

CHAPTER 03

CORPORATE GOVERNANCE STATEMENT
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CORPORATE GOVERNANCE STATEMENT

LafargeHolcim Bangladesh PLC. (the “Company”) is deeply committed to maintaining the highest benchmarks of corporate governance, viewing integrity and transparency as the bedrock of its operations. By fostering a culture of individual accountability and ethical leadership, the Company ensures that the interests of Shareholders, employees, and Stakeholders are consistently protected. This values-driven approach is supported by a robust framework that empowers the Board of Directors to provide clear strategic oversight, ultimately aimed at driving sustainable growth and long-term value for all stakeholders.

The Board is pleased to present this comprehensive report for the fiscal year ending December 31, 2025, prepared in full alignment with the Bangladesh Securities and Exchange Commission’s Corporate Governance Code. This document serves as an overview of the Company’s dedication to rigorous disclosure and fair business practices. It underscores a persistent focus on navigating modern corporate complexities with a principled approach, showcasing how governance excellence remains central to the Company’s mission and sustainable future.

LafargeHolcim Bangladesh PLC. A Legacy of Strong Corporate Governance

Since its inception, the Company has integrated robust corporate governance into the very fabric of its identity. The Company operates on the conviction that excellence is achieved through a synergy of optimal management, strict legal compliance, and an uncompromising commitment to ethical conduct. By prioritizing core values such as safety, integrity, and environmental responsibility, the Company ensures that every decision is transparent and accountable. This ethical foundation not only empowers employees but also serves as the cornerstone for its long-term dedication to sustainable business practices.

Throughout its existence spanning over 29 years, the Company maintains a sophisticated three-tier governance model designed to balance “Corporate Governance Culture” with professional efficiency. This structure comprising Shareholders, the Board of Directors, and the Management Team clearly defines responsibilities to ensure seamless collaboration and oversight. With the Board and its Committees providing strategic guidance at the apex, the operational management is well-equipped to pursue ambitious objectives. This collaborative approach ensures that the Company continues to create meaningful value for all stakeholders while upholding the highest standards of professionalism.



Board of Directors

Guided by a formal charter and the Company’s Articles of Association, the Board of Directors and its sub-committees operate within a strictly defined legal framework to ensure robust corporate oversight. This governance body is responsible for delegating authority, establishing key investment and business strategies, and providing rigorous supervision of Executive Management to align operational actions with long-term institutional goals.



Shareholders

Elected by Shareholders during Shareholder’s meeting, the Board of Directors serves as the primary governing body responsible for appointing directors, selecting auditors, and approving the Company’s financial statements. Beyond these administrative functions, the Board ensures rigorous accountability for all business conduct, maintaining high ethical and operational standards. To uphold transparency, the Board’s performance and strategic activities are formally reported to the Shareholders at the Annual General Meeting (AGM), reinforcing the vital link between the Company’s leadership and its investors.



Management Team

The Executive Committee manages the daily operations of the business with a steadfast focus on legal and regulatory compliance, maintaining direct accountability to the Board of Directors. This structure facilitates a culture of shared stewardship and governance that aligns with global best practices, ensuring that operational management remains transparent and strategically sound. By bridging the gap between day-to-day execution and the Board’s oversight, the Company reinforces a holistic framework that balances rigorous accountability with the long-term interests of its Shareholders.

Corporate Governance Overview

A. Board Composition: Size and Composition of The Board

The Company is effectively managed by a highly skilled leadership team under the strategic oversight of a Board of Directors deeply committed to the principles of robust corporate governance. By establishing a clear long-term direction, the Board empowers management to drive sustainable and profitable growth while maintaining a steadfast focus on stakeholder interests and regulatory compliance. The Board prioritizes accountability and stakeholder interests, ensuring compliance with all relevant regulations and ethical standards.

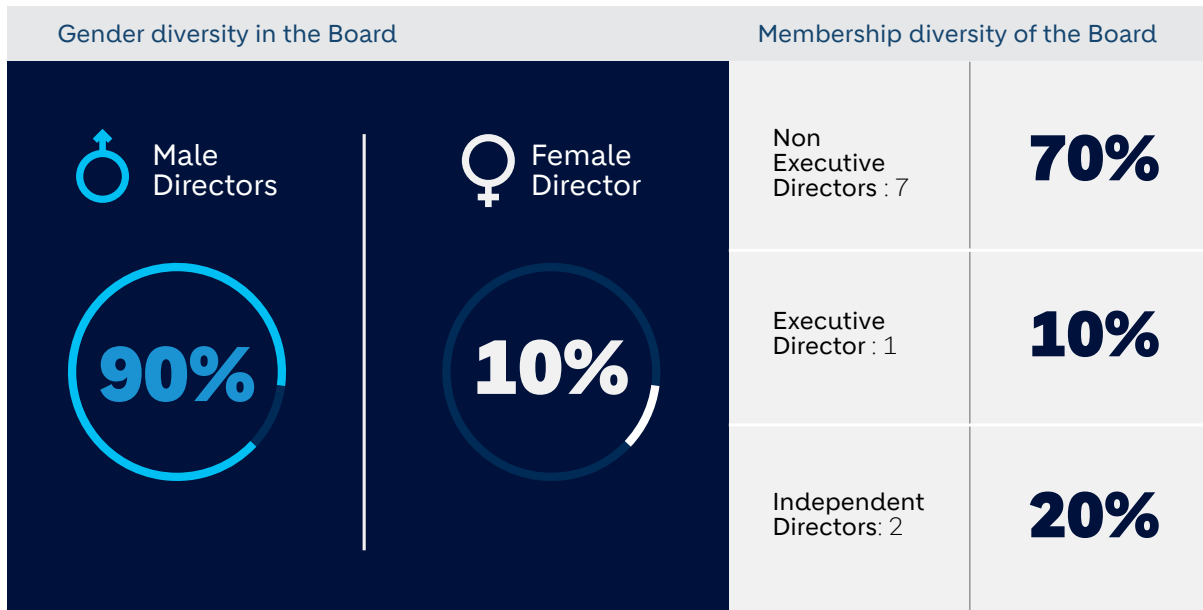
Key Corporate Governance Code Mandates:

The Company prioritizes board diversity by appointing independent directors with specialized expertise and

skills that align with the Company’s operational needs.

At least one-fifth (1/5) of the total number of directors in the Company’s Board shall consist of Independent Directors.

Board Composition as of December 31, 2025	
Total Directors	10
Non-Executive Director (including Chairman)	7
Independent Directors (including 1 female Independent Director)	2
Executive Director (CEO)	1



The Audit Committee and Nomination and Remuneration Committee are chaired by the Independent Directors. This ensures independent oversight of these critical functions.

Role of The Board of Directors

The Board of Directors serves as the foundational pillar of the Company's corporate governance, acting as ethical trustees who cultivate a culture of integrity. By setting the "tone at the top," they ensure that high moral standards and responsible conduct permeate every level of the Company's management and operations.

- ◆ Taking a proactive lead in strategic oversight, the Board defines the Company's long-term direction and ensures that operational performance remains aligned with core institutional goals. They implement robust policies and accountability frameworks, providing the necessary guidance to keep the organization on a steady path toward its objectives.
- ◆ Central to their mandate is the protection of Shareholder interests and the pursuit of sustainable growth. The Board balances the drive for maximized investor returns with a fiduciary duty to all stakeholders, ensuring that corporate decisions contribute to the Company's long-term viability and social responsibility.
- ◆ Through its Committees, the Board maintains a rigorous defense against institutional risk. They are responsible for the total integrity of the Company's accounting systems and financial

reporting, overseeing internal controls and ensuring strict compliance with all evolving legal and regulatory requirements.

- ◆ Financial stewardship is a key priority, with the Board evaluating and approving all annual statements, corporate budgets, and significant capital expenditures. By setting clear financial objectives and monitoring their execution, they ensure that the Company's resources are managed responsibly to foster strategic expansion.
- ◆ The Board also maintains a watchful eye on non-financial performance, specifically prioritizing health, safety, and environmental (HSE) standards. By monitoring these critical areas, they push management toward continuous improvement and ensure that the Company's physical operations are as disciplined as its financial ones.
- ◆ The Board ensures total transparency by adhering to global governance standards and presenting detailed reports to Shareholders at the AGM. Through meticulously planned meetings and informed decision-making, they reinforce the Company's identity as a transparent, ethically driven leader in the industry.

B. Responsibilities of The Board Leadership

i. Chairman of The Board of Directors

The Board of Directors fosters a culture of open communication and constructive dialogue, encouraging healthy debate and challenges both within the Boardroom and between non-Executive Directors and management. This ensures a robust exchange of ideas and perspectives, leading to well-informed decisions.

- ◆ The Chairman serves as the primary leader of the Board, ensuring that all members actively participate in shaping the Company's strategic direction and policies. By fostering a collaborative environment, the Chairman ensures that Board decisions reflect a strong consensus and consistently serve the best interests of the organization.
- ◆ A critical function of the role is maintaining executive accountability by overseeing the CEO's implementation of Board-approved strategies. In close coordination with the CEO and Company Secretary, the Chairman manages the Board's schedule and agenda, ensuring that high-priority issues and Director concerns are addressed promptly and effectively.
- ◆ As a key member of the Audit Committee and Nomination and Remuneration Committee, the Chairman is instrumental in shaping the Board's long-term composition. This involves overseeing Director inductions, spearheading succession planning, and leading the annual Board evaluation process to provide constructive feedback and professional guidance to individual members.
- ◆ The Chairman also acts as the presiding authority over all Board meetings and General Meetings (AGM/EGM), serving as the guardian of corporate democracy. By facilitating orderly and transparent discussions, they ensure that the rights of Shareholders are respected and that all official proceedings adhere to the highest governance standards.
- ◆ The Chairman is responsible for embedding a culture of integrity and probity throughout the organization, aligning local practices with global Group standards. By championing these values at the Board level, they ensure that the Company's governance framework remains robust, ethical, and beyond reproach.

ii. Independent Directors

Independent Directors play a pivotal role in maintaining the Board's effectiveness by upholding rigorous governance standards and ensuring seamless oversight. At LafargeHolcim Bangladesh PLC., two Independent Directors are currently appointed by the Board and subsequently confirmed by Shareholders at the

AGM. This selection process ensures that the individuals brought into the fold possess the necessary objectivity to challenge management constructively and represent the interests of minority stakeholders.

To safeguard their impartial judgment, these directors serve a three-year term, renewable only once, and are exempt from the mandatory rotation applied to other Board members. Their independence is strictly maintained through compliance with the Corporate Governance Code, which limits their service to a maximum of five listed companies and mandates specific criteria to prevent any conflicts of interest. This carefully regulated structure ensures a diverse range of expertise and unbiased perspectives, ultimately reinforcing the Company's commitment to transparency and ethical accountability.

iii. Leadership Structure: Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

In accordance with the Corporate Governance Code, the Board of Directors has appointed the CEO and CFO of the Company. The CEO, an Executive Director, holds overall operational control and is responsible for the day-to-day operations of the Company, guided by the Articles of Association. They provide strategic direction, set policy guidelines, and ensure implementation of the Board's decisions and those of its committees. The CEO operates under the supervision and direction of the Board of Directors.

The CFO manages the Finance Department and reports directly to the CEO. They do not hold any executive positions in other companies, ensuring their focus on the Company's financial operations. The Board has clearly defined the CFO's roles, responsibilities, and duties. The CFO attends Board meetings, contributing to informed decision-making.

This structure ensures a clear division of responsibilities, with the CEO leading the Company's overall operations and the CFO overseeing its financial health, both reporting to and accountable to the Board of Directors.

iv. Company Secretary (CS) and Head of Internal Audit & Compliance (HIAC)

The Board of Directors, adhering to the Corporate Governance Code, has appointed a Company Secretary (CS) and a Head of Internal Audit and Compliance (HIAC).

The Company Secretary possesses the necessary qualifications as per the Bangladesh Companies Act, 1994. They report functionally to the Chairman and administratively to the CEO, ensuring smooth communication and coordination within the Company.

The HIAC oversees and manages the internal audit and compliance activities of the Company and its subsidiaries and also report administratively to the CFO for day-to-day operations of the internal audit function. The HIAC provides assurance that key organizational and procedural controls are effective, safeguarding the Company's operations and financial integrity.

Both the CS and HIAC do not hold executive positions in other companies, ensuring their focus on the Company's needs. The Board has clearly

defined their roles, responsibilities, and duties, promoting accountability and transparency. The CS and HIAC actively participate in Board meetings, contributing their expertise and insights to informed decision-making.

This structure ensures a strong framework for compliance, internal control, and governance, with dedicated professionals reporting to relevant authorities and actively participating in the Board's decision-making process.

Profiles and Remuneration

I. Director Profiles

The Board comprises highly esteemed professionals from diverse fields, collectively contributing a wealth of skills and experiences that significantly enhance the quality of the decision-making process. Detailed Director Profiles are provided in this Annual Report.

Distinctive Features of the Company Board:

- ◆ The Board is a blend of diverse knowledge, culture and nationality,
- ◆ Members of the Board are non-executive directors,
- ◆ Chairman and CEO of the Company are separate individuals,
- ◆ The Independent Directors and their competencies are precisely as per the Corporate Governance Codes prescribed by Bangladesh Securities and Exchange Commission (BSEC),
- ◆ None of the Independent Directors is more than six years at the Board,

- ◆ The Board Committees are headed by Independent Directors,
- ◆ Roles and responsibilities of the Chairman, Directors and CEO are clearly demarcated,
- ◆ Members of Management do not indulge in Board matters,
- ◆ Roles and functions of the Board and Management are clearly delineated,
- ◆ Thus the Company Board is capable of delivering the utmost 'collective wisdom' to the Company.

II. Remuneration of Directors

The Memorandum and Articles of Association (M&AA) provides that Directors are entitled to receive a remuneration for participating in Board and sub-committee meetings. Additionally, the Company reimburses Directors for all reasonable expenses related to attending Board, committee, or General Meetings.

Board Meetings in 2025

During 2025, the Board of Directors held four (4) meetings conducted virtually by Digital Platform, Meeting minutes are meticulously documented, ensuring a comprehensive record of discussions and decisions.

The Company maintains all necessary books and registers in strict adherence to the Bangladesh Secretarial Standards (BSS) established by the Institute of Chartered Secretaries of Bangladesh (ICSB). This practice ensures compliance with the Code's requirements for transparent and accountable record-keeping.

Board Sub Committees

To enhance transparency, governance, and decision-making, the Board has established two sub-committees: the Audit Committee and the Nomination and Remuneration Committee. These committees play a crucial role in supporting the Board's responsibilities by providing in-depth reviews and recommendations on specific areas. Each committee operates according to its approved terms of reference (ToR). The Board appoints distinguished members and a Chairman for each committee. Minutes of committee meetings are presented to the Board for review, demonstrating our commitment to transparency and excellence.

Audit Committee and Composition

In compliance with the BSEC Corporate Governance Code, the Board established an Audit Committee, a vital subcommittee tasked with supporting the Board’s governance responsibilities. In 2025, the Committee comprised one Independent Director and two non-Executive Directors, with an Independent Director serving as Chair as per the Code’s requirements. The Audit Committee held four virtual meetings throughout the year, with the Independent Director’s attendance being mandatory for establishing a quorum. The Company Secretary acts as the secretary of the Audit Committee.

The Annual Report provides a comprehensive overview of the Audit Committee, including its membership, member attendance at meetings, and a detailed report on the Committee’s activities. This information is presented in Annex III.

Nomination and Remuneration Committee and Composition

The Nomination and Remuneration Committee (NRC) was formed in accordance with Condition 6 of the BSEC Corporate Governance Code. Its primary function is to assist the Board in formulating nomination criteria and policies for determining the qualifications, positive attributes, experience, and independence of directors and Top Level Executives (TLEs). The NRC also develops policies for the formal process of considering remuneration for directors and TLEs. The Committee comprises one Independent Director and two Non-Executive Directors, with an Independent Director serving as Chairman. The Company Secretary acts as the Secretary of the Committee.

In compliance with clause 6(5)(c) of the Notification, the Annual Report includes the Nomination and Remuneration Policy, along with the evaluation criteria and activities of the NRC throughout the year, as detailed in Annex IV.

Performance Evaluation of the Board

The effectiveness of the Board, Independent Directors, and Chairman is paramount to the Company’s success. In line with the Corporate Governance Code, the Company conducts an annual formal assessment of the Board’s operations. This evaluation, a cornerstone of the corporate governance framework, utilizes criteria endorsed by the Nomination and Remuneration Committee and approved by the Board. Detailed questionnaires are used to identify key areas for improvement for the Board, Independent Directors, and the Chairman, ensuring a comprehensive assessment of their performance.

Board as a Whole	Independent Directors	Chairman of Board
<ol style="list-style-type: none"> Board Composition and Quality Board Meetings and Procedures Execution and performance of specific duties from the point of view of the members of the Board Assessment of the Secretarial Department 	<ol style="list-style-type: none"> Integrity Implementing best CG practices Unbiased & ethical judgment Independent Judgment – Board Deliberations Updated with business of the Company Acting in the interest of the Company, Shareholders & Employees Confidentiality Adherence to Code of Conduct Negative press 	<ol style="list-style-type: none"> Overall Management of Meetings Approachableness Ability in handling critical situations Openness to discuss difficult issues Encouragement of critical interventions of Board Members

Evaluation Process

1

Questionnaires are developed based on criteria established by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors (BOD).

2

Google Forms are used for collecting responses to the evaluation questionnaires.

3

The Company Secretary compiles the evaluation results internally and shares them with the Chairman.

4

The final report, including outcomes and feedback, is discussed at the Q1 2026 Board Meeting. An action plan is then agreed upon to address any identified areas for improvement.

Outcome of Performance Evaluation

The evaluation highlights the Board's cohesive operations, demonstrating effective engagement with diverse perspectives and a strong capacity for strategic decision-making. The positive review emphasizes a harmonious blend of skills among Directors, crucial for successful stakeholder goal delivery. The dedication and commitment of Independent Directors are acknowledged as significant contributors to the corporate ethos. The report underscores predominantly constructive behavior within the Boardroom, reflecting strong confidence in leadership and fostering effective collaboration. The efficient functioning of the Company Secretariat Department supports governance and facilitates communication. The performance evaluation outcomes affirm the Board's strength, setting a foundation for continued success. The action plan guides upcoming strategic initiatives for sustained growth and excellence.

Succession Planning

The Nomination & Remuneration Committee (NRC) operates within the framework of the BSEC Code, playing a vital role in the Company's governance and leadership development. The NRC's responsibilities extend to appointing and evaluating Directors, overseeing senior management appointments and succession planning, conducting salary reviews, recommending performance bonuses, and reviewing HR policies. The NRC collaborates closely with the Board to ensure a smooth and orderly transition for senior management positions, recognizing the importance of maintaining a strong talent pool and a balanced mix of skills and expertise within the Company. This commitment to good governance is further demonstrated through the NRC's annual evaluations of the Board, which include a systematic process for succession planning aligned with the BSEC Code's recommendations.

Selection and appointment of new directors

- 1 Board delegates the screening and selection process to the NRC
- 2 NRC based on the defined criteria, makes recommendations to the Board
- 3 Board recommends appointment of director to the Shareholders
- 4 Proposal is placed before Shareholders for approval

Selection and appointment of new independent directors

- 1 Board delegates the screening and selection process to the NRC
- 2 NRC based on the defined criteria, makes recommendations to the BSEC for consent
- 3 After necessary consent of BSEC, NRC recommends to the Board
- 4 Board recommends appointment of director to the Shareholders
- 5 Proposal is placed before Shareholders for approval

Leadership Team - Executive Committee

The Board of Directors is supported by the Leadership Team, comprised of the Company's functional heads, with the Managing Director serving as its leader. This team is responsible for implementing Board decisions, overseeing operations, and executing corporate business strategies. The Leadership Team meets weekly and monthly to discuss the execution of the Company's strategy and ensure daily operational alignment with corporate plans.

The Company has two subsidiary companies, Lafarge Umiam Mining Private Limited and Lum Mawshun Minerals Private Limited. In Compliance with Clause 2 of the notification:

- ◆ The Company reviews the affairs of the Subsidiary Companies and records the minutes of their Board Meetings.
- ◆ Minutes of the Subsidiary Companies' Board Meetings are reviewed at the subsequent Board meeting of the parent company.
- ◆ The Audit Committee of the parent company reviews the financial statements of the Subsidiary Companies at its meetings and at the Board of Directors meetings.
- ◆ The financial results of the Subsidiary Companies are provided to the Audit Committee for an overview before being consolidated with the parent company's financial statements.

Compliance and Penalties

The Company has not been subject to any penalties from the Stock Exchanges, the Bangladesh Securities and Exchange Commission, or any other statutory authority related to capital markets during the past three years.

Performance with Integrity: The Company is steadfast in its commitment to ethical business practices, anchored by the Holcim Code of Ethics. The Code is built upon five core principles: Compliance, Fairness, Care, Trust, and Respect. It emphasizes workplace integrity, diversity, and a safe, inclusive environment. To reinforce adherence, the Code is communicated through regular workshops, face-to-face training, and annual e-learning courses. The Code of Ethics is readily accessible on the Company's website: <https://www.lafargeholcim.com.bd/code-ethics>

The Holcim Integrity Gateway has been implemented to ensure transparent and efficient compliance management. This centralized digital workflow mandates the recording, review, and approval of all potential Conflicts of Interest (COI) and Gifts, Hospitality, Entertainment, and Travel (GHET) to ensure they fall within the approved local thresholds and comply with the Company's zero-tolerance policy towards bribery and corruption.

Promoting Fair Competition Practices is guided by the principle of "Fairness," the Company conducts comprehensive training sessions for employees to create awareness of fair competition practices. Delivered both in-person and virtually, these sessions cover competition law, risk management, and ethical considerations. To further enhance compliance, the Company utilizes an innovative General Pricing approval tool, ensuring alignment with The Competition Act 2012 and the internal Fair Competition Directive. Employees are required to declare any interactions with competitors, whether formal or informal, to ensure absolute transparency.

Mitigating Risks through Third-Party Due Diligence and Sanctions Screening, the Company demonstrates a strong commitment to compliance by implementing stringent Third-Party Due Diligence (TPDD). Aligning with global Sanctions and Export Control Directives, all counterparties (customers, vendors, intermediaries) are systematically screened against restricted party lists using the Dow Jones sanctions screening tool integrated into our Trade Compliance Monitor (TCM). The Company utilizes a strict 3-Pillar risk-based approach to prevent any direct or indirect transactions with sanctioned entities, ensuring strict adherence to both local and international trade laws.

The Company conducts an annual Compliance Risk Assessment (CRA) which identifies and mitigates potential compliance risks that could impact the organization. To ensure effective implementation, compliance risk mitigation actions are continuously tracked and monitored on a quarterly basis.

"SpeakUp" Culture and the Integrity Line is committed to upholding the highest standards of corporate transparency. We actively foster a "SpeakUp" culture, supported by the Integrity Line—a comprehensive, independent whistle-blowing system designed for employees, suppliers, and business partners. Available 24/7 via web and phone, the Integrity Line provides a secure, confidential, and anonymous channel to report any suspected violations of the Code of Ethics, policies, or the law. The Company strictly prohibits any form of retaliation against individuals who raise concerns in good faith.

Compliance with International Accounting Standards (IAS), International Financial Reporting Standard (IFRS), and Laws

The Directors confirm that the Company's financial statements have been meticulously prepared in accordance with International Accounting Standards and relevant regulations. A comprehensive explanation of the implementation of these accounting standards can be found in the Directors' Report and the accompanying financial statement notes.

Bangladesh Secretarial Standards (BSS) Compliance

The Company's Board and General Meetings, including the preparation of minutes and other pre-meeting tasks such as serving notices, creating agendas, and passing resolutions, strictly adhere to the Bangladesh Secretarial Standards (BSS) established by the Institute of Chartered Secretaries of Bangladesh (ICSB). These compliance measures are thoroughly documented and referenced in the Certificate of Compliance included in this report.

Navigating Transparency: An Overview of Communication Practices

The Company's financial reporting system is built on a foundation of accountability and adherence to standards. It meticulously follows procedures to comply with International Financial Reporting Standards (IFRS), as well as the Companies Act 1994, the Securities and Exchange Rules 1987, and other relevant financial legislation.

The Audit Committee plays a crucial role in overseeing the financial statements, conducting regular scrutiny. Statutory auditors perform a comprehensive review, ensuring alignment with local financial reporting policies and Company procedures. This process culminates in a final review and approval by the Board.

The Company utilizes a diverse range of channels to effectively communicate with stakeholders and investors. These channels include dissemination of information on Stock Exchanges' online portals, Press Releases, Annual Reports, and curated information on the Company's website.

The Company promptly announces unaudited quarterly results, both standalone and consolidated, within specific timelines, adhering to Listing Regulations. These results are disseminated to Stock Exchanges within two hours of the Board Meeting and subsequently published in prominent national dailies and online platforms.

The Company empowers shareholders by providing holistic access to information. Audited financial statements are seamlessly integrated into the Annual Report, which is distributed to Members well within the statutory period preceding the AGM.

The Company's website (<https://www.lafargeholcim.com.bd/>) serves as a central repository for key financial information, including the Annual Report, quarterly/half-yearly results, audited financial statements, and press releases. This website allows stakeholders to easily download these documents.

The Company prioritizes transparent engagement and regulatory compliance. It diligently discloses all necessary information to Stock Exchanges, including material details that could affect performance,

operations, or price sensitivity. All disclosures are electronically filed on the online portals of both the Dhaka and Chittagong exchanges.

The Board of Directors makes strategic decisions regarding the materiality of information disclosed to Stock Exchanges.

The Company consolidates all Stock Exchange disclosures and makes them readily accessible on its website through a dedicated link (<https://www.lafargeholcim.com.bd/financial-reports>).

This centralized repository promotes transparency and accessibility for stakeholders.

Prioritizing Employee Well-being: Comprehensive Health, Safety and Environment (HSE)

The Company is committed to corporate best practices and maintains rigorous Health, Safety, and Environment (HSE) measures in accordance with local regulations. This ensures a safe work environment and prioritizes employee well-being. Through active collaboration, the Company continuously improves and strictly adheres to HSE standards. This commitment is further demonstrated by providing comprehensive life and hospitalization insurance coverage to all permanent employees, emphasizing their welfare and security.

Upholding Transparency and Security in Asset and Records Management

The Board of Directors is dedicated to safeguarding investors' funds and meticulously oversees the protection of the Company's records, documents, and assets. Transparency and accountability are prioritized throughout the asset lifecycle, from acquisition to disposal, ensuring alignment with investors' interests. Rigorous safety and security measures, including periodic checks and physical verification, guarantee the integrity of Company assets. A thorough verification process ensures the accuracy of the asset inventory against the physical situation. All assets are properly insured by reputable companies, safeguarding against fire and industrial risks. The systematic preservation of Company records ensures efficient and timely retrieval when needed.

Fostering Shareholder Returns through Strategic Dividend Practices

LafargeHolcim Bangladesh PLC. prioritizes shareholder returns through a comprehensive approach that includes strategic dividend practices.

Annual Dividend Exercises

The Board annually reviews and evaluates the divisibility and payout of dividends, demonstrating their commitment to prioritizing shareholder entitlements.

Allocation Strategy

A well-defined allocation strategy guides fund provisioning, appropriation, and distribution. This strategic approach considers business performance, long-term obligations, and various factors influencing effective fund management.

The Board is committed to establishing a long-term, predictable, and sustainable dividend policy, ensuring maximum benefit for shareholders and fostering stability and predictability.

The Company strictly adheres to regulatory guidelines to ensure the secure handling of declared dividends, storing them in a separate account. Unclaimed dividends are also meticulously managed to maintain compliance.

Transparent Investment Environment for Shareholders

As a listed entity, LafargeHolcim Bangladesh PLC. maintains complete transparency, providing Shareholders with a transparent investment environment and empowering them to make informed decisions.

Summary of Unclaimed Dividends

The Directors' Report and the accompanying "notes to the annual accounts" provide a detailed summary of unclaimed dividends, offering valuable insights and information to stakeholders.

Efficient Cash Dividend Disbursement

- ◆ Interim cash dividend amount is transferred and kept in the separate Bank Account within 15 (fifteen) days from the record date.
- ◆ Final cash dividend is transferred and kept in the separate Bank Account at least 01 (one) day prior to the date of the Annual General Meeting (AGM) or immediately after 01 (one) day of record date as declared by the Board meeting.
- ◆ The Issuer Company shall obtain a certificate from the concerned bank confirming the transfer of the declared dividend amount to the designated dividend account. The said certificate shall be duly attested by the Chief Executive Officer, Chief Financial Officer, and Company Secretary of the Company, presented at the AGM, and submitted to the relevant stock exchanges.
- ◆ Dividends are disbursed within 30 days of shareholder approval at the AGM.
- ◆ Disbursement of interim dividends is required for Board approval, ensuring regulatory compliance.

- ◆ The Company strictly adheres to guidelines from the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank, and other relevant regulatory bodies.

Streamlining Unsettled Dividend Disbursement

- i. Dividends unclaimed or unpaid for less than three years are disbursed upon shareholder application within a set timeframe.
- ii. Dividends exceeding three years are settled according to instructions from the Bangladesh Securities and Exchange Commission (BSEC) or other relevant regulatory authorities, ensuring compliance and transparency.

Advocating Transparency and Accountability in Auditor Appointments

- i. The Audit Committee recommends, and the Board approves, the appointment of the Statutory Auditor. This appointment is ultimately determined by Shareholder's approval at the AGM, promoting transparency and active Shareholder participation. Furthermore, Shareholders play a key role in determining the Statutory Auditor's remuneration, further enhancing transparency in the process.
- ii. The Company ensures independent and objective financial reporting by adhering to the BSEC Notification dated June 20, 2018 and Dhaka & Chittagong Stock Exchanges Listing Regulations, 2015 dated June 30, 2015, which limit the tenure of statutory auditors to a maximum of three consecutive years. This mandatory rotation, along with the requirement to select auditors exclusively from the BSEC's approved panel, significantly strengthens the Company's overall corporate governance framework.
- iii. Regular meetings between the Audit Committee and Statutory Auditors foster independent actions and a commitment to accountability. Financial statement reviews are conducted prior to submission to the Board, emphasizing accuracy and reliability in financial reporting.
- iv. The Company's financial statements undergo rigorous scrutiny by M/s Nurul Faruk Hasan & Co., Chartered Accountants, who adhere to stringent auditing standards. This meticulous process ensures a comprehensive and reliable financial overview, upholding transparency and accountability in the Company's financial reporting.

Executive Statement on Corporate Governance Compliance

Our commitment to robust corporate governance is demonstrated through our annual compliance with the Corporate Governance Code, certified by experienced professionals including Chartered Accountants, Cost and Management Accountants, and Chartered Secretaries. This certification, issued by the esteemed M/s. Mohammad Sanallah & Associates, Chartered Secretaries & Management Consultants, is shared with Shareholders in our Annual Report (Annexed IX). The status of our compliance is transparently outlined in the attached checklist (Annexed X), ensuring accountability and transparency in our corporate operations.

Commitment to the Excellence

Effective governance is a continuous process that aligns all functions and employees of the Company toward achieving its ultimate corporate objectives. As a fully compliant entity, the Company upholds transparency and accountability to society through a robust governance framework. This commitment drives sound governance practices across all areas of operation, ensuring professional, efficient, and responsible business management. The Company's approach promotes transparency, ethical conduct, and compliance with applicable laws and regulations, while maintaining strong accountability standards. The Company remains firmly dedicated to upholding the principles of good corporate governance and is committed to acting in the best interests of its Shareholders and all other stakeholders.