

Transfer from Bearer into Nominative Shares

I- BRIEFING ON THE LEGAL ASPECT

- 1- Following the issuance of circular no. 411 of the Central Bank, law no. 75/2016 was promulgated cancelling the bearer shares in Lebanon and imposing on companies and shareholders the obligation of transferring the bearer shares into nominative shares.
- 2- Law no. 75/2016 imposes the following obligations on the company:
 - a. Exchange the shares into nominative shares by amending its by-laws within a year not exceeding the date of the next yearly General Assembly.
 - b. Publish the information about the cancellation of the bearer shares and the exchange procedure in Official Gazette + 3 local newspapers + company's website.
 - c. Have the names of the nominative shareholders given to the company by the existing shareholders.
 - d. After the elapse of 1 year from the date of the law, the company should not appoint board members with bearer shares, not pay dividends to bearer shareholders and not have as attendees to the General Assembly any bearer shareholder.
- 3- Law no. 75/2016 imposes the following obligations on the shareholders:
 - a. Inform the company of the name of the holder of the nominative shares within a period of 1 year (3/11/2017).
 - b. Execute the exchange of the shares within the period of 1 year or within the period of 2 years subject to the following limitations when done in the second year and until the exchange is done
 - i. No payment of dividends
 - ii. No General Assembly attendance
 - iii. No membership in the Board of Directors.
- 4- In case the exchange is not completed after the elapse of 2 years from the date of the law the shares will be automatically transferred to the State.

II- BRIEFING ON THE EXTRAORDINARY GENERAL ASSEMBLY

On 13/2/2017, an Extraordinary General Assembly took place and decided on the following:

- 1- The application of the law no. 75/2016 by amending the company's by-laws and the transfer of the bearer shares into nominative shares.
- 2- The amendment of the by-laws of the company mainly articles 7, 10, 12, 15, 16, 34 and 46 in accordance with the law 75/2016.
- 3- The appointment of Midclear for the execution of the process of transferring the shares in counterpart of a nominative certificate and for the establishment and management of the shareholders' registrar of the company.
- 4- To give full powers to the Board of Directors in order to take all necessary steps for the implementation of the Extraordinary General Assembly decisions.

III- DETAILS OF THE TRANSFORMATION PROCESS

- 1- The process of transformation of the shares from bearer into nominative will start on 03/05/2017.
- 2- The process of transformation of the shares from bearer into nominative will be conducted via the banks and financial institutions through Midclear and in coordination with the Beirut Stock Exchange.
- 3- Midclear will inform the banks and financial institutions of the launch of the process of exchange and of the required steps for the execution of the operation.
- 4- Shareholders should deposit their shares at their banks or financial institutions in counterpart of a receipt and give them instructions in order to execute the exchange. In case the shareholder wishes to register the shares under the name of another person or entity, he has to deliver the bearer shares to said person who will be in charge to conduct the exchange at his respective bank or financial institution.
- 5- Banks and financial institutions who have received instructions from their clients will contact Midclear in this respect in order to transfer the bearer shares into nominative shares.

- 6- Midclear will collect the deposited bearer shares, cancel them, transform them into nominative shares and issue a nominative certificate in the name of the shareholder and for the amount of owned nominative shares. Said certificates will be delivered to the banks and financial institutions who will then deliver them to their clients, shareholders in Holcim Liban SAL.
- 7- Once the nominative certificate is delivered to the bank or financial institution and subsequently to the shareholder, the latter would have fulfilled the transformation process imposed by law No. 75/2016.

IV- WHAT THIS MEANS TO THE SHAREHOLDER

- 1- The nominative share certificate and the registration in the shareholders' registrar will guarantee and identify the shareholder's property of the shares.
- 2- The nominative shares will be construed as deposited at the banks as book-entry shares.
- 3- The invitation to the General Assembly will be communicated to the banks and subsequently to the shareholder in addition to the publication procedure.
- 4- The dividends will be automatically paid into the shareholder's bank account on the first days of their settlement.
- 5- Any stock activity on the nominative shares will be conducted in synergy through Midclear and via the banks, hence rendering the transfer of property efficient and duly registered in the company's shareholders' registrar.

V- DATE OF LAUNCH OF THE TRANSFER PROCESS

With coordination with the Beirut Stock Exchange and Midclear, the date of launch of the transfer process was set for 03/05/2017 (kindly refer to I-3 for deadlines).

VI- STOCK EXCHANGE OPERATIONS IN THE LIGHT OF THE TRANSFER PROCESS

The listing, trading and pricing of both types of shares (Bearer and Nominative) will be treated as one single instrument during the period from the launching date of the exchange process till 03/11/2017 without any differentiation in trading at the BSE, i.e: both shares are tradable until that date.

However, the shares will be differentiated as two different instruments on settlement at Midclear.

After 03/11/2017 brokers will not be allowed to place orders on Holcim's shares in their bearer type unless exchanged to nominative type.