

**HOLCIM LIBAN SAL**

**ARTICLE 158 OF THE CODE OF COMMERCE  
YEAR ENDED 31 DECEMBER 2015**

**The shareholders of  
Holcim Liban SAL**

Dear Sirs

In accordance with the requirements of Article 158 of the Lebanese Code of Commerce, we list below the transactions between the Company and its board of directors based on our audit of the separate financial statements for the year ended 31 December 2015, on which we have issued our report dated 30 March 2016 and based on representations received from the management.

Transactions with the members of the board of directors and related parties during the year ended 31 December 2015 were as follows:

**1. Holcim Béton SAL**

Holcim Béton SAL purchases cement from Holcim Liban SAL at market prices. Sales to this related party amounted to LL (000) 2,303,115.

The Company provides technical assistance to Holcim Béton SAL against fees computed on the fixed basis of 1.8% of sales. These fees amounted to LL (000) 239,204 during the year 2015.

Other services, consisting of staff costs and rental income amounted to LL (000) 352,273. As for the services rendered by Holcim Béton SAL and related to staff services, these amounted to LL (000) 78,972.

Balances due from and due to Holcim Béton SAL amounted to LL (000) 14,055,212 and LL (000) 872,399 respectively as at 31 December 2015.

**2. Société Libanaise des Ciments Blancs SAL**

The Company provides technical assistance to Société Libanaise des Ciments Blancs SAL against fees computed on the fixed basis of 4% of sales. These fees amounted to LL (000) 770,299 during the year 2015.

Other services, consisting of staff costs and other income amounted to LL (000) 592,378 for the year ended 31 December 2015.

In addition, the Company sold raw materials and combustibles to Société Libanaise des Ciments Blancs SAL amounting to LL (000) 5,044,843 during 2015.

The Company purchased raw materials from Société Libanaise des Ciments Blancs SAL amounting to LL (000) 361,476 during 2015.

Dividends received from Société Libanaise des Ciments Blancs SAL amounted to LL (000) 2,999,431 during 2015.

During 2008, the Company received a loan from the subsidiary Société Libanaise des Ciments Blancs SAL amounting to US\$ 5,000,000 which was increased to US\$ 8,000,000 during 2009. This loan is subject to interest at an average annual rate of 4.5% revised annually. No maturity date was determined for this loan. Interest charged during 2015 amounted to LL (000) 717,357. Accrued interest payable amounted to LL (000) 4,672,376 as at 31 December 2015.

The balance due from Société Libanaise des Ciments Blancs SAL amounted to LL (000) 3,362,292 as at 31 December 2015.



### **3. Boğaz Endüstri ve Madencilik Limited (BEM)**

The balance due from BEM amounted to LL (000) 2,887,677 as at 31 December 2015.

The Company sold clinker to BEM amounting to LL (000) 678,375 during 2015.

### **4. Holcim Trading SA**

Being a subsidiary of LafargeHolcim Limited, Holcim Trading SA provides combustibles and other services to the Company. Purchases from this company amounted to LL (000) 21,455,749 during 2015.

Balances due from Holcim Trading SA amounted to LL (000) 180,650 as at 31 December 2015.

### **5. Holcim France SA**

Being a subsidiary of LafargeHolcim Limited, Holcim France SA charges the Company salaries of foreign employees and related costs, which amounted to LL (000) 269,286 during 2015.

### **6. Holcim Technology Ltd**

Holcim Technology Ltd is a subsidiary of the ultimate parent company, LafargeHolcim Ltd. Starting 1 January 2014, Holcim Liban SAL has joined the Industrial Franchise Fee (IFF) mechanism, of the Holcim Group. The franchise fees are computed at 3.5% of consolidated net sales to third parties which amounted to LL (000) 9,956,079 during 2015.

In addition, the balance due to Holcim Technology Limited amounted to LL (000) 2,636,054 as at 31 December 2015.

### **7. Holcim Services EMEA S.L., Espagne**

Balances due from and due to Holcim Services EMEA S.L., Espagne amounted to LL (000) 51,278 and LL (000) 342,512 respectively as at 31 December 2015.

Holcim Services EMEA S.L, Espagne charges the Company for IT services and programs, which amounted to LL (000) 1,646,866 during 2015. On the other hand, the Company charged Holcim Services EMEA S.L, Espagne services amounting to LL (000) 151,583 during 2015.

### **8. LafargeHolcim Energy Solutions S.A.S**

LafargeHolcim Energy Solutions S.A.S provides combustibles to the Company. Purchases from this company amounted to LL (000) 1,758,896 during 2015.

Balances due to LafargeHolcim Energy Solutions S.A.S amounted to LL (000) 1,758,896 as at 31 December 2015.

### **9. Lafarge North America**

Lafarge North America charges the Company salaries of foreign employees and related costs, which amounted to LL (000) 165,825 during 2015.

Balances due to Lafarge North America amounted to LL (000) 165,825 as at 31 December 2015.

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**10. Holcim Haut Rhin**

Being a subsidiary of LafargeHolcim Limited, Holcim Haut Rhin charges the Company salaries of foreign employees and related costs, which amounted to LL (000) 357,477 during 2015.

Balances due to Holcim Haut Rhin amounted to LL (000) 201,908 as at 31 December 2015.

**11. Holcim Maroc**

Being a subsidiary of LafargeHolcim Limited, Holcim Maroc charges the Company salaries of foreign employees and related costs, which amounted to LL (000) 176,206 during 2015.

**12. Holcim Group Services Limited**

Being a subsidiary of LafargeHolcim Limited, Holcim Group Services Limited charges the Company training costs and salaries of foreign employees and related costs, which amounted to LL (000) 1,060,129 during 2015.

The balance due to Holcim Group Services Limited amounted to LL (000) 131,080 as at 31 December 2015.

**13. Remunerations of key management personnel**

Remunerations of key management personnel amounted to LL (000) 163,815 during 2015.


The management of the Company has confirmed to us that there are no other transactions between the Company and its board of directors or companies of which the director is a principal owner, partner, member of the board of directors or manager or under the cover of a third party in accordance with Article 158 of the Lebanese Code of Commerce.

The Article 158 of the Lebanese Code of Commerce states that the General Assembly of the Shareholders should approve in advance any transactions between the Company and its board of directors. We do not have any comments in that respect.

  
Ernst & Young

30 March 2016  
Beirut, Lebanon

Zouhair Chaar

  
**ZOUHAIR I. CHAAR**  
Sworn - in Surveyor