by Swiss substantive law. Any dispute in respect of this Subordinated Guarantee shall be settled in accordance with Swiss law. The place of jurisdiction for any such dispute shall be the City of Zurich. The competent courts at the place of jurisdiction (which shall be, where applicable law so permits, the Commercial Court of the Canton of Zurich) shall have exclusive jurisdiction.

8. Terms and expressions not otherwise defined in this Subordinated Guarantee shall have the same meaning as in the Conditions. As used herein, (a) the term "Issuer" includes any Substitute (other than the Guarantor) pursuant to Condition 16 (*Substitution of Issuer*) and (b) the term "Notes" includes any further notes issued by the Issuer that are consolidated and form a single series with the Notes pursuant to Condition 19 (*Further Issues*).

Dated 5 April 2019

LAFARGEHOLCIM LTD

By: _____ By: _____

Name: _____ Name: _____

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used outside of Switzerland for general corporate purposes of the Group unless use in Switzerland is permitted under the Swiss taxation law in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

DESCRIPTION OF THE ISSUER

Holcim Finance (Luxembourg) S.A. was incorporated for an unlimited duration on 27 March 2003 in Luxembourg as a public limited liability company (*société anonyme*) under Luxembourg law and operates under Luxembourg law. Its Articles of Incorporation were published in the *Mémorial C, Journal Officiel du Grand-Duché de Luxembourg, Recueil des Sociétés et Associations* on 19 April 2003 on pages 20.663 – 20.667 and were last amended on 4 September 2008. The Issuer was registered with the Register of Commerce and Companies of Luxembourg under number B 92528 on 9 April 2003. The object of the Issuer as set out in Article 4 of its Articles of Incorporation is to act as a financing company. The registered office and the business address of the Issuer is at 21, rue Louvigny, L-1946 Luxembourg, Luxembourg and its telephone number is +35 22 673 8840. The share capital of the Issuer is EUR 1,900,000 divided into 190,000 shares of EUR 10 each, 99.99 per cent. of which is directly held by LafargeHolcim Ltd and 0.01 per cent. of which is directly held by Holderfin B.V., of which LafargeHolcim Ltd is the ultimate parent company, registered in Switzerland. The shares are all fully paid. The following table sets out details of the members of the Board of Directors.

Name	**Function**	**Other principal activities**
Christoph Kossmann	Director	Merck Finance sàrl. Merck Finanz SA Cipio Partners Sàrl Seneca Pool sàrl Various other board positions in the context of the professional activity with IQEQ (Luxembourg) SA
Laurent Jaques	Director	None outside the Group
Mireille Gehlen	Director	None outside the Group

The business addresses for the members of the Board of Directors are as follows:

Christoph Kossmann: 42 Chemin des Vignes 5576 Remich, Luxembourg,

Laurent Jaques: Im Schachen, 5113 Holderbank (AG), Switzerland, and

Mireille Gehlen: 53, rue de Merl, L-2146, Luxembourg.

The General Manager ("*Directeur Général*") of the Issuer is Michaël Bouchat. The General Manager does not have any potential principal activities outside the Group and his business address is 21, rue Louvigny, L-1946 Luxembourg, Luxembourg.

The Issuer is not aware of any potential conflicts of interest between the persons named above and their private interests or duties.

None of the members of the Board of Directors, officers and staff of the Issuer has any beneficial interest in the debentures or shares of the Issuer, nor are there any schemes for involving them in the capital thereof.

The Issuer's principal purpose and activity is to act as a financing company for the Group and it has no independent operating business of its own.

The Issuer has not distributed any dividends since the date of its incorporation.

The financial year of the Issuer ends on 31 December in each year.

The financial statements for the year ended 31 December 2018 and 2017 were audited by Deloitte Audit, 560 rue de Neudorf, 2220 Luxembourg, Luxembourg (registered as a corporate body with the official table of company auditors drawn up by the Luxembourg Ministry of Justice and member of the Institute of Auditors (*L'Institut des Réviseurs d'Entreprises*) and approved by the CSSF in the context of the law dated 23 July 2016 relating to the audit profession). Deloitte Audit was re-elected on 26 February 2019 for the financial year commencing 1 January 2019.

THE LAFARGEHOLCIM GROUP

LafargeHolcim Ltd is the holding company of the Group and was registered as a corporation under Swiss law under the name "Holderbank Financière Glaris Ltd." in the register of commerce of the Canton of Glarus, Switzerland, on 4 August 1930 under number 160.3.003.050-5 with unlimited duration and operates under Swiss law. As of 18 May 2001, the company changed its name to "Holcim Ltd" and moved its registered office to Rapperswil-Jona and was registered with the Commercial Register of the Canton of St. Gallen, Switzerland. Due to a change in the filing system of the Commercial Register effective in December 2013, LafargeHolcim Ltd is now registered under the number CHE-100.136.893. As of 10 July 2015, Holcim Ltd completed its merger with Lafarge S.A. and changed its name to "LafargeHolcim Ltd". The most recent Articles of Incorporation of LafargeHolcim Ltd were adopted on October 21, 2015. The registered office of LafargeHolcim Ltd is at Zürcherstrasse 156, 8645 Jona, Switzerland and its telephone number is +41 58 858 5858. As at the date of this Prospectus, the nominal, fully paid-up share capital of LafargeHolcim Ltd amounted to CHF 1,213,818,160. The share capital is divided into 606,909,080 registered shares of CHF 2 nominal value each. The share capital may be raised by a nominal amount of CHF 2,844,700 through the issuance of a maximum of 1,422,350 fully paid-in registered shares, each with a par value of CHF 2 (as at the date of this Prospectus). This conditional capital may be used for exercising convertible and/or option rights relating to bonds or similar debt instruments of the Company or one of its Group companies.

In accordance with its Articles of Incorporation, notices to LafargeHolcim Ltd's shareholders are published in the Swiss Official Gazette of Commerce (*Schweizerisches Handelsamtsblatt*). The Board of Directors of LafargeHolcim Ltd may decide to publish notices to its shareholders in other newspapers.

The information in this section is qualified by reference to, and should be read in conjunction with, the information incorporated by reference into this Prospectus, see "*Documents incorporated by reference*".

Major Shareholders

According to the share register and disclosed through notifications filed with LafargeHolcim Ltd and the SIX Swiss Exchange, shareholders owning 3 per cent. or more are as follows:

- Thomas Schmidheiny directly and indirectly held 69,074,277 shares or 11.4 per cent. as at 31 December 2018 (31 December 2017: 69,072,527 shares or 11.4 per cent.);
- Groupe Bruxelles Lambert held 57,238,551 shares or 9.4 per cent. as at 31 December 2018 (31 December 2017: 57,238,551 shares or 9.4 per cent.);
- NNS Jersey Trust held 9,455,606 shares or 1.6 per cent. and additionally 16,993,600 options or 2.8 per cent., total of 4.4 per cent. as at 31 December 2018 (31 December 2017: 25,180,203 shares or 4.1 per cent. and additionally 10,000,000 options or 1.7 per cent., total of 5.8 per cent.)[1];
- Harris Associates L.P. declared holdings of 30,342,087 shares or 5.0 per cent. on 10 December 2018 (25 October 2017: 30,446,532 or 5.0 per cent.). Harris Associates Investment Trust declared holdings of 18,085,045 shares or 3.0 per cent. on 29 January 2019 (31 December 2018: 18,332,272 shares or 3.0 per cent);
- Norges Bank (the Central Bank of Norway) declared holdings of 18,330,151 shares or 3.0 per cent. on 8 November 2018;

- Black Rock Inc. declared holdings of 18,725,934 shares or 3.1 per cent. on 12 May 2017 (6 January 2017: 18,343,270 or 3.0 per cent.).

1 Included in share interest of Board of Directors, ultimate beneficial owner Nassef Sawiris.

Articles of Incorporation

LafargeHolcim Ltd is a corporation under Swiss law, of undetermined duration, with its registered office in Rapperswil-Jona, Canton of St. Gallen, Switzerland, registered with the Commercial Register of the Canton of St. Gallen, Switzerland under number CHE-100.136.893. According to Article 2 of the Articles of Incorporation of LafargeHolcim Ltd, the purpose of the Company is to participate in manufacturing, trade and financing companies in Switzerland and abroad, in particular in the hydraulic binders industry and other industries related thereto and the Company may pursue any form of business directly or indirectly related to its purpose or which is likely to promote it.

BUSINESS

*The selected historical financial information included in this section has been extracted or derived from the consolidated financial statements, which were prepared and presented in accordance with International Financial Reporting Standards ("**IFRS**"). This information should be read in conjunction with the consolidated financial statements and the notes related thereto incorporated by reference in this Prospectus.*

General

The Group's business activities are organised into five geographical regions (Asia Pacific, Latin America, Europe, North America and Middle East Africa) and are divided into four product lines:

- cement, which includes all activities focusing on the manufacture and distribution of cement and other cementitious materials;
- aggregates, which comprises the production, processing and distribution of aggregates such as crushed stone, gravel and sand;
- ready-mix concrete; and
- Solutions & Products, which comprises precast, concrete products, asphalts, mortars and contracting and services.

The Group operates in around 80 countries and has a diversified customer base for its products and does not rely on individual customers in any geographic region in which it operates. The Group serves a variety of customers ranging from individual homebuilders to organisations undertaking much larger and more complex infrastructure projects and also provides a wide range of value-added products, innovative services and comprehensive building solutions.

For the year ended 31 December 2018, the Group reported a Recurring EBITDA of CHF 6,016 million on net sales of CHF 27,466 million compared to a Recurring EBITDA of CHF 5,990 million on net sales of CHF 27,021[1] million in 2017. The Group reported a Free Cash Flow of CHF 1,703 million for the year ended 31 December 2018 and CHF 1,685 million for the year ended 31 December 2017.

Products

Cement

LafargeHolcim is one of the largest global producers of cement and clinker in the world in terms of consolidated volume sold. The cement business segment accounted for combined net sales of CHF 18,052 million (including inter-segment sales) for the year ended 31 December 2018.

Cement is manufactured through a large-scale, complex, and capital and energy-intensive process. At the core of the production process is a rotary kiln, in which limestone and clay are heated to approximately 1,450 degrees celsius. The semi-finished product, called clinker, is created by sintering. In the cement mill, gypsum is added to the clinker and the mixture is ground to a fine powder – traditional portland cement. Other high-grade materials such as granulated blast furnace slag, fly ash, pozzolan, and limestone are added in order to modify the properties of the cement. LafargeHolcim offers customers a very wide range of cements. The

[1] Net Sales 2017 restated by CHF 893 million due to the reporting of Gross Sales from trading activities, following the application of IFRS 15, effective 1 January 2018. This had no impact on Recurring EBITDA.

Group also generates added value for its partners through the advice it gives and the customised solutions it delivers for specific construction projects.

Aggregates

The Group is a producer of aggregates. The aggregates business segment accounted for total net sales of CHF 4,091 million (including inter-segment sales) for the year ended 31 December 2018.

Aggregates include crushed stone, gravel and sand. The production process centres around quarrying, preparing and sorting the raw material, as well as quality testing. Aggregates are mainly used in the manufacturing of ready-mix concrete, concrete products and asphalt as well as for road building and railway track beds. The recycling of aggregates from concrete material is an alternative that is gaining importance at the Group.

Ready-Mix Concrete

The ready-mix concrete business segment accounted for sales (including inter-segment sales) of CHF 5,481 million for the year ended 31 December 2018.

Solutions & Products

The Solutions & Products business segment accounted for sales (including inter-segment sales) of CHF 2,396 million for the year ended 31 December 2018.

Competition

Many of the markets for cement, aggregates and other construction materials and services are highly competitive. Competition in these segments is based largely on price and, to a lesser extent (but still substantially), quality and service, due to the relatively low degree of product differentiation and the predominantly commodity nature of building material products and construction services.

The Group estimates (on the basis of data contained in the Global Cement Directory 2018) that as at January 2018 the top four global cement producers represented approximately 25 per cent. of global capacity (excluding China). Competition for the Group in the cement industry varies from market to market, but on a global basis the Group believes its major competitors to be HeidelbergCement AG, CRH plc and Cemex S.A.B. de C.V..

The Group competes in each of its markets with domestic and foreign suppliers as well as with importers of foreign products and with local and foreign construction service providers. Accordingly, the Group's profitability is generally dependent on the level of demand for such building materials and services as a whole, and on its ability to control its efficiency and operating costs. Prices in these markets are subject to material changes in response to relatively minor fluctuations in supply and demand, general economic conditions, and other market conditions beyond the Group's control. As a consequence, the Group may face price, margin or volume declines in the future. Any significant volume, margin or price declines could have an adverse effect on the Group's results of operations.

Recent Developments since 31 December 2018

On 31 January 2019, the Group closed the disposal of its entire shareholding of 80.6 per cent. of Holcim Indonesia to Semen Indonesia for an enterprise value of CHF 1.75 billion, on a 100 per cent. basis.

In January 2019, the Group acquired the precast and ready-mix concrete businesses of Alfons Greten Betonwerk in Northern Germany.

On 1 February 2019, the Group acquired Transit Mix Concrete Co., a leading supplier of building materials in Colorado and subsidiary of Continental Materials Corporation.

On 1 March 2019, the Group acquired Colorado River Concrete, comprising of one ready-mix concrete plant in Forth Worth, Texas.

On 1 March 2019, the Group acquired the ready-mix businesses of Donmix in Australia, comprising of five ready-mix plants on the Bass Coast, in the State of Victoria.

In the 2018 Annual Report, 2018 Results Media Release and the 2018 Analyst Presentation LafargeHolcim Ltd stated that:

- as part of its new Strategy 2022 – 'Building for Growth', it commits, over the next five years, to the following targets[2]: (i) Annual Net Sales growth of 3 to 5 per cent. on a like-for-like basis, (ii) Annual Recurring EBITDA growth of at least 5 per cent. on a like-for-like basis, (iii) improvement in the Free Cash Flow to over 40 per cent. of Recurring EBITDA, and (iv) improvement in ROIC to more than 8 per cent.; and

- for 2019, the Group confirms the previously communicated targets of (i) Net Sales growth of 3 to 5 per cent. on a like-for-like basis, (ii) Recurring EBITDA growth of at least 5 per cent. on a like-for-like basis and (iii) a ratio of Net Debt to Recurring EBITDA 2 times or less by the end of 2019 (before application of IFRS 16 and at constant foreign exchange).

The principal assumptions on which these forecasts are based come from individual country's local budgets and additional forecasts, which are reviewed by the relevant country management and validated by the LafargeHolcim Executive Committee taking into account the local market conditions and the Group Strategy in those markets.

To the extent that such a statement constitutes a profit forecast within the meaning of Commission Regulation EC No 809/2004, LafargeHolcim confirms that the profit forecast has been properly prepared on the basis stated and that the accounting policies used for the purposes of such forecast are consistent with the accounting policies of LafargeHolcim.

Recent trends, uncertainties and demands

Solid global market demand is expected to continue in 2019 with the following market trends:

- continued market growth in North America;

- softer but stabilising cement demand in Latin America;

- continued demand growth in Europe;

- challenging but stabilising market conditions in Middle East Africa; and

- continued strong demand growth in Asia Pacific.

Board of Directors, Executive Committee and Management Board

Board of Directors

The Board of Directors consists of 10 members, all of whom are independent, were not previously members of the LafargeHolcim management, and have no important business connections with LafargeHolcim.

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[2] Non-GAAP measures are defined on page 282 of the 2018 Annual Report, which is incorporated by reference in this Prospectus.

As at the date of this Prospectus, the following persons belong to the Board of Directors:

Members of the Board of Directors	Functions
Beat Hess	Chairman
Oscar Fanjul	Vice-Chairman
Paul Desmarais, Jr.	Member
Patrick Kron	Member
Gérard Lamarche	Member
Adrian Loader	Member
Jürg Oleas	Member
Nassef Sawiris	Member
Hanne B. Sørensen	Member
Dieter Spälti	Member

The Group is not aware of any potential conflicts of interest between the duties to LafargeHolcim Ltd of the persons listed above and their private interests or duties.

The business address for each member of the Board of Directors is LafargeHolcim Ltd, Zürcherstrasse 156, 8645 Jona, Switzerland.

Audit Committee

The composition of the Audit Committee as at the date of this Prospectus is as follows:

Patrick Kron	Chairman
Gérard Lamarche	Member
Jürg Oleas	Member
Dieter Spälti	Member

Group Executive Committee

The following are the members of the Executive Committee of the Group and their area of responsibility as at the date of this Prospectus:

Jan Jenisch	Chief Executive Officer
Géraldine Picaud	Chief Financial Officer
Marcel Cobuz	Member (Region Head Europe)
Miljan Gutovic	Member (Region Head Middle East Africa)
Martin Kriegner	Member (Region Head Asia)
Oliver Osswald	Member (Regional Head Latin America)
René Thibault	Member (Region Head North America)
Feliciano González Muñoz	Member (Head Human Resources)

Keith Carr	Member (Head Legal and Compliance)

Save for (i) Jan Jenisch who is a non-executive Director of the stock-listed Schweiter Technologies AG, of the privately held Glas Troesch and a non-executive Director of the Swiss-American Chamber of Commerce and (ii) Géraldine Picaud who is non-executive Director of the stock-listed Infineon Technologies AG, the Group is not aware of any potential conflicts of interest between the duties to LafargeHolcim Ltd of the persons listed above and their private interests or duties.

The business address of each of the above is LafargeHolcim Ltd, Zürcherstrasse 156, 8645 Jona, Switzerland.

Auditors

Deloitte AG, General-Guisan-Quai 38, 8022 Zürich, Switzerland (registered with the Federal Audit Oversight Authority) audited the Group's consolidated financial statements for the fiscal years ended 31 December 2018 and 31 December 2017. Deloitte AG were appointed on 3 May 2017.

Dividend Payments and Payouts

LafargeHolcim Ltd has paid dividends and payouts in the amounts set out in the following table for the last five years.

Year Paid	**(CHF)**
2012	325,009,048
2013	374,326,672
2014	423,508,284
2015	423,661,168 and scrip dividend(1)
2016	908,553,102
2017	1,211,974,964
2018	1,192,218,800

Note:

(1) Following the successful completion of the merger to create LafargeHolcim, an exceptional scrip dividend of one new LafargeHolcim Ltd share for every twenty existing LafargeHolcim Ltd shares was distributed to all LafargeHolcim Ltd shareholders

For the 2018 financial year, the Board of Directors is proposing a payout from capital contribution reserves in the amount of CHF 2.00 per registered share: Subject to approval by the annual general meeting, shareholders will be given the choice of having the dividend paid out in cash, in the form of new LafargeHolcim Ltd shares, or as a combination of cash and shares (scrip dividend). The new shares will be issued at a discount to the market price.

Intellectual Property

The Group owns or has licences to use various trademarks, patents and other intellectual property rights that are of value to its business. The Group owns or has the right to use all relevant trademarks used in conjunction with the marketing of its products.

Competition Proceedings

Competition Law Compliance Initiative

The Group has a code of business conduct which includes principles of fair competition. The code is complemented in the area of competition law by a Group fair competition policy and related directives which set out a competition law compliance programme (including fair competition reviews) across the Group. The code of conduct as well as the standards and procedures provided by the competition law compliance programme are regularly monitored and strictly enforced. The Group has a zero-tolerance policy with respect to all violations of laws and regulations, including competition laws and regulations.

All competition law proceedings or investigations disclosed below may involve a risk of significant fines. The amount of such fine depends on a variety of factors and can vary significantly from one jurisdiction to the next, but is typically based around the turnover generated by the respective Group company from sales of the product subject to the infringement. Any competition law order or court decision may also trigger additional follow-on damages litigation (see also "*Risk Factors – Competition*" and "*Risk Factors – Competition Regulation*").

India

The Competition Commission of India ("**CCI**") issued in June 2012, and after a successful appeal, again in August 2016, an order imposing a penalty on Ambuja Cements Ltd. ("**ACL**"), ACC Limited ("**ACC**") and on the divested subsidiary Lafarge India for which the Group provided an indemnification guarantee. The order found those companies together with other cement producers in India to have engaged in price coordination and imposed penalties on the cement companies and their trade association.

The total amount of penalties (including interests) relating to the three companies is approximately CHF 476 million as of 31 December 2018. The companies appealed the order before the Competition Appellate Tribunal ("**COMPAT**"). As per the interim order passed by COMPAT in 2016, the companies placed a deposit of 10 per cent. of the penalty amounts with a financial institution with a lien in favour of COMPAT. In May 2017, all matters pending before COMPAT were transferred to the National Company Law Appellate Tribunal ("**NCLAT**"). In July 2018, the NCLAT dismissed the appeal of the companies against the CCI order and upheld the fines imposed. The companies filed an appeal with the Supreme Court which was admitted on 5 October 2018 and the interim order passed by COMPAT was directed to be continued. Hearings before the Supreme Court may take place in 2019.

Brazil

On 28 May 2014, the Administrative Council for Economic Defense ("**CADE**") ruled that Holcim Brazil along with other cement producers had engaged in price collusion and other anticompetitive behaviour. The ruling includes behavioural remedies prohibiting certain greenfield projects, divestment of a ready-mix plant, and M&A activities and fines against the defendants. This order became enforceable on 21 September 2015 and applies to Holcim Brazil, which has been fined CHF 150 million (BRL 508 million) as at the date of the order. In September 2015, Holcim Brazil filed an appeal against the order, offering a cement plant as guarantee to support its appeal. The fine and the behavioural remedies imposed by CADE were suspended by

two decisions of the court of first instance on 29 September 2016 and 21 October 2016. Unless successfully appealed by CADE, the suspension will remain in effect until the completion of the substantive proceedings against the CADE ruling. As of 31 December 2018, the total amount including interests and monetary adjustment is approximately CHF 190 million (BRL 750 million).

Court, Arbitral and Administrative Proceedings

Brazil

(i) On 31 December 2010, in an extraordinary general meeting, the merger of Lafarge Brasil S.A. into LACIM was approved by the majority of shareholders of Lafarge Brasil S.A.. Two minority shareholders (Maringa and Ponte Alta) holding a combined ownership of 8.93 per cent., dissented from the merger decision and subsequently exercised their right to withdraw as provided for by the Brazilian Corporation law. In application of such law, an amount of CHF 22 million (BRL 76 million) was paid by Lafarge Brasil S.A. to the two dissenting shareholders. In March 2013, the two shareholders obtained a ruling from the Court of first instance ordering Lafarge Brasil S.A. to pay Maringa and Ponte Alta the difference between the amount paid for their shares at the time of the exercise of the withdrawal rights by the plaintiffs (based on book value) and the price per share calculated according to a fair market value, this value approximates CHF 108 million (BRL 366 million) as at the date of the order. Following a first unsuccessful appeal by Lafarge Brasil S.A., in September 2017, the Superior Court of Justice denied a further appeal filed by LafargeHolcim (Brasil) S.A.. In February 2018, a settlement agreement was signed with the claimants and all agreed settlement payments had been made by 30 June 2018. The related court cases have been closed.

(ii) In July 2016, Lafarge Brasil S.A. received an assessment from the Brazilian Internal Revenue Service, claiming the reversal of a deducted Goodwill for the years 2011 and 2012. The amount in dispute is CHF 84 million (BRL 332 million) as of 31 December 2018 and includes any penalty and interest. After challenging the assessment, the company received a favorable decision from the Administrative Tax Appeals Council in August 2018. The Brazilian Internal Revenue Service has appealed this decision before the Superior Administrative Chamber. Additionally, in November 2018, LafargeHolcim (Brasil) S.A. received a similar assessment from the Brazilian Internal Revenue Service, again claiming reversal of deducted Goodwill for the years 2013 and 2014 which the company is contesting in the first instance. The amount in dispute for this second matter is CHF 65 million (BRL 258 million).

Syria

The criminal proceedings in France related to the alleged dealings of Lafarge Cement Syria with terrorist organisations in the years 2013 and 2014 are currently pending with the investigating judges in Paris. The company has completed its internal independent investigation into the alleged underlying facts under the supervision of the Board of Directors. On 24 April 2017, the Group reported on the main findings of the investigation and the remediation measures decided on by the Board of Directors. On 28 June 2018, the investigating judges decided to put Lafarge SA under judicial investigation and the legal charges put forward against individual wrongdoings have been received. In addition Lafarge SA was requested by the investigating judges to deposit a bail guarantee of EUR 30 million. Bar the qualification of the charges, the placement of Lafarge SA under judicial investigation was expected given that several of its former managers have previously been placed under judicial investigation. Lafarge SA has appealed against those charges in

December 2018 which, in its view, do not fairly represent the responsibilities of Lafarge SA. As a precaution, LafargeHolcim has decided to record a provision of CHF35 million. Based on the information available as of this date, there is no indication that the judicial investigation is likely to result in any other negative financial impact that is material to the Group.

Hungary

There has been litigation in Hungary for a number of years related to the ownership of assets and damage compensation in the context of the privatisation of one of the former Holcim cement plants in Hungary. The plant was closed a number of years ago and remains inactive and the Group believes the plant is illegally occupied by the counterparty in the litigation. The litigation is ongoing in a number of different courts in Hungary but LafargeHolcim will continue to defend its legal position in all courts of competent jurisdiction.

Indonesia

In November and December 2016, the Indonesian tax authorities issued the final objection letter in respect of the 2010 PT Lafarge Cement Indonesia payment of Corporate Income and Withholding Tax including associated penalties of a total amount of CHF 34 million (IDR 500 billion) related to refinancing transactions. PT Lafarge Cement Indonesia appealed against this decision at the tax court to defend its initial statement. In case of a negative outcome for PT Lafarge Cement Indonesia, the total claim amounts to CHF 68 million (IDR 1 trillion) due to additional penalties charged for the appeal. In November 2018, the Group entered into an agreement to sell its shareholding in PT Holcim Indonesia Tbk, including its subsidiary PT Lafarge Cement Indonesia, to Semen Indonesia. The Group will continue to be liable for such claims due to an indemnification guarantee provided by the Group to PT Holcim Indonesia Tbk.

India

Both ACL and ACC were entitled to incentives in the form of excise duty benefit, in respect of Income Tax Assessment Years 2006-07 to 2015-16. In their tax returns, the companies treated the said incentives as capital in nature and hence not liable to income tax. For the years 2006-07 to 2012-13, the Income Tax Department had not accepted this position and appeals were filed by the companies against the orders of the assessing officer, with the Commissioner of Income Tax – Appeals (CIT-A). In prior fiscal years, ACC and ACL had classified the risk as probable and provided for a total amount of CHF 122 million. During the current year, the CIT-A ruled in favour of ACC and ACL for several assessment years. In view of this, the companies have reassessed the risk and concluded that the risk of an ultimate outflow of funds for this matter is no longer probable; accordingly the ACL and ACC have reversed the existing provisions of CHF 122 million. Pending final legal closure of this matter this amount has been disclosed as a contingent liability.

Legal Proceedings

In the ordinary course of business, the Group is involved, and may in the future become involved, in lawsuits, claims of various natures, investigations and proceedings, including product liability, commercial, environmental and health and safety matters, etc. (see also "*Risk Factors — Competition regulation*" on page 2, "*— Emerging markets risks*" on page 10, "*— Litigation risks*" on page 3, "*— Business – Recent Developments since 31 December 2018*" on page 78, "*Business — Competition Proceedings*" on page 82, and "*Business — Court, Arbitral and Administrative Proceedings*" on page 83). Details of the provisions in relation to litigation and the contingencies of the Group are set out at Note 17 of the consolidated financial

statements of LafargeHolcim for the year ended 31 December 2018 and at Notes 32, 37 and 40 of the consolidated financial statements of LafargeHolcim for the year ended 31 December 2017. On-going individual legal proceedings which the Group consider material are comprised of those competition law proceedings and court, arbitral and administrative proceedings described under the sections entitled "*Business – Recent Developments since 31 December 2018*", "*Business — Competition Proceedings*" and "*Business — Court, Arbitral and Administrative Proceedings*" on pages 78, 82 and 83 of this Prospectus.

TAXATION

The following is a general description of the Issuer's and the Guarantor's understanding of certain Luxembourg and Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date, even with retroactive effect.

Luxembourg

The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding Tax

If the Notes qualify as debt under Luxembourg tax law:

Under Luxembourg tax law currently in effect and subject to the exception below, no Luxembourg withholding tax is due on payments of interest (including accrued but unpaid interest) or repayments of principal.

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities are subject to a 20 per cent. withholding tax (the "**20 per cent. Luxembourg Withholding Tax**"). Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

If the Notes qualify as equity under Luxembourg tax law:

A 15% dividend withholding tax should apply unless (i) the conditions to benefit from the participation exemption as provided for by Article 147 of the Luxembourg income tax law are met or (ii) a reduced withholding tax rate provided for by a double tax treaty concluded with Luxembourg is applicable.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residence of the Noteholders

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg with which the holding of the Notes is connected, are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon redemption or repurchase of the Notes, or realise capital gains on the sale of any Notes.

Taxation of Luxembourg residents

Noteholders who are residents of Luxembourg, or non-resident Noteholders who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be liable to any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to withholding tax (see "*Withholding Tax*" above) or to the 20 per cent. Tax (as defined hereafter), if applicable. Indeed, pursuant to the Luxembourg law of 23 December 2005, as amended, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax (the "**20 per cent. Tax**") on interest payments made by paying agents located in an EU member state other than Luxembourg or in a member state of the European Economic Area. The 20 per cent. Luxembourg Withholding Tax or the 20 per cent. Tax represent the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the framework of their private wealth and can be reduced in consideration of foreign withholding tax, based on double tax treaties concluded by Luxembourg. Luxembourg resident individual Noteholders receiving the interest as business income must include interest income in their taxable basis; the 20 per cent. Luxembourg Withholding Tax levied, if applicable, will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon redemption, sale or exchange of the Notes, accrued but unpaid interest will, however, be subject to the 20 per cent. Luxembourg Withholding Tax or upon option by the Luxembourg resident individual Holder, the 20 per cent. Tax. Individual Luxembourg resident Noteholders receiving the interest as business income must also include the portion of the redemption price corresponding to this interest in their taxable income; the 20 per cent. Luxembourg Withholding Tax levied will be credited against their final income tax liability, if applicable.

Noteholders who are Luxembourg resident companies (*société de capitaux*) or foreign entities which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Notes is connected, must include in their taxable income any interest (including accrued but unpaid interest) and the difference between the sale or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders who are family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010, to the law of 13 February 2007, or to the law of 23 July 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax), other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on the Notes held by a corporate Holder, unless: (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by: (i) the laws of 17 December 2010 and 13 February 2007 on undertakings for collective investment; (ii) the law of 22 March 2004 on securitisation; (iii) the law of 15 June 2004 on the investment company in risk capital; (iv) the law of 11 May 2007 on family estate management companies; or (v) the law of 23 July 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the

investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) or (b) such Notes are attributable to an enterprise or part thereof which is carried on by a non-resident company in Luxembourg through a permanent establishment.

Luxembourg net wealth tax is levied at a 0.5 per cent. rate up to EUR 500 million taxable base and at a 0.05 per cent. rate on the taxable base in excess of EUR 500 million. Securitisation vehicles, investment companies in risk capital (*Société d'investissement en capital à risque* (SICAR)), a regulated structure designed for private equity and venture capital investments (organised as tax opaque companies), and reserved alternative investment funds subject to the law of 23 July 2016 (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies), are subject to net wealth tax up to the amount of the minimum net wealth tax.

The minimum net wealth tax is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, receivables against related companies, transferable securities and cash at bank exceeds 90 per cent. of their total gross assets and EUR 350,000, the minimum net wealth tax is currently set at EUR 4,815. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the EUR 4,815 minimum net wealth tax, the minimum net wealth tax ranges from EUR 535 to EUR 32,100, depending on the company's total gross assets.

Other Taxes

No stamp, value, issue, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, exchange or redemption of the Notes, unless the documents relating to the Notes are (i) voluntarily registered in Luxembourg, (ii) appended to a document that requires obligatory registration in Luxembourg (*annexés à un acte*), or (iii) if the Notes are deposited in the minutes of a notary (*déposés au rang des minutes d'un notaire*). There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer if, for Luxembourg value added tax purposes, such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

No Luxembourg inheritance tax is levied on the transfer of the Notes upon the death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Where a Noteholder is a resident of Luxembourg for tax purposes at the time of his death, the Notes are included in his taxable estate for inheritance tax assessment purposes. No Luxembourg gift tax will be levied on the transfer of the Notes by way of gift unless the gift is registered in Luxembourg.

Switzerland

The following discussion is an overview of certain material Swiss tax considerations based on the legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in the Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of the Notes in light of their particular circumstances.

Withholding tax

Neither payments of interest on, nor repayment of principal of, the Notes by the Issuer, or by LafargeHolcim Ltd as Guarantor, will be subject to Swiss federal withholding tax, even though the Notes are guaranteed by LafargeHolcim Ltd, provided that the Issuer will receive, and will use, the proceeds from the offering and sale of the Notes, at all times while any Notes are outstanding, outside Switzerland and that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On 4 November 2015, the Swiss Federal Council announced a mandate to the Swiss Federal Finance Department to institute a group of experts tasked with the preparation of a new proposal for a reform of the Swiss withholding tax system. The new proposal is expected to include in respect of interest payments the replacement of the existing debtor-based regime by a paying agent-based regime for Swiss withholding tax similar to the one published on 17 December 2014 by the Swiss Federal Council and repealed on 24 June 2015 following the negative outcome of the legislative consultation with Swiss official and private bodies. Further, on 23 October 2017, the Swiss Federal Economic Affairs and Taxation Committee of the Swiss National Council filed a parliamentary initiative reintroducing the request to replace the current debtor-based regime applicable to interest payments with a paying agent-based system for Swiss withholding tax. Under such a new paying agent-based regime, if enacted, a paying agent in Switzerland may be required to deduct Swiss withholding tax on any payments or any securing of payments of interest in respect of a Note for the benefit of the beneficial owner of the payment unless certain procedures are complied with to establish that the owner of the Note is not an individual resident in Switzerland.

Swiss federal stamp duty

Secondary market dealings in the Notes where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss Federal Stamp Duty Act) acts as a party or as an intermediary to the transaction may be subject to Swiss federal stamp duty on dealing in securities at a rate of up to 0.3 per cent. of the purchase price of Notes.

Income taxation on principal or interest

(i) Notes held by non-Swiss holders

Payments by the Issuer, or by LafargeHolcim Ltd as Guarantor, of interest on, and repayment of principal of, the Notes, to, and gain realised on the sale or redemption of Notes by, a holder of Notes who (x) is not a resident of Switzerland and (y) during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable, will not be liable to any Swiss federal, cantonal or communal income tax.

(ii) Notes held by Swiss resident holders as private assets

An individual who resides in Switzerland and privately holds a Note is required to include all payments of interest received on such Note (and any payment under the Guarantee in relation thereto) as well as an original issue discount or a repayment premium in his or her personal income tax return for the relevant tax period and is taxable on the net taxable income (including the payment of interest on the Note) for such tax period at the then prevailing tax rates.

Swiss resident individuals who sell or otherwise dispose of privately held Notes realise either a tax-free private capital gain or a non-tax-deductible capital loss. See "*Notes held as Swiss business assets*" below for an overview on the tax treatment of individuals classified as "**professional securities dealers**".

(iii) Notes held as Swiss business assets

Individuals who hold Notes as part of a business in Switzerland, Swiss-resident corporate taxpayers, and corporate taxpayers residing abroad holding Notes as part of a Swiss permanent establishment or fixed place of business in Switzerland, are required to recognise payments of interest on, and any capital gain or loss realised on the sale or other disposal of, such Notes, in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period at the prevailing tax rates. The same taxation treatment also applies to Swiss-resident individuals who, for Swiss income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealings, or leveraged transactions, in securities.

Automatic Exchange of Information in Tax Matters

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the "**MCAA**"). The MCAA is based on Article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the "**AEOI**"). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the "**AEOI Act**") entered into force on 1 January 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e. the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection.

Switzerland has concluded a multilateral AEOI agreement with the EU (replacing the EU savings tax agreement) and has concluded bilateral AEOI agreements with several non-EU countries.

Based on such multilateral agreements and bilateral agreements and the implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets, including, as the case may be, Notes, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a EU Member State or in a treaty state.

The proposed financial transactions tax ("FTT")

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may

decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Luxembourg and Switzerland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, J.P. Morgan Securities plc, MUFG Securities (Europe) N.V., Natixis and Société Générale (the "**Joint Bookrunners**") have, pursuant to a Subscription Agreement dated 3 April 2019 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Notes at 99.412 per cent. of their principal amount. The Issuer has agreed to pay to the Joint Bookrunners a combined management and underwriting commission. In addition, the Issuer has agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment in respect of the Securities being made to the Issuer.

Selling Restrictions

United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes and the Guarantee are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Guarantee, an offer or sale of Notes and the Guarantee within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Luxembourg

Each of the Joint Bookrunners has represented, warranted and agreed that the Notes having a maturity of less than 12 months that may qualify as securities and money market instruments in accordance with article 4 2(j) of the Luxembourg law dated 10 July 2005 on prospectuses for securities as amended (the "**Luxembourg Prospectus Law**") and implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, may not be offered or sold to the public within the territory of the Grand-Duchy of Luxembourg unless:

(a) a simplified prospectus has been duly approved by the Commission de Surveillance du Secteur Financier pursuant to part III of the Luxembourg Prospectus Law; or

(b) the offer benefits from an exemption to, or constitutes a transaction not subject to, the requirement to publish a prospectus under Part III of the Luxembourg Prospectus Law.

United Kingdom

Each Joint Bookrunner has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(b) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Joint Bookrunner has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Notes or any copy of this Prospectus or any other offer document in the Republic of Italy ("**Italy**") except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "**Consolidated Financial Services Act**") and Article 34-ter paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the "**CONSOB Regulation**"), all as amended; or

(b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1

September 1993 (the "**Banking Act**"), CONSOB Regulation No. 20307 of 15 February 2018, all as amended;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy or other competent authority.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Bookrunner has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. As used in this paragraph, "*resident of Japan*" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan

Switzerland

Each Joint Bookrunner has represented that it: (a) will only offer or sell, directly or indirectly, Notes in, into or from Switzerland in compliance with all applicable laws and regulations in force in Switzerland; and (b) will, to the extent necessary, obtain any consent, approval or permission required, if any, for the offer or sale by it of Notes under the laws and regulations in force in Switzerland.

This Prospectus and any information required to ensure compliance with the Swiss Code of Obligations and all other applicable laws and regulations in force in Switzerland (in particular, additional and updated corporate and financial information that shall be provided by the Issuer) may be used in the context of a public offer in, into or from Switzerland. Each Joint Bookrunner has therefore represented and agreed that the Prospectus (including any supplement thereto at the relevant time) and any further information shall be furnished to any potential purchaser in Switzerland upon request in such manner and at such times as shall be required by, and is in compliance with, the Swiss Code of Obligations and all other applicable laws and regulations in Switzerland.

France

Each of the Joint Bookrunners has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Singapore

Each of the Joint Bookrunners has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Bookrunner has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivative contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus, in any country or jurisdiction where action for that purpose is required.

Each Joint Bookrunner has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material, and neither the Issuer or the Guarantor nor any Joint Bookrunner shall have responsibility therefor.

GENERAL INFORMATION

It is expected that listing of the Notes on the Official List and admission of the Notes to trading on the Luxembourg Stock Exchange will be granted on or about 5 April 2019, subject only the issue of the Global Certificate. The fees estimated in connection with the listing and admission to trading of the Notes on the Luxembourg Stock Exchange are estimated to amount to approximately €12,600.

1. The Issuer may decide, pursuant to the provisions of Fiscal Agency Agreement and Subscription Agreement, to delist the Notes from the Luxembourg Stock Exchange and seek an alternative listing for the Notes on another stock exchange.

2. The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in Luxembourg and Switzerland, respectively in connection with the issue of the Notes and the Guarantee. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 29 October 2018. The giving of the guarantee in respect of the Notes was authorised and approved by a resolution of the Board of Directors of the Guarantor dated 21 June 2018.

3. There has been no significant change in the financial or trading position of the Issuer since 31 December 2018 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018. Save as disclosed in "*Business – Recent Developments since 31 December 2018*" on page 78 and in note 21 to the consolidated financial statements of LafargeHolcim Ltd for the year ended 31 December 2018, which is incorporated by reference in this Prospectus, there has been no significant change in the financial or trading position of the Guarantor since 31 December 2018 and there has been no material adverse change in the prospects of the Guarantor since 31 December 2018.

4. Except as disclosed in "Risk Factors – Competition regulation" on page 2, "*— Litigation risks*" on page 3, "*Business — Recent Developments since 31 December 2018*" on page 78, "*Business — Competition Proceedings*" on page 82, "*Business — Court, Arbitral and Administrative Proceedings*" on page 83, *"— Legal Proceedings*" on page 84 and in Note 17 to the consolidated financial statements of LafargeHolcim Ltd for the year ended 31 December 2018, which are incorporated by reference in this Prospectus, neither the Issuer nor any member of the Group has been involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, in the context of the issue of the Notes, on the financial position or profitability of the Issuer or the Guarantor.

5. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced, and, as far as the Issuer and the Guarantor are aware and are able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

6. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number ("**ISIN**") is XS1713466495 and the Common Code is 171346649.

7. Legal Entity Identifier of the Issuer is: 529900XU3Z9D2HLBR716.

8. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue John F. Kennedy L-1855 Luxembourg, Luxembourg.

9. For the period from (and including) the Issue Date to (but excluding) the First Reset Date, the yield on the Notes will be 3.125 per cent. per annum. Such yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

10. For the life of this Prospectus, copies of the following documents will, when published, be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection (and, in the case of sub-paragraphs (d) to (f) below, obtainable free of charge upon request) at the registered office of the Issuer and at the specified office of the Fiscal Agent:

(a) the Fiscal Agency Agreement;

(b) the Deed of Covenant;

(c) the Guarantee;

(d) the Articles of Association of the Issuer;

(e) the published annual report and audited financial statements of the Issuer and the Guarantor for the two most recent financial years ended prior to the date of this Prospectus; and

(f) a copy of this Prospectus together with any prospectus supplement or further prospectus.

In addition, this Prospectus and the documents incorporated by reference into this Prospectus will also be available for viewing on the website of the Luxembourg Stock Exchange at (*www.bourse.lu/home*).

11. Copies of the most recently published annual audited non-consolidated financial statements of the Issuer and the most recently published annual audited consolidated and non-consolidated financial statements and unaudited half yearly consolidated statement of financial position and statement of income of the Guarantor will be available for inspection (and obtainable free of charge upon request) at the specified offices of the Fiscal Agent during usual business hours on any weekday (Saturdays and public holidays excepted).

The Issuer does not currently publish interim financial statements or consolidated financial statements. The Guarantor does not currently publish non-consolidated interim financial statements but does currently publish unaudited half-yearly consolidated statements of financial position and statements of income.

12. Copies of the documents described in paragraphs 10 and 11 above are obtainable from the Issuer (in the case of sub-paragraphs (d) to (f) of paragraph 10 free of charge) upon request by contacting its registered officer or e-mailing *investor.relations@lafargeholcim.com*.

13. Any websites included in this Prospectus are for information purposes only and do not form part of this Prospectus.

14. Deloitte Audit (member of the *Luxembourg Institut des Réviseurs d'Entreprises*) have audited the accounts of the Issuer for the financial year ended 31 December 2017. Deloitte AG (registered with the Federal Audit Oversight Authority) have audited the accounts of LafargeHolcim Ltd for the financial years ended 31 December 2018 and 31 December 2017.

15. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking, corporate finance advisory and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and/or any of their respective affiliates, in the ordinary course of business, for which they have received or may receive customary fees, commissions or

reimbursement of expenses (including acting as managers and/or lenders in connection with issuances of securities and/or debt facilities of the Issuer or the Guarantor).

16. Save for the fees payable to the Joint Bookrunners and the Agents, so far as the Issuer is aware, no person, natural or legal, involved in the issue of any Notes has an interest that is material to the issue of the Notes.

17. Alternative performance measures as described in the European Securities and Markets Authority (ESMA) Guidelines on Alternative Performance Measures dated 5 October 2015 ("**APMs**") are included in this Prospectus. The financial data incorporated by reference in this Prospectus, in addition to the conventional financial performance measures established by IFRS, also contains certain APMs.

    The relevant metrics are identified as APMs and accompanied by an explanation of each such metric's components and calculation method in the sections entitled "Definition of Non-GAAP Measures" of the Annual Report 2018 and the Annual Report 2017, which are incorporated by reference in this Prospectus.

    The sections of the Annual Report 2018, the 2018 Results Media Release and the 2018 Analyst Presentation which are incorporated by reference into this Prospectus shall be read in conjunction with the Definition of Non-GAAP Measures included in the Annual Report 2018 and the 2018 Results Media Release, as provided in the section entitled "*Incorporation of Information by Reference*".

    The sections of the Annual Report 2017, the 2017 Results Media Release and the 2017 Analyst Presentation which are incorporated by reference into this Prospectus shall be read in conjunction with the Definition of Non-GAAP Measures included in the Annual Report 2017, as provided in the section entitled "*Incorporation of Information by Reference*".

    The APMs are presented for the purposes of a better understanding of the Group's financial performance, cash flows and financial position, as these are used by the Group when making operational or strategic decisions for the Group.

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