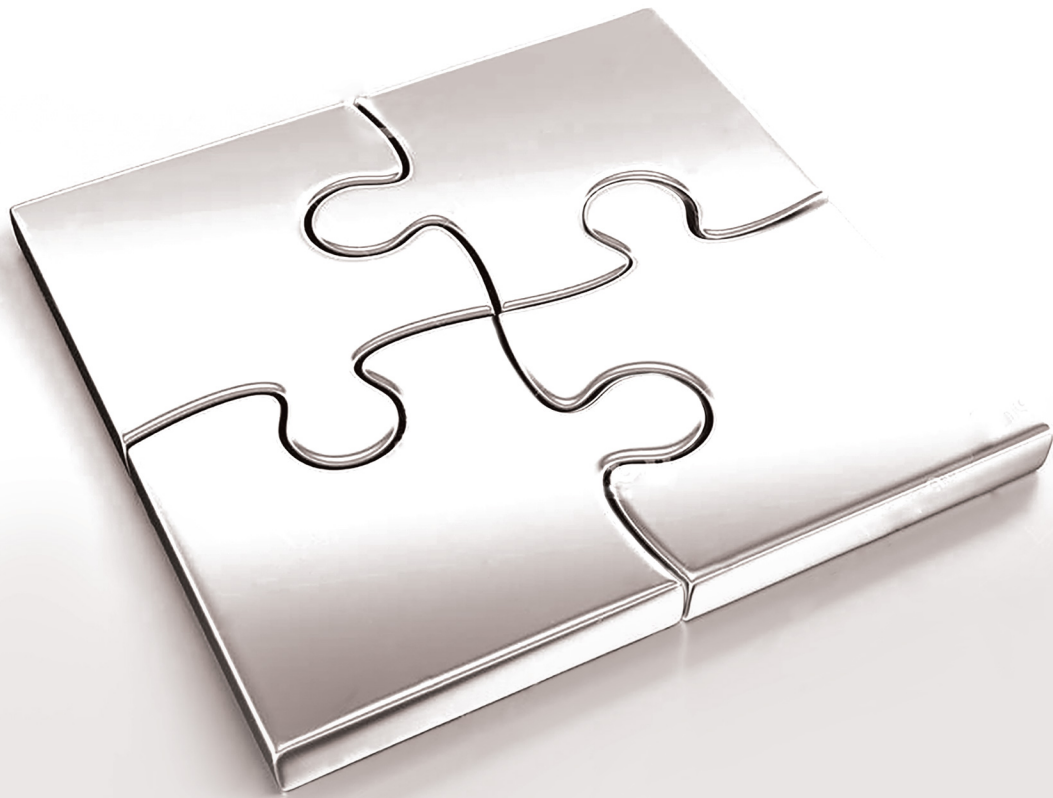


EXTRAORDINARY GENERAL MEETING



Lafarge Surma Cement Ltd.

A company of **LAFARGE** and **CEMENTOS MOLINS**

Lafarge Surma Cement Ltd.

A company of  **LAFARGE** and  **CEMENTOS MOLINS**

Suvastu Imam Square (3rd floor), 65 Gulshan Avenue, Gulshan-1, Dhaka-1212, Bangladesh

Tel: +880 (2) 9854831, 9854773, 9888372 | Fax: 880 (2) 58815167, 9887650

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NOTICE OF AN EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of Lafarge Surma Cement Limited (the "Company") will be held on Tuesday, January 31, 2017 at 11:00 A.M. at the Cement Plant of the Company at village Noarai, Chhatak, Sunamganj to transact the following business:

Agenda for Ordinary Resolution

To consider and approve the Share Purchase Agreement ("SPA") dated December 23, 2016, executed between Lafarge Surma Cement Ltd. and Holderfin B.V. for purchase of 100% shares minus one (1) share of Holcim Cement (Bangladesh) Ltd. for a consideration of USD 117 million (United States Dollar one hundred and seventeen million) only.

Agenda for Special Resolution

To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to Section 11(6) of the Companies Act, 1994 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 1994, subject to approval of the Registrar of Joint Stock Companies and Firms and any other regulatory authorities as may be necessary, consent of the members, be and is hereby, accorded to change the name of the Company from "Lafarge Surma Cement Limited" to "LafargeHolcim Bangladesh Limited" or any other name as may be approved by the Registrar of Joint Stock Companies and Firms, Dhaka and other regulatory authorities, if applicable, whether under the Companies Act, 1994 or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

FURTHER RESOLVED THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

I. The Name of the Company is "**LafargeHolcim Bangladesh Limited**".

FURTHER RESOLVED THAT in terms of Section 20 of the Companies Act, 1994 the Articles of Association of the Company be altered by deleting the existing name of the Company, Lafarge Surma Cement Ltd., wherever appearing, and substituting it with the new name of the Company, "LafargeHolcim Bangladesh Limited".

FURTHER RESOLVED THAT the Board of Directors or any Committee thereof, be and is hereby, authorized to accept any other name approved by the relevant regulatory authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval."

All shareholders of the Company are requested to make it convenient to attend the meeting accordingly.

Dated: Dhaka, January 9, 2017

By order of the Board



Kazi Mizanur Rahman
Company Secretary

Notes:

- The Record Date of the Company was on Sunday, January 8, 2017 (which was intimated earlier). Members, whose names appeared in the Company's register (certificated and depository) at the close of business on the Record Date, will be entitled to attend the EGM.
- A Member eligible to attend and vote in the EGM is entitled to appoint a proxy to attend and vote on his/her behalf. No person shall act as proxy unless he/she is entitled to be present and vote in the EGM in his/her own right. The proxy form, duly stamped with a revenue stamp of Tk.20, must be deposited at the Registered Office of the Company not less than 72 hours before the time fixed for the EGM.
- Admission into the EGM venue will be allowed on production of the Attendance Slip attached with the Proxy Form.
- In compliance with the Bangladesh Securities and Exchange Commission's Circular (No.SEC/CMRRCD/2009-193/154 dated October 24, 2013), no food or gift will be arranged at the EGM.

The Share Purchase Agreement for Acquisition of 100% Shares of Holcim Cement (Bangladesh) Limited

The Board of Directors of Lafarge Surma Cement Ltd. (the **“Company”** or **“LSC”**) in its meeting dated December 14, 2016, approved acquisition of 100% shares of Holcim Cement (Bangladesh) Limited (**“HBL”**) from Holderfin B.V., a subsidiary of LafargeHolcim Group, for a consideration of USD 117 million (the **“Transaction”**). The Audit Committee of the Company, in its meeting held immediately prior to the above Board of Directors meeting, approved the Transaction, and forwarded its recommendation to the Board of Directors of the Company for approval. Following the approval of the Transaction by the Board of Directors, the Chief Executive Officer of the Company executed the Share Purchase Agreement (**“SPA”**) with Holderfin B.V. on December 23, 2016.

Copy of the SPA is available in the Registered Office of the Company, and also shall be available in the venue of the Extraordinary General Meeting for perusal by the valued shareholders.

The Project of Lafarge Surma Cement Ltd.

LSC has successfully implemented a unique, cross border, integrated cement plant - which is one of its kind. The Government of Bangladesh and the Government of India signed a historic agreement through exchange of letters in November 2000 supporting this unique cross border commercial venture. This international agreement ensures uninterrupted supply of limestone from the quarry in Meghalaya, India to the cement plant in Chhatak, Bangladesh.

Limestone is the basic raw material for production of clinker. Till date, Bangladesh does not have any proven commercially extractable deposit of limestone. On the other hand, the State of Meghalaya in India has huge deposits of quality limestone. Lafarge Umiam Mining Pvt. Ltd. (**“LUMPL”**), a company registered in Meghalaya, India, is a wholly owned subsidiary of the Company. LUMPL owns 100 hectare limestone quarry in Meghalaya, India. Surma Plant of the Company, producing clinker and cement, is in Chhatak, Sunamganj, Bangladesh. A 17 kilometers long (10 kilometers in Bangladesh and 7 kilometers in India), cross border, continuous, elevated conveyor belt connects the limestone quarry with the Surma Plant.

On such solid foundations, the Company successfully established the only integrated cement plant in Bangladesh. This unique project commences its operations in the limestone quarry in Meghalaya, India, transports the crushed limestone through cross border conveyor belt, produces the clinker and cement at Surma Plant in Chhatak, Bangladesh, and completes its journey by delivery of quality cement to the doorsteps of our valued customers.

LafargeHolcim Group

Two cement giants of the world, Lafarge Group and Holcim Group completed their merger on a global level on July 10, 2015, resulting in the emergence of LafargeHolcim, the unparalleled cement giant of the globe. With a well balanced presence in 90 countries and a focus on cement, aggregates and concrete, LafargeHolcim is the world leader in the building materials industry. The Group has 115,000 employees around the world and combined net sales of Swiss Franc (CHF) 29.5 billion in 2015. LafargeHolcim is the industry benchmark in Research and Development and serves from the individual homebuilder to the largest and most complex project with the widest range of value-adding products, innovative services and comprehensive building solutions. With a commitment to drive sustainable solutions for better building and infrastructure and to contribute to a higher quality of life, the Group is best positioned to meet the challenges of increasing urbanization.

In Bangladesh, LafargeHolcim Group has shareholding interests in LSC (together with Cementos Molins Group of Spain), as well as in HBL. LSC is a public limited company listed with the Stock Exchanges of Bangladesh. HBL is a private limited company wholly owned by LafargeHolcim Group.

Due Diligence & Valuation

The global merger of Lafarge Group and Holcim Group opened the opportunity to combine the business of LSC and HBL in Bangladesh. In its meeting dated November 02, 2016, the Board of Directors of LSC announced that it is entering into discussion with LafargeHolcim Group to explore the potential opportunities of combining the business of LSC with that of HBL. Following the above decision of the Board, LSC engaged Dr. Kamal Hossain & Associates to conduct Legal due diligence on HBL, PriceWaterhouseCoopers (PwC) to conduct the Financial & Tax due diligence on HBL, and ACNABIN Chartered Accountants for valuation of HBL. Based on the reports of the Legal, Financial & Tax due diligences, and valuation report, the Board of Directors of LSC, in its meeting dated December 14, 2016, approved acquisition of 100% shares of HBL from Holderfin B.V., a subsidiary of LafargeHolcim Group, for a consideration of USD 117 million.

Bangladesh Bank accepts three (3) approaches in valuing the shares of any company:

- I. Net Asset Value (NAV) Approach
- II. Market Value Added (MVA) Approach
- III. Discounted Cash Flow (DCF) Approach

As stated above, LSC engaged ACNABIN Chartered Accountants for valuation of HBL. The approved consideration of USD 117 million for the 100% shares of HBL has been proven to be an attractive and fair purchase price with respect to all three approaches stated above:

- I. The consideration is 28% lower than the applied valuation using the NAV Approach for the HBL minority buy-out.
- II. Independent valuation of HBL conducted by ACNABIN reconfirms at the lower end of the DCF valuation which is at USD 129 million.

III. Consideration is also 19% lower than the valuation conducted by ACNABIN in MVA approach which is at USD 144 million.

It is worthwhile to mention that in December 2016, LafargeHolcim Group acquired 26% of shares of HBL from the minority shareholders. For that transaction, the total equity value of HBL was considered at about USD 163 million.

The final consideration of USD 117 million for 100% shares of HBL has been determined after valuation exercise by competent third party, followed by arms length negotiations.

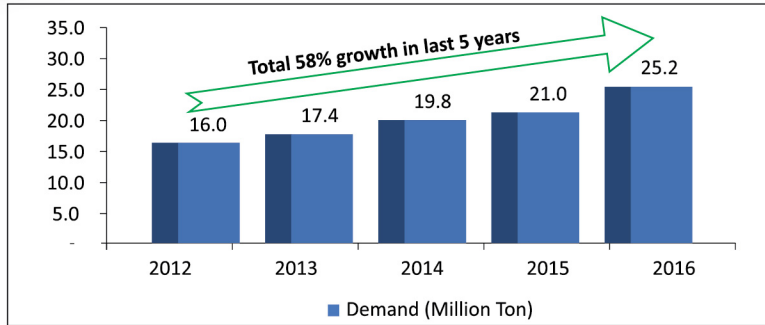
The Cement Plants of HBL

HBL has three grinding plants. Two plants, MeghnaGhat 1 (M1) and MeghnaGhat 2 (M2), are located on the bank of Meghna River at Sonargaon, Narayangonj District which is about 30 km from Dhaka. The third plant, Mongla plant (M3), is located at Mongla Port, Bagerhat District which is about 350 km from Dhaka. All the mills are closed circuit ball mills. At M2 and M3, the plants have the flexibility to dispatch cargo by both trucks and barges. In the case of M1, the plant can dispatch cargo by trucks. Summary of HBL Plants is shown below:

	MeghnaGhat-1	MeghnaGhat-2	Mongla Plant	All Plants
Grinding Capacity (KT/Year)	1,600	400	200	2,200
No. of Mills	4	2	1	7
Plant Surface (Acres)	17	8.8	11	36.8
Jetty Length (m)	51	116	130	-
Built-in Year	1995/1999/ 2001/2014	2001	2002	-

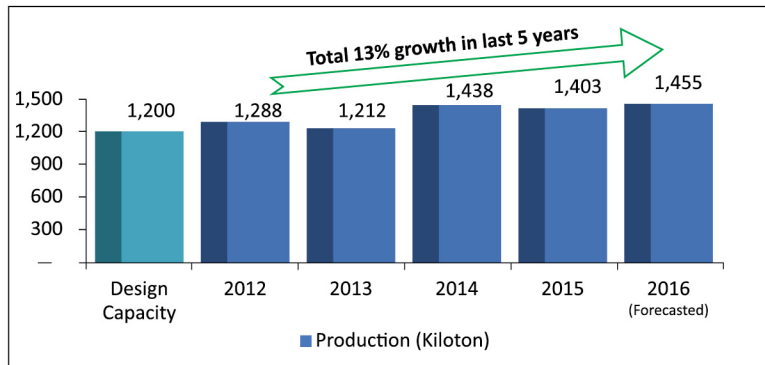
The Potential Synergy of the Combination

The cement industry in Bangladesh is undergoing a strong growth in the last few years. With large infrastructure projects taken by the Government of Bangladesh, this sector is expected to grow further in coming years.



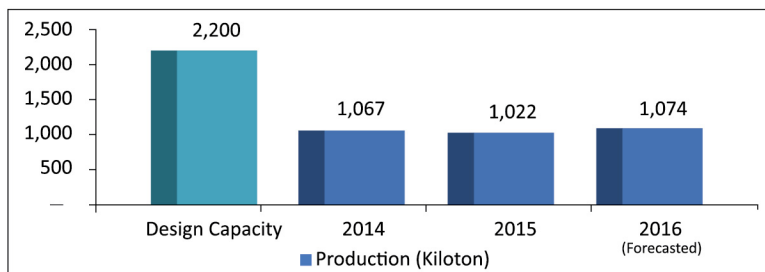
Industry Demand and Growth (Source: Based on Internal Studies of the Company)

As opposed to about 58% growth of the market, your Company had only 13% growth in production in the last 5 years. As evident from the chart below, your Company has already been utilizing its capacity above the design capacity. It is due to the capacity constraints that your Company has been struggling to keep pace with this industry growth.



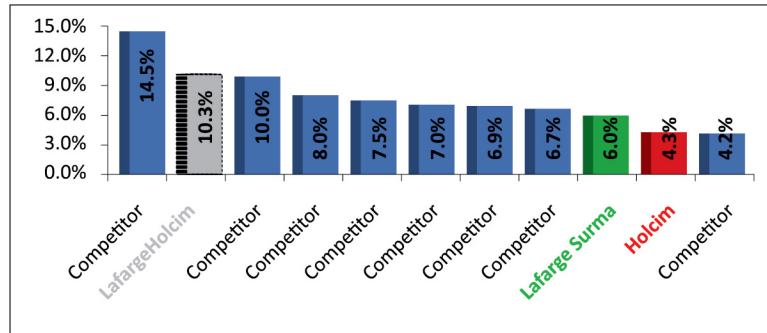
LSC Production Volume & Growth Rate

On the other hand, as evident from the chart below, HBL is operating below its design capacity. Thus, the proposed combination creates ideal business opportunities; it provides LSC the excess capacity of HBL Plants to grow with the market demands.



HBL Production Volume & Design Capacity (All Plants)

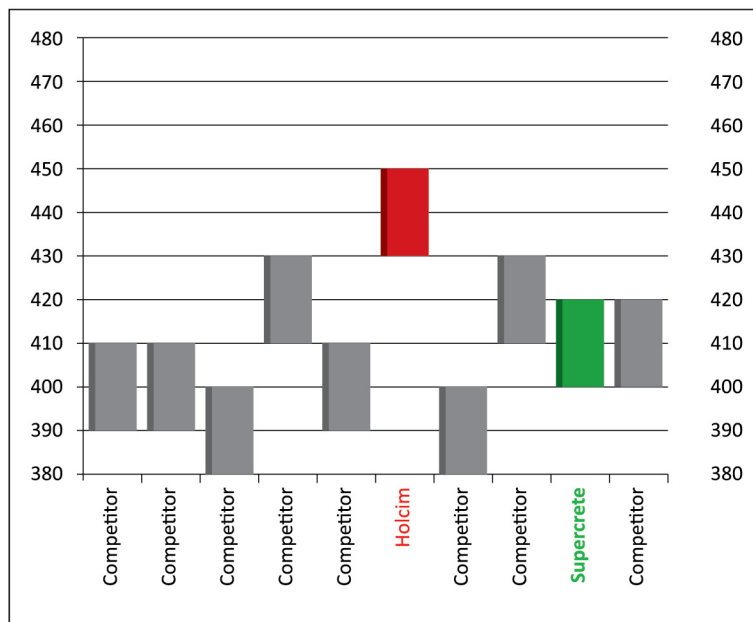
As per the report published in the media in December 2016, LSC is in eighth position, and HBL in ninth position in terms of market share. The proposed combination shall proudly set the Company in second position in the country. This will provide the Company the space to maneuver, better serve the customers, and yield better values for the shareholders.



Top 10 Cement Companies and their Market Shares (Source: Prothom Alo, December 2016)

The Brand Value of HBL

HBL has successfully established its brands in premium price segments. This is a huge business advantage for the proposed combined entity. Supercrete brand of LSC is in the mid tier in relation to retail price, whereas Holcim brand is leading the market having the highest price.



Retail Price Comparison (BDT/Bag)

Source: Retail survey by Crystal Sales and Distribution Ltd during Oct-Dec 2016 among 6239 retail shops.

Supercrete, the flagship brand of LSC, is an established brand in the market. It has earned its reputation as the most consistent quality cement brand in the market. It is a Portland Limestone Cement (PLC).

Holcim Strong Structure, the flagship brand of HBL, has established itself as the premium brand cement of Bangladesh. It is a Portland Composite Cement (PCC). Holcim Red, which is an Ordinary Portland Cement (OPC), is the other brand of HBL, which enjoys the highest reputation among the particular segment of customers.



The proposed combination shall turn the Company into an enterprise having vital product diversity, with PLC, PCC and OPC at its disposal. With such diversified product range, the Company shall place itself in the ideal position to cater to the needs of the customers of every segment.

The proposed combination shall not only give the Company the opportunity to be the proud owner of the premium brand of Bangladesh, but also shall position itself to pull the brand value of Supercrete to a higher level.

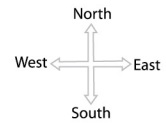
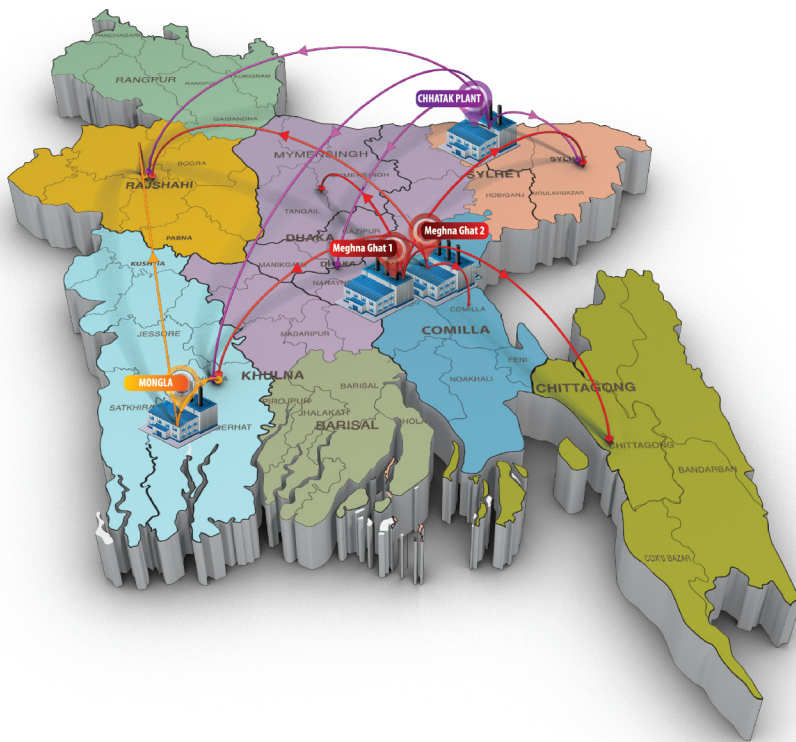
The Project Financing

The total consideration for acquisition of 100% shares of HBL is USD 117 million. The consideration amount shall be arranged as follows:

- USD 47 million shall be provided by the Company from its own cash at the time of remittance for shares with any shortfall being arranged through short term loan facilities which are already available.
- USD 70 million shall be arranged through medium term loans from banks and financial institutes of Bangladesh.

A Pan-Bangladesh Company

The clinker and cement producing Plant of the Company is located in the Northeast part of the Country. Two Plants of HBL, namely MeghnaGhat 1 and MeghnaGhat 2 are located in the Central Zone. The Mongla Plant of HBL is located in the Southwest part of Bangladesh. Locations of these Plants make the proposed combination “a perfect match”. The Plants of the combined entity shall be perfectly positioned to produce cement near to markets all over Bangladesh. This will give the Company significant advantages to deliver highest and consistent quality products to the doorsteps of each and every customer of the country, with highest efficiency and optimized logistics costs.



Plant	Install Annual Capacity
CHHATAK PLANT	CLINKER - 1150 KT CEMENT - 1200 KT
MEGHNA GHAT 1	1600 KT
MEGHNA GHAT 2	400 KT
MONCLA	200 KT

A Perfect Business Combination

The cement market in Bangladesh experienced significant growth in the last 5 years. The market is poised to grow more in future. With its present capacity, LSC is unable to keep pace with the market growth of the country. From business point of view, to meet with the growing volume demands of the market, it is necessary for LSC to expand its production capacity.

The locations of the HBL plants are perfect for the business needs of LSC. Moreover, HBL plants are having excess unutilized capacity.

The combined entity shall have a wide range of product diversity at its disposal. The ability to approach the customers with such diversified products, is always an ideal position for every organization.

In the cement market of Bangladesh, Supercrete, Holcim Strong Structure and Holcim Red are synonyms of high and consistent quality. These brands represent the confidence of customers. Moreover, Holcim is the highest premium brand cement of the country.

The combined entity shall result in significant savings in sales, marketing, logistics, procurement, general and administrative costs. The combination shall allow both the companies to best utilize their common resources.

LSC and HBL, both are multinational companies, representing a long legacy of global expertise in the business of building materials. Presently, both the companies are subsidiaries of LafargeHolcim Group. Both the companies are following the same global standards, policies and directives. As part of the same global organization, both the companies' priorities are customers, result, integrity, sustainability and people, with health & safety as their overarching values. Both the companies believe in safely conducting business focusing customer needs to deliver the highest outcome with integrity for a sustainable business as a team.

Both the companies have well-trained, efficient, qualified, motivated, hardworking and target-oriented workforce to take the combined entity to a new premium destination.

Considering the above, the Board of Directors and the management of the Company believe acquisition of 100% shares of HBL is the perfect business combination, which shall poise the combined entity to best serve the customers, the industry, the country, and shall bring significant value for the shareholders.

**The Proposal for Change of Name of
the Company from
“Lafarge Surma Cement Limited”
to “LafargeHolcim Bangladesh Limited”.**

Lafarge Group and Holcim Group completed their merger in global level on July 10, 2015, resulting in the emergence of LafargeHolcim, the unparalleled cement giant of the globe. In Bangladesh, LafargeHolcim Group, along with Cementos Molins Group of Spain, is the majority shareholder of LSC. LafargeHolcim Group is also the 100% shareholder of HBL. Subject to approval of the valued shareholders and applicable regulatory approval, LSC is in the process of acquiring 100% shares of HBL.

To yield the best possible results from the proposed combination of business of LSC and HBL, to generate the highest benefit from the premium brands of HBL, to provide employees of both the companies a sense of ownership and belongingness, to signify the highest quality of international standard product for the customers, and to align with the global merger of Lafarge Group and Holcim Group, the Board of Directors approved to change the name of your Company from “Lafarge Surma Cement Limited” to “LafargeHolcim Bangladesh Limited”, subject to approval of the shareholders of the Company and necessary regulatory approvals.

LafargeHolcim Bangladesh Limited, the proposed new name of your Company, signifies the Company as the leader, serving the customers with high quality international standard products produced with modern technology.

Lafarge Surma Cement Ltd.

A company of  and 

FORM OF PROXY

I/We _____ (name)
of _____ (address)

being a shareholder of Lafarge Surma Cement Limited (the "Company") hereby appoint,

Mr./Ms. _____ (name)
of _____ (address)

as my/our proxy, to attend on my/our behalf at the 'Extraordinary General Meeting' of the Company to be held on January 31, 2017 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks fit on all Resolutions.

As witness my/our hand this _____ day of _____ 2017.

Signed (Member)	Folio / BO No.																		
Member Phone No.:																			

Signed (Proxy)	Folio / BO No.																		
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Affix revenue stamp

Tk. 20.00

- Note: _____
- The proxy form, duly filled in and stamped, must be submitted to the Registered Office of the Company not less than 72 hours before the time fixed for the meeting.
 - Proxy must be a member of the Company.

Lafarge Surma Cement Ltd.

A company of  and 

ATTENDANCE SLIP

I hereby record my presence at the 'Extraordinary General Meeting' of Lafarge Surma Cement Limited on January 31, 2017 at 11:00 A.M. at the Cement Plant of the Company at village Noarai, Chhatak, Sunamganj.

Name of Member																			
Folio / BO No. (Member)																			
Name of Proxy																			
Folio / BO No. (Proxy)																			

Signature of Proxy _____ Signature of Member _____

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.



Lafarge Surma Cement Ltd.

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