

## **LAFARGE**

*Société anonyme* with a share capital of €1,145,815,116  
Registered office: 61 rue des Belles Feuilles, 75116 Paris  
542 105 572 Company Register Number (RCS) Paris  
Siret Number: 542 105 572 00615

### **NOTICE OF MEETING CONSTITUTING NOTICE OF CONVOCATION**

Ladies and Gentlemen, shareholders of Lafarge, are to convene in a Combined Shareholders' Meeting on Thursday, May 12, 2011 at 17:00 p.m. (for the first convocation) at Carrousel du Louvre, 99 rue de Rivoli, 75001 Paris, for the purpose of considering the following agenda and draft resolutions:

#### **AGENDA**

---

#### **I. Resolutions to be submitted to the ordinary shareholders' meeting**

---

- Approval of the 2010 Company financial statements and operations (1<sup>st</sup> resolution)
- Approval of the 2010 consolidated financial statements (2<sup>nd</sup> resolution)
- Appropriation of earnings and setting of the dividend (3<sup>rd</sup> resolution)
- Approval of the new agreement set forth in the report prepared by the statutory auditors on related-party agreements (*convention réglementée*) (4<sup>th</sup> resolution)
- Appointment of Mr. Baudouin Prot as a Director (5<sup>th</sup> resolution)
- Renewal of the term of office of Mr. Philippe Dauman as a Director (6<sup>th</sup> resolution)
- Authorization granted to the Company to buy and sell its own shares (7<sup>th</sup> resolution)

---

#### **II. Resolutions to be submitted to the extraordinary shareholders' meeting**

---

- Authorization to the Board of Directors to issue bonds and other related securities not giving rise to an increase of the Company's share capital (8<sup>th</sup> resolution)
- Delegation to the Board of Directors of authority to issue shares and securities giving rights to the capital of the Company with preferential subscription rights (9<sup>th</sup> resolution)
- Delegation to the Board of Directors of authority to issue – without preferential subscription rights – shares and securities giving access to the share capital of the Company (10<sup>th</sup> resolution)
- Delegation to the Board of Directors of authority to issue - without preferential subscription rights – shares and securities giving rights to the capital of the Company in an offer covered by article L.411-2, II of the French Monetary and Financial Code (11<sup>th</sup> resolution)
- Delegation to the Board of Directors to issue shares and securities giving rights to the capital of the Company as payment for contributions in kind (12<sup>th</sup> resolution)
- Delegation to the Board of Directors of authority to increase the number of securities to be issued in case of a capital increase with or without preferential subscription rights (13<sup>th</sup> resolution)
- Delegation to the Board of Directors of authority to decide a capital increase by incorporation of premiums, reserves, profits or other items (14<sup>th</sup> resolution)
- Authorization to the Board of Directors to reduce the share capital through cancellation of treasury shares (15<sup>th</sup> resolution)
- Authorization to the Board of Directors to grant options to subscribe for and/or purchase shares (16<sup>th</sup> resolution)

- Authorization to the Board of Directors to allot free existing or new shares (17<sup>th</sup> resolution)
- Delegation to the Board of Directors to issue shares and/or securities giving rights to the capital reserved for members of company savings plans (18<sup>th</sup> resolution)
- Delegation of authority to the Board of Directors to issue shares and/or securities giving rights to the capital to a certain category of beneficiary in connection with a transaction reserved for employees, without preferential subscription rights (19<sup>th</sup> resolution)
- Amendments to the articles of association – Participation in the general meetings (20<sup>th</sup> resolution)
- Powers to carry out corporate formalities (21<sup>st</sup> resolution)

### **Resolutions to be submitted to the Meeting, as presented by the Board**

You will find below the proposed Resolutions that will be submitted to the Lafarge shareholders at the next combined Shareholders' Meeting on May 12, 2011.

The Resolutions are preceded by an introductory paragraph explaining the reasons for each resolution proposed. All these introductory paragraphs, taken with the business description in the notice of Shareholders' Meeting, form the report from the Board of Directors to the Shareholders' Meeting.

---

#### **I. Resolutions to be submitted to the ordinary shareholders' meeting**

---

##### **Approval of the annual financial statements**

The first two Resolutions submit for shareholders' approval the statutory and consolidated financial statements of Lafarge for 2010, showing earnings of 49,031,533.70 euros and 827 million euros, respectively.

**1<sup>ST</sup> RESOLUTION**      *Approval of the 2010 Company financial statements and transactions*

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having considered the report of the Board of Directors, the report of the Chairman of the Board of Directors on internal control procedures implemented by the Company, and the statutory auditors' report on the Company financial statements for the year ended December 31, 2010, approves the 2010 financial statements, as presented, and the transactions recorded therein and summarized in these reports.*

*The net income for the year was 49,031,533.70 euros.*

**2<sup>ND</sup> RESOLUTION**      ***Approval of the 2010 consolidated financial statements***

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, having considered the Report of the Board of Directors, the report of the Chairman of the Board of Directors on internal control procedures implemented by the Company and the statutory auditors' report on the 2010 consolidated financial statements, approves the 2010 consolidated financial statements, as presented, and the transactions recorded therein and summarized in these reports.*

*The net income, Group share, for the year was 827 million euros.*

---

**Appropriation of earnings**

The third Resolution proposes an appropriation of the earnings for fiscal year 2010 that allows a normal dividend of 1 euro per share and a loyalty dividend of 1.1 euro per share. The loyalty dividend is awarded to shares which have been held in registered form for more than two years as of December 31, 2010, and are still in registered form on the date on which shares are traded ex-dividend.

The normal dividend and the loyalty dividend are eligible in full for the 40% deduction that applies to individuals who are tax residents of France. These individuals can also opt out of the progressive income tax rate schedule by opting for taxation at a flat rate of 19%, in which case the deduction will not apply.

If this Resolution is adopted, the cash dividend will be paid on July 6, 2011. The shares will be traded ex-dividend as from July 1, 2011.

**3<sup>RD</sup> RESOLUTION**      ***Appropriation of earnings and setting of the dividend***

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, approves the recommendations of the Board of Directors for the appropriation of earnings for the 2010 financial year:*

<b><i>Origins:</i></b>	<b><i>(in euros)</i></b>
<i>Earnings</i>	<i>49,031,533.70</i>
<i>Retained earnings*</i>	<i>1,942,314,548.80</i>
<b><i>Total</i></b>	<b><i>1,991,346,082.50</i></b>
<b><i>Appropriation:</i></b>	
<i>Legal reserve</i>	<i>2,451,576.69</i>
<hr/>	
<i>Dividend</i>	
- <i>First dividend (5% of the par value of the share)</i>	<i>57,218,044.20</i>
- <i>Additional dividend (total dividend – first dividend)</i>	<i>228,872,176.80</i>
- <i>Maximum amount of the 10% increase</i>	<i>1,849,475.20</i>
- <i>Total Dividend</i>	<b><i>287,939,696.20</i></b>
<i>Retained Earnings</i>	<i>1,700,954,809.61</i>
<b><i>Total appropriations</i></b>	<b><i>1,991,346,082.50</i></b>

\* *After inclusion of:*  
- *the dividends received on treasury shares, which total 32,940.00 euros;*  
- *the 10% increase not collected on the registered shares transferred into a bearer account between January 1 and July 1, 2010, i.e. 332,309 euros.*

*It sets the normal dividend at 1 euro per share and the loyalty dividend at 1.1 euro per share. The amount of the normal dividend and the loyalty dividend are eligible in full for the 40% deduction that applies to individual who are tax residents of France.*

*We remind the Shareholders' Meeting that the dividends distributed in previous years were as follows:*

<i>Year</i>	<i>Number of shares</i>	<i>Dividend distributed</i>
<b>2007</b>	<b>172,564,575</b>	
<i>Normal dividend</i>		4.00
<i>Loyalty dividend</i>		4.40
<b>2008</b>	<b>195,236,534</b>	
<i>Normal dividend</i>		2.00
<i>Loyalty dividend</i>		2.20
<b>2009</b>	<b>286,453,316</b>	
<i>Normal dividend</i>		2.00
<i>Loyalty dividend</i>		2.20

*The General Meeting resolves that the dividend will be paid on July 6, 2011.*

#### **Related-party agreements (*conventions réglementées*)**

The fourth Resolution relates to the ratification of the “related-party” agreements (*conventions réglementées*) approved by the Board of Directors. It relates to agreements entered into during the 2010 fiscal year between Lafarge and its Directors or a company that shares one or more Directors with Lafarge and not yet approved in General Meeting.

As a new agreement not yet approved by the General Meeting, the special report of the statutory auditors mentions the amendment to the Agreement for the sale and purchase of the share capital of Orascom Building Materials Holding SAE reached between Lafarge and Orascom Construction Industrie SAE on December 9, 2007.

At its meeting on February 18, 2010, the Board of Directors authorized the signature of this amendment dated February 22, 2010.

Under the agreement dated December 9, 2007, Lafarge acquired 50% of a joint venture in Saudi Arabia (Alsafwa Cement Company). The agreement also stipulated that Orascom Construction Industries SAE would transfer various licenses, permits and authorizations, as well as shares and rights on land and tangible assets, as required for the company’s activity, to the joint venture. Lafarge also benefited from a guarantee, pursuant to which a claim has been filed.

The purpose of the amendment, dated February 22, 2010, is (i) to set the general framework for the steps that Lafarge has to implement to further develop the joint venture and (ii) stipulate that these steps will be implemented without prejudice to the rights and claims of each party to the Agreement, which are preserved and maintained.

You are reminded that the Directors concerned are **Mr. Nassef Sawiris** (Chairman and CEO of Orascom Construction Industries SAE) and **Mr. Jérôme Guiraud** (director of Orascom Construction Industries SAE).

The special report of the statutory auditors also sets forth the agreements and commitments approved during prior General Meetings and remaining effective in the year ended December 31, 2010.

**4<sup>th</sup> RESOLUTION**      *Approval of the new agreement set forth in the report of the statutory auditors on related-party agreements (convention réglementée)*

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings and on the special report prepared by the statutory auditors pursuant to Article L.225-40 of the Commercial Code on agreements falling within the scope of Article L.225-38 et seq. of said Code, approves the new agreement entered into during the course of 2010 and set forth in the said report.*

---

**Terms of office of directors**

Resolutions five and six deal with the appointment of a new Director and the renewal of the term of office of another Director of the Company. You are hence being asked to

- appoint Mr. Baudouin Prot as Director for a four year period,
- renew the term of office of Mr. Philippe Dauman for another four year period.

A biography is provided below.

- Mr. Baudouin Prot was born on 24 May, 1951

Mr. Baudouin Prot is currently Director and Chief Executive Officer of BNP Paribas (since June 2003). After graduating from the French business school HEC in 1972 and from ENA in 1976, Mr. Baudouin Prot joined the French Ministry of Finance where he stayed for four years. He then became Deputy Director of Energy and Raw Materials at the French Ministry of Industry for three years. Mr. Prot joined BNP in 1983 as Deputy Director of the intercontinental branch of Banque Nationale de Paris and became Director for Europe in 1985. In 1987, he joined the Central Networks Department, was promoted to Central Director in 1990, and became Executive Vice President of BNP in charge of networks in 1992. Mr. Prot was appointed Chief Executive Officer of BNP in 1996 and Corporate Executive Officer (*Directeur general délégué*) of BNP Paribas in 1999. In 2000, he was appointed Director and Corporate Executive Officer (*Directeur general délégué*) of BNP Paribas, and became Director and Chief Executive Officer of the bank in May 2003. He held 1 250 Lafarge shares as of March 16, 2011

Positions and other offices in French or foreign companies held by Mr. Baudouin Prot over the last five years

---

*Current positions*

In France	Director of BNP Paribas Director of Pinault-Printemps-Redoute Director of Veolia Environnement
Abroad	Director of Erbé SA (Belgium) Director of Pargesa Holding SA (Switzerland)

---

---

*Positions during the last five years and no longer exercised*

In France	Permanent representative of BNP Paribas on the Supervisory Board of Accor (from 1992 to January, 2006) Director of Accor (from January, 2006 to February, 2009) Chairman of the Fédération Bancaire Française (from September, 2009 to August, 2010)
Abroad	Director of BNL S.p.A. (Italy) (from February 2007 to September 2008)

---

- Mr. Philippe Dauman was born on 1<sup>st</sup> March, 1954.

Mr. Philippe Dauman was appointed to Lafarge's Board of Directors in May 2007. He has been President and Chief Executive Officer of Viacom Inc. (US) since September 2006. He was previously Joint Chairman of the Board and Managing Director of DND Capital Partners LLC (US) from May 2000. Before creating DND Partners, Mr. Dauman was Vice-Chairman of the Board of Viacom from 1996 to May 2000, Executive Vice-President from 1995 to May 2000 and Chief Counsel and Secretary of the Board from 1993 to 1998. Prior to that, he was a partner in New York law firm Shearman & Sterling. He served as Director of Lafarge North America from 1997 to 2006. He is currently a Director of National Amusements Inc. (US), a member of the Dean's Council for the University of Columbia Law School, a member of the Business Roundtable (US), a member of the Executive Committee of the National Cable & Telecommunications Association (US), a member of The Paley Center for Media's Council (US) and a member of the Executive committee of Lenox Hill Hospital (US).

He held 1,143 Lafarge shares as of December 31, 2010.

Positions and other offices in French or foreign companies held by Mr. Dauman over the last five years

---

*Current positions*

In France	Director of Lafarge
Abroad	President and Chief Executive Officer of Viacom Inc. (États-Unis) Director of National Amusements Inc. (États-Unis)

---

*Positions during the last five years and no longer exercised*

Abroad	Co-Chairman of the Board of Directors and Managing Director of DND Capital Partners LLC (USA) Director of Lafarge North America from 1997 to 2006 (USA)
--------	--

---

Mssrs. Baudouin Prot and Philippe Dauman will be considered as independent Directors by your Board of Directors.

Mr. Baudouin Prot being Chief Executing Officer of BNP Paribas, one of the corporate and investment banks of the Group, a materiality test was conducted which shows that the value of the committed credit facilities of BNP Paribas towards the Lafarge group represents approximately 3.5% of the Group's gross debt. The possibility for Lafarge to use a large panel of banks, in a competitive environment, allows to avoid any dependence towards BNP Paribas. Reciprocally, the fees received by BNP Paribas from the Group represent a non-significant part of its revenues, and do not generate dependence towards Lafarge. In consideration of these elements, the Board of Directors has decided that it would consider Mr. Baudouin Prot as an independent Director.

These two appointments would be made while the term of office of three Directors will expire at the end of the Shareholders' Meeting (terms of office of Mssrs. Pierre de Lafarge, Michel Pébereau and Philippe Dauman). Mssrs. Pierre de Lafarge and Michel Pébereau did not wish to ask for the renewal of their terms of office. The Board of Directors thanks them for having brought to your company their great knowledge, expertise, professionalism and independence of thought.

At the end of the General Meeting, your Board will be made up of 10 directors considered as independent out of 17.

**5<sup>TH</sup> RESOLUTION Appointment of Mr. Baudouin Prot as Director**

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby appoints as Director Mr. Baudouin Prot for a period of four years, expiring at the end of the Shareholders' Meeting called to approve the financial statements for the 2014 financial year.*

**6<sup>TH</sup> RESOLUTION Renewal of the term of office of Mr. Philippe Dauman as Director**

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary meetings, on the recommendation of the Board of Directors, and in accordance with the conditions stipulated in Article 14 of the bylaws, hereby renews Mr. Philippe Dauman's term of office as Director for a period of four years, expiring at the end of the Shareholder Meeting called to approve the financial statements for the 2014 financial year.*

---

**Authorization to buy back shares**

The seventh Resolution allows the Company to buy its own shares within the limits set by the shareholders and by law. It replaces the authorizations previously granted by the shareholders at previous Shareholders' Meetings.

*Main characteristics*

The buyback program that we are recommending that you approve would have the following features:

- Securities: shares;
- Maximum percentage of capital authorized for buyback: 5%;
- Maximum total amount of the program: 500 million euros;
- Maximum unit purchase price: 100 euros;
- Objectives of the program:
  - the implementation of any Company stock option plan under the terms of articles L.225-177 et seq. of the Commercial Code or any similar plan; or
  - the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan on the conditions stipulated by law, in particular articles L.3332-1 et seq. of the Labor Code; or
  - the allotment of consideration free shares under the terms of articles L.225-197-1 et seq. of the Commercial Code; or

- generally, to fulfil obligations linked with stock option programmes or other share allotment schemes in favour of employees or executive officers of the Company or of related entities; or
  - the delivery of shares on the exercise of rights attached to securities giving rights to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or
  - the cancellation of some or all of the shares purchased, subject to the approval by the Extraordinary Shareholders' Meeting of the 15<sup>th</sup> resolution hereafter, according to the terms thereof; or
  - the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or
  - market-making in the secondary market or maintenance of the liquidity of Lafarge shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the *Autorité des marchés financiers*.
- Period: 18 months.
  - These transactions can be performed at any time, excluding the periods of public offering on the Company's shares.

#### *Past utilisations*

For information purposes, it is reminded that as of December 31, 2010, the Company:

- held 363,558 shares with a nominal par value of 4 euros, representing 0.13% of its capital stock all assigned to cover the stock options and performance shares grants;
- has not purchased any shares within the shares buy-back program approved by the Meeting of May 6, 2010;
- has not pending liquidity agreement with an investment service provider.

### **7<sup>TH</sup> RESOLUTION      *Authorization granted to the Company to buy and sell its own shares***

*The Shareholders' Meeting, deliberating pursuant to the quorum and majority requirements for ordinary shareholders' meetings, having considered the report of the Board of Directors, hereby authorizes the Board of Directors, with the option of sub-delegation in accordance with applicable law and the articles of association of the Company, to purchase shares of the Company's stock or to have shares of the Company's stock purchase in the name of the Company up to a maximum number of shares representing 5% of the capital stock on the date the purchases are made, pursuant to Articles L.225-209 et seq. of the Commercial Code. The number of treasury shares held by the Company at any time may not exceed 10% of the shares constituting the share capital of the Company at such time.*

*This authorization replaces the authorization granted under the eighth Resolution of the Ordinary Shareholders' Meeting on May 6, 2010.*

*For purposes of this resolution, the maximum purchase price per share is set at 100 euros. In the event of a transaction affecting capital, particularly through the capitalization of reserves or an allotment of bonus shares, or a split or reverse stock split, the price stipulated above will be adjusted accordingly.*

*The total amount allocated to this stock purchase program may not exceed 500 million euros.*

*These shares may be acquired, sold or transferred by any and all means, on one or more occasions, whether on the open market or over the counter, including through the acquisition or sale of blocks of shares, through the use of derivative financial instruments, warrants or*

*securities giving the right to shares of the Company, or through the use of options, subject to the conditions stipulated by market authorities, with the following objectives:*

- *the implementation of any Company stock option plan under the terms of articles L.225-177 et seq. of the Commercial Code or any similar plan; or*
- *the allotment or sale of shares to employees under the French statutory profit-sharing scheme or the implementation of any employee savings plan under applicable legal conditions, in particular articles L.3332-1 et seq. of the Labor Code; or*
- *the allotment of consideration free shares pursuant to the terms of articles L.225-197-1 et seq. of the Commercial Code; or*
- *generally, to fulfil obligations linked with stock option programmes or other share allotment schemes in favour of employees or executive officers of the Company or of related entities; or*
- *the delivery of shares on the exercise of rights attached to securities giving rights to the capital by redemption, conversion, exchange, presentation of a warrant or any other means; or*
- *the cancellation of some or all of the shares purchased , subject to the approval by the Extraordinary Shareholders' Meeting of the 15<sup>th</sup> resolution hereafter, according to the terms thereof; or*
- *the delivery of shares (in exchange, as payment, or otherwise) in connection with acquisitions, mergers, demergers or asset-for-share exchanges; or*
- *market-making in the secondary market or maintenance of the liquidity of Lafarge shares by an investment services provider under a liquidity contract that complies with the ethical code recognized by the Autorité des marchés financiers.*

*This authorization is granted for a period of 18 months from the date of this Meeting.*

*Transactions by the Board of Directors to buy, sell or transfer shares of the Company may be executed at any time, except during a tender offer for the Company's shares, in compliance with legal and regulatory requirements.*

*The Shareholders' Meeting grants all powers to the Board of Directors, with the option of sub-delegation in accordance with the applicable Law and the bylaws of the Company, to decide and to implement this resolution and set the terms and conditions thereof, to implement the present buy back program, and particularly to adjust the aforementioned purchase price in case of transactions that impact shareholders' equity, share capital or the par value of the shares, to place all market orders, enter into all agreements, make all declarations and perform all formalities and, generally take all necessary measures.*

---

## **II. Resolutions to be submitted to the extraordinary shareholders' meeting**

---

### **Bond issuances not giving rise to capital increases (8<sup>th</sup> resolution)**

The 8<sup>th</sup> resolution authorizes the Board of Directors to carry out bond issuances. The Company's bylaws grant the General Meeting authority to decide on bond issuances. This authorization does not allow the issuance of securities giving right, immediately or in the future, to capital securities. This resolution is subject to quorum and majority conditions applicable to Extraordinary General Meetings rather than Ordinary General Meetings, since it also applies to "complex" bonds (*combined bonds granting a claim against the Company*).

### *Main characteristics*

This resolution would enable the Board to decide to issue securities entitling their holders to the allotment of debt securities, such as bonds with a bond subscription warrant attached or bonds convertible in to or redeemable for a different debt security (*titre de nature obligataire*). These securities may be attached to warrants entitling their holders to the allotment, acquisition or subscription of bonds or other debt securities. The Board may set the nature and characteristics of securities entitling their holders to the allotment of debt securities to be created, in particular their interest rate, their term and the possibility of reducing or increasing the nominal value of the securities, as well as the dates on which this right may be exercised.

In previous years, the Meeting has authorized the Board to carry out bond issuances on a regular basis in order to meet the Group's financing needs. Since the prior authorization granted by the Combined General Meeting of May 6, 2009 is expiring soon, you are being asked to renew it in order to allow the Board to carry out issuances of bonds or related securities up to a maximum nominal amount of €8 billion, depending on the Group's financing needs and market conditions.

The maximum amount has been set to allow the Company to react under any circumstances. It is a function of the size of the Group and consistent with the financing policy presented to the Board of Directors on a regular basis.

This resolution will cancel the prior authorization and is granted for a term of 26 months.

### *Implemented issuances*

For your information, the authorization granted to the Board of Directors by the Combined Shareholders' Meeting of May 6, 2009 has been used in the following manner:

- a bond issuance for a total nominal amount of one billion euros, with a 5 year maturity and with the fixed annual interest rate of 7.625%, decided by the Chairman and Chief Executive Officer on May 26, 2009 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of £350 million, with a 8 year maturity and with the fixed annual interest rate of 8.75%, decided by the Chairman and Chief Executive Officer on May 28, 2009 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of €750 million, with a 7 year and 5 month maturity and with the fixed annual interest rate of 7.625%, decided by the Chairman and Chief Executive Officer on June 22, 2009 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of €250 million, with a 8 year maturity and with the fixed annual interest rate of 7.25%, decided by the Chairman and Chief Executive Officer on June 24, 2009 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of €150 million, with a 8 year maturity and with the fixed annual interest rate of 6.85%, decided by the Chairman and Chief Executive Officer on November 6, 2009 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of €750 million, with a 10 year maturity and with the fixed annual interest rate of 5.5%, decided by the Chairman and Chief Executive Officer on December 10, 2009 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of €500 million, with a 8 year maturity and with the fixed annual interest rate of 5%, decided by the Chairman and Chief Executive Officer on April 9, 2010 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of US\$550 million, with a 5 year maturity and with a fixed annual interest rate 5.5%, decided by the Chairman and Chief Executive Officer on July 6, 2010 (further to a delegation of the Board of Directors' meeting of May 6, 2009),
- a bond issuance for a total nominal amount of one billion euros, with a 8 year maturity and with the fixed annual interest rate of 5.375%, decided by the Chairman and Chief Executive Officer

on November 26, 2010 (further to a delegation of the Board of Directors' meeting of November 4, 2010),

**8<sup>TH</sup> RESOLUTION**      ***Authorization to the Board of Directors to issue bonds and other related securities not giving rise to an increase of the Company's share capital***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the report from the statutory auditors, and, in particular, in accordance with the bylaws and with articles L.228-91 et seq. of the French Commercial Code,*

- *authorizes the Board of Directors to issue, on one or more occasions, in France and/or abroad, either in euros, or in any other currency or currency unit established by reference to more than one currency, bonds or related securities, in particular subordinated securities, for a finite and infinite term, or any other securities conferring in a single issuance the same claim against the Company, attached or not to warrants entitling their holders to the allotment, the acquisition, or the subscription of bonds, related securities or other shares or securities conferring such a claim against the Company,*
- *resolves that the maximum nominal amount of all of the securities to be issued mentioned above cannot exceed €8 billion, or the exchange value on the date of the decision approving the issuance of this amount in a currency other than the euro or in any other currency unit established by reference to more than one currency, it being specified that this maximum nominal amount will apply to all of the bonds or related securities as well as to the other debt securities issued immediately or following the exercise of the warrants, but that this same amount will not include the redemption premium/s above the par value, if such premiums are provided for. The negotiable debt securities within the meaning of articles L.213-1 to L.213-4 of the French Monetary and Financial Code are not covered by this authorization, and*
- *resolves that this authorization cancels the unused portion of any prior authorization having the same purpose.*

*The Meeting grants full powers to the Board of Directors, with powers to subdelegate, in order to:*

- *carry out, on one or more occasions, such issuances up to the above-referenced limit,*
- *establish the terms of each of the issuances,*
- *establish the characteristics of the securities to be issued, in particular the characteristics of the securities entitling their holders to the allotment of debt securities, the terms of the allotment of debt securities to which these securities entitle their holders as well as the dates on which such allotment rights may be exercised, in particular: set their nominal value, the rights date, the issuance price as well as the amount of the premium that may, as the case may be, be requested at the issuance; decide, if applicable, whether they will be subordinated or not and if so, their rank of subordination, in accordance with the provisions of article L.228-97 of the French Commercial Code; set their interest rate (in particular the fixed and/or variable or zero coupon or indexed interest rate) or, in the case of securities with variable rates, the method of calculation of the latter, the interest payment date and its capitalization terms; set their term (finite or infinite) and the other terms of the issuance (including the granting of guarantees or securities), of amortization and/or early redemption (including the redemption by delivery of assets of the Company), as the case may be with a fixed or variable premium, or by the repurchase by the Company; modify, during the lifespan of the relevant securities, as well as that of the debt securities to which they*

*entitle their holders, the characteristics mentioned above, in compliance with the applicable formalities;*

- *if needed, resolve to grant a guarantee or securities on the securities to be issued, and to establish their nature and characteristics,*
- *provide, if needed, for the redemption of the securities issued through the delivery of assets of the Company,*
- *generally, enter into any agreements, conclude any agreements with any banks and any organizations, take any measures and perform any required formalities, and generally, take all necessary measures.*

*This authorization is granted for a term of 26 months from the date of this Meeting.*

---

### **Financial authorization for capital increases (9<sup>th</sup> to 13<sup>th</sup> resolutions)**

The 9<sup>th</sup> to the 13<sup>th</sup> resolutions are financing authorizations for capital increases. In previous years, the General Meeting has given the Board of Directors on a regular basis the necessary powers to select, at any time, from among a wide range of securities giving access to the share capital, with or without the shareholders' preferential subscription rights, the most appropriate operation for the needs and the development of the Group based on the state of the market at the relevant time.

You are being asked to grant such new delegations to the Board. They are consistent with customary practices and main recommendations relating to amount, ceiling, and term.

They would be granted for a term of 26 months in order to provide the Board of Directors with necessary flexibility.

#### *Ceilings*

The delegations in these resolutions apply to the issuance of equity securities and securities giving access to the share capital up to an overall ceiling of 140 million shares. The same overall ceiling applies to five resolutions (from the 9<sup>th</sup> to the 13<sup>th</sup>). Accordingly, the use of the delegations contained in the 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> resolutions to issue securities without preferential subscription rights would count towards the overall ceiling of 140 million shares set forth in the 9<sup>th</sup> resolution, bringing the overall ceiling for all of these delegations to 140 million shares (i.e. approximately 50% of the share capital at December 31, 2010).

In addition to this overall ceiling, sub-ceilings apply depending upon the type of transaction envisaged. The ceiling that applies to issuances without preferential subscription rights (10<sup>th</sup> resolution) is 40 million shares, i.e. approximately 14% of the Company's share capital at December 31, 2010. The resolution also provides that the Board may grant to shareholders a priority period to subscribe to issued shares. Any subsequent issuances for purposes of a private placement (11<sup>th</sup> resolution), issuances as payment for contributions in-kind (12<sup>th</sup> resolution) and any additional issuances pursuant to an over-allotment clause if the issuance is carried out without preferential subscription rights (13<sup>th</sup> resolution), will count towards this sub-ceiling.

The ceiling that applies to the issuances as payment for contributions in-kind (12<sup>th</sup> resolution) is 28 million shares, i.e. approximately 10% of the share capital on December 31, 2010.

In the event of an issuance of debt securities of the Company (bonds) in case of implementation of the authorizations granted pursuant to the 9<sup>th</sup> to 13<sup>th</sup> resolutions, the aggregate nominal value of the debt securities may not exceed €8 billion or its exchange value (contre-valeur) and would count towards the ceiling proposed in the 8<sup>th</sup> resolution for bonds and related securities (*obligations et titres assimilés*).

### *Main characteristics*

The resolutions presented at this meeting will allow the Board to issue securities giving access to the Company's share capital, either through the issuance of new shares such as bonds convertible into or redeemable for shares, or bonds with share warrants attached, or through the delivery of existing shares such as "OCEANes" (bonds which are convertible into new shares or exchangeable for existing shares). These securities may take the form of either debt securities, as in the above-mentioned examples, or equity securities, such as shares with warrants attached. However, capital securities convertible or transformable into debt securities may not be issued under applicable law.

The securities giving access to the share capital in the form of debt securities (e.g., bonds convertible into or redeemable for shares, or bonds with share warrants attached) may entitle their holders to the allotment of shares (subject to the ceilings mentioned above), either at any time, or during specific periods, or on fixed dates. This allotment may be carried out by way of a conversion (e.g., bonds convertible for shares), redemption (e.g., bonds redeemable for shares), exchange (e.g., bonds exchangeable for shares), presentation of a warrant (e.g., bonds with share warrants attached) or by any other means, during the term of the borrowings, irrespective of whether the shareholders have a preferential subscription right to such issued securities.

The Board of Directors generally prefers to carry out a standard capital increase with preferential subscription rights for shareholders (**9<sup>th</sup> resolution**). However, certain circumstances may arise in which the cancellation of preferential subscription rights for shareholders is necessary and in their best interests. It is also necessary to provide for the ability to carry out mid-sized acquisitions (*acquisitions moyennes*) paid for entirely in shares. Capital increases without preferential subscription rights (**10<sup>th</sup> resolution**) would thus enable the Board of Directors to take advantage of certain opportunities that may arise in the market (in particular in connection with exchange offers initiated by Lafarge or the issuance of securities underlying the securities issued by the Company or the subsidiaries of the Group).

The same would apply to capital increases through a contribution in kind (**12<sup>th</sup> resolution**) in situations where the shares contributed to Lafarge are not traded on a regulated or other equivalent market. This is the case of companies in a number of developing countries.

The delegation in the **11<sup>th</sup> resolution** would facilitate Lafarge's access to markets by benefiting from the flexibility to approach qualified investors within the meaning of applicable regulation. These transactions are available exclusively to individuals providing portfolio investment and management services on behalf of third parties, and to qualified investors or a limited circle of investors, provided that such investors act for their own account. The applicable ceiling for this delegation would be the same as that of the 10<sup>th</sup> resolution, and any amounts resulting from transactions completed pursuant to this resolution would count towards such ceiling. Applicable law also provides for an annual limit for these transactions of 20% of the share capital.

In accordance with law, the issuance price of securities which would apply following implementation of the 10<sup>th</sup> and 11<sup>th</sup> resolution must be at least equal to the weighted average of the prices during the three trading days preceding its determination, minus a discount of no more than 5%.

The **13<sup>th</sup> resolution** would allow the Board of Directors to increase the number of securities to be issued in the event of a capital increase with or without preferential subscription rights in the event of over-subscription (*demandes excédentaires*), in accordance with article L.225-135-1 of the French Commercial Code. Applicable regulations provide that this increase should be made at the same price as that of the initial issuance, and be limited both in time (30 days from the closing of the subscription period) and amount (the maximum number of shares to be issued in such case is limited to 15% of the initial issuance). Finally, this possible increase is subject to the ceiling included in the resolution approving such issuance and is granted for a term of twenty-six months.

These delegations cancel the prior delegations having the same purpose.

## *Implemented issuances*

Finally, on the subject of capital increases, you are reminded that on April 28, 2009, the share capital was increased by a gross amount of €1,500,317,581 (including premium), through the issuance of 90,109,164 new shares with preferential subscription rights.

### **9<sup>TH</sup> RESOLUTION**

#### ***Delegation to the Board of Directors of authority to issue shares and securities giving rights to the capital of the Company with preferential subscription rights***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Report, and in accordance with articles L.225-129 et seq. and L.228-91 et seq. of the French Commercial Code, and in particular articles L.225-129-2 and L.228-92 of said Code:*

- *delegates to the Board of Directors, with powers to subdelegate as permitted by law and the bylaws, its authority to carry out capital increases, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, by issuing, in euros or in any other currency or currency unit established by reference to more than one currency, ordinary shares or securities, issued for valuable consideration or free of consideration, entitling their holders by any means, immediately and/or in the future, to new or existing common shares of the Company, it being specified that subscription for such shares or other securities may be in cash, or by offset of payable liquid debt, or by incorporation of reserves, profits or share premium;*
- *resolves that the total amount of capital increases to be carried out immediately or in the future pursuant to this delegation may not exceed the nominal amount of €560 million, i.e. 140 million shares, excluding adjustments that may be applied in accordance with applicable law to preserve the rights of the holders of securities giving rights to the capital. The maximum amount of capital increases that may be carried out pursuant to this delegation applies to the 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> resolutions of this meeting, subject to their approval, and to the issuances authorized by any resolutions that may supersede them during the term of this delegation,*
- *resolves that the nominal amount of the bonds, debt securities or related securities giving rights to the capital of the Company issued pursuant to this delegation may not exceed €8 billion on the issuance decision date, or the exchange value of this amount on the issuance date in the event of an issuance in a foreign currency or monetary unit established by reference to several currencies. The nominal amount of the issuances of such securities carried out pursuant to this delegation will count towards the overall ceiling provided for in the 8<sup>th</sup> resolution of this meeting, subject to its approval, or, as the case may be, towards any overall ceiling that may be provided for in a resolution of the same nature that supersedes the 8<sup>th</sup> resolution during the term of this delegation,*
- *resolves that the shareholders have a preferential subscription right to securities issued pursuant to this resolution in proportion to the number of shares that they hold. In addition, the Board of Directors will have the option to grant shareholders the reducible right to subscribe a number of securities in excess of the irreducible subscription amount they are otherwise entitled to in proportion to their subscription rights and, in any event, up to the amounts requested,*
- *resolves that if the subscriptions on an irreducible basis and, as the case may be, on a reducible basis, have not absorbed the entire share or security issuance as defined above, the Board of Directors may, under the conditions provided by the law and in the order it shall determine, one or several of the following options: publicly offer of all or part of the unsubscribed securities on the French market or abroad, limit the issuance to the actual amount of subscriptions, provided that such amount represents at least*

75% of the approved issuance or freely distribute all or part of the unsubscribed securities,

- resolves that the issuance of warrants of the company may be carried out by a subscription offer or a free distribution to holders of old shares, it being specified that the Board of Directors may decide that the fractional allotment rights (rompus) are not transferable and that corresponding securities will be sold,
- notes that, if applicable, the above-mentioned delegation automatically entails, in favor of the holders of issued securities giving rights to the capital of the company, a waiver by the shareholders of the preferential share subscription rights to which such securities entitle them immediately or in the future,
- resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

*This delegation is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting grants full powers to the Board of Directors, with the power to sub delegate as permitted by law and the bylaws, to implement this delegation and in particular to establish the terms of the issuance, the nature and characteristics of the securities giving access to the share capital, the terms of the allotment of equity securities to which these securities entitle their holders, as well as the dates on which the allotment rights may be exercised, in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve, make all necessary adjustments to take into account the impact of transactions involving the capital of the Company, duly record the completion of the capital increases, make the corresponding changes to the bylaws, carry out the required formalities, enter into any agreement, particularly in order to ensure the completion of the proposed issuances, and generally take all necessary measures.*

**10<sup>TH</sup> RESOLUTION**      ***Delegation to the Board of Directors of authority to issue – without preferential subscription rights – shares and securities giving access to the share capital of the Company***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Report, and in accordance with article L.225-129 et seq. and L.228-91 et seq. of the French Commercial Code, in particular articles L.225-129-2, L.225-135, L.225-136, L.225-148 as well as L.228-92 of said Code:*

- delegates to the Board of Directors, with powers to subdelegate as permitted by law and the bylaws, its authority to carry out capital increases, on one or more occasions, in France or abroad, in the proportions and at the times it sees fit, by issuing, in euros or in any other currency or currency unit established by reference to more than one currency, ordinary shares or securities, issued for valuable consideration or free of consideration, entitling their holders by any means, immediately and/or in the future, to new or existing common shares of the Company, it being specified that subscription for such shares or other securities may be in cash, or by offset of payable liquid debt, or by incorporation of reserves, profits or share premium,
- resolves that the total amount of the capital increases carried out immediately or in the future pursuant to this delegation may not exceed the nominal amount of €160 million, i.e. 40 million shares, excluding adjustments that may be applied in accordance with applicable law to preserve the rights of the holders of securities giving rights to the capital, it being specified that this amount will count towards the overall ceiling set forth in 9<sup>th</sup> resolution of this meeting or, as applicable, towards any overall ceiling set

*forth by any similar resolution that may supersede such resolution during the term of this delegation;*

- *resolves that the nominal amount of the bonds, debt securities or assimilated securities giving rights to the capital of the Company to be issued pursuant to this delegation may not exceed €8 billion on the issuance decision date, or the exchange value of this amount on the issuance date in the event of an issuance in a foreign currency or monetary unit established by reference to several currencies. The nominal amount of the issuances of such securities carried out pursuant to this delegation will count towards on the overall ceiling provided for in the 8<sup>th</sup> resolution of this meeting, subject to its approval, or, as the case may be, towards any overall ceiling that may be provided for in a resolution of the same nature that supersedes the 8<sup>th</sup> resolution during the term of this delegation,*
- *resolves to cancel the shareholders' preferential subscription right to the securities issued pursuant to this resolution and to grant to the Board of Directors the power to grant the shareholders a priority period in compliance with applicable law and regulatory provisions to subscribe all or part of the securities to be issued pursuant to the provisions of article L.225-135 of the French Commercial Code,*
- *acknowledges that if the subscriptions, including, as the case may be, shareholders' subscriptions, do not absorb the entire issuance, the Board of Directors may limit the issuance to the actual amount of subscriptions provided that it that it is equal to at least 75% of the approved issuance,*
- *resolves that (i) the issuance price of the shares will be at least equal to the minimum authorized by legal and regulatory provisions in force on the issuance date (as of the date hereof, the weighted average of the prices during the three trading days preceding the determination of the subscription price for the capital increase minus 5%) after, if applicable, adjustments to this average in the event of a difference in rights dates (dates de jouissance); and (ii) the issuance price of securities giving access to the share capital and the number of shares to which the conversion, reimbursement or more generally the transformation, of each security giving access to the share capital may entitle its holder, will be such that the sum received immediately by the Company, plus the amount likely to be subsequently received by it, if applicable, is at least equal to the minimum subscription price defined in (i) of this paragraph for each share issued pursuant to the issuance of such securities,*
- *notes that, if applicable, the above-mentioned delegation automatically entails, in favor of the holders of issued securities giving access to the share capital of the company, a waiver by shareholders of the preferential share subscription rights to which such securities entitle them immediately or in the future,*
- *resolves that these issuances may also be used as payment for securities contributed to the Company in connection with an exchange offer initiated by the Company in France or abroad in accordance with local rules for the securities of another Company listed on a regulated market, under the conditions and subject to the reservations set forth in article L.225-148 of the French Commercial Code, in which case they will not be subject to the minimum price requirement provided for in this delegation. The Board of Directors in particular has full power to establish the list of securities to be contributed to the exchange, the conditions of the issuance, the exchange ratio as well as, if applicable, the amount of the cash balance (la soulte en espèces) to be paid and to determine the terms of the issuance, and*
- *resolves that this delegation cancels the unused portion of any prior delegation having the same purpose.*

*This delegation is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting grants full powers to the Board of Directors, with the power to sub*

*delegate as permitted by law and the bylaws, to implement this delegation and in particular to establish the terms of the issuance, the nature and characteristics of the securities giving access to the share capital, the terms of the allotment of equity securities to which these securities entitle their holders, as well as the dates on which the allotment rights may be exercised, in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve, make all necessary adjustments to take into account the impact of transactions involving the capital of the Company, duly record the completion of the capital increases, make the corresponding changes to the bylaws, carry out the required formalities, enter into any agreement, in particular in order to ensure the completion of the proposed issuances, and generally take all necessary measures.*

**11<sup>TH</sup> RESOLUTION**      ***Delegation to the Board of Directors of authority to issue - without preferential subscription rights – shares and securities giving rights to the capital of the Company in an offer covered by article L.411-2, II of the French Monetary and Financial Code***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Report, and in accordance with article L.225-129 et seq. of the French Commercial Code, in particular articles L.225-129-2, L.225-135, L.225-136 as well as L.228-91 of said Code:*

- *delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide to increase the share capital, on one or more occasions, in the proportions and at the times it sees fit, in France or abroad, in an offer covered by article L.411-2, II of the French Monetary and Financial Code in euros or in any other currency or currency unit established by reference to more than one currency, issued for valuable consideration or free of consideration, entitling their holders by any means, immediately and/or in the future, to new or existing common shares of the Company, it being specified that subscription for such shares or other securities may be in cash, or by offset of payable liquid debt, or by incorporation of reserves, profits or share premium,*
- *resolves to cancel the preferential subscription right of shareholders for securities issued pursuant to this resolution,*
- *resolves that the total amount of the capital increases carried out immediately or in the future pursuant to this delegation, excluding the adjustments that may be made in accordance with applicable law to preserve the rights of the holders of securities giving rights to the capital, (i) may not exceed the ceiling provided in the 10<sup>th</sup> resolution or, as the case may be, the ceiling stipulated in any similar resolution that may supersede said resolution during the term of this delegation, it being specified that in any event, the securities issued within this framework are subject to applicable legal limits, (ii) will count towards the overall ceiling set forth in the 10<sup>th</sup> resolution of this meeting as well as towards the overall ceiling stipulated in the 9<sup>th</sup> resolution of this meeting or, as the case may be, any similar resolution that may supersede said resolution during the term of this delegation,*
- *resolves that the nominal amount of the bonds, debt securities or assimilated securities giving rights to the capital of the Company to be issued pursuant to this delegation may not exceed €8 billion on the date of the issuance decision date, or the exchange value of this amount on the issuance date, in the case of an issuance in a foreign currency or monetary unit established by reference to several currencies. The nominal amount of the issuances of such securities carried out pursuant to this delegation will count towards on the overall ceiling provided for in the 8<sup>th</sup> resolution of this meeting, subject to its approval, or, as the case may be, towards any overall ceiling that may be provided*

for in a resolution of the same nature that supersedes the 8<sup>th</sup> resolution during the term of this delegation,

- acknowledges that if the subscriptions, including, as the case may be, shareholders' subscriptions, do not absorb the entire issuance, the Board of Directors may limit the issuance to the actual amount of subscriptions provided that it that it is equal to at least 75% of the approved issuance,
- resolves that (i) the issuance price of the shares will be at least equal to the minimum authorized by legal and regulatory provisions in force on the issuance date (as of the date hereof, the weighted average of the prices during the three trading days preceding the determination of the subscription price for the capital increase minus 5%) after, if applicable, adjustment to this average in the event of a difference in the rights dates (dates de jouissance); and (ii) the issuance price of securities giving access to the share capital and the number of shares to which the conversion, reimbursement or more generally the transformation, of each security giving access to the share capital may entitle its holder, will be such that the sum received immediately by the Company, plus the amount likely to be subsequently received by it, if applicable, is at least equal to the minimum subscription price defined in (i) of this paragraph for each share issued pursuant to the issuance of these securities,
- notes that, if applicable, the above-mentioned delegation automatically entails, in favor of the holders of issued securities giving access to the share capital of the company, a waiver by the shareholders of the preferential share subscription rights to which such securities entitle them immediately or in the future.
- resolves that this delegation cancels the unused portion of any prior delegation having the same purpose and acknowledges that this delegation does not deprive the 10<sup>th</sup> resolution from its effects, the validity and the term of which are not affected.

This delegation is granted for a term of 26 months from the date of this Meeting.

The General Meeting grants full powers to the Board of Directors, with the power to sub delegate as permitted by law and the bylaws, to implement this delegation and in particular to establish the terms of the issuance, the nature and characteristics of the securities giving access to the share capital, the terms of the allotment of equity securities to which these securities entitle their holders, as well as the dates on which the allotment rights may be exercised, in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve, make all necessary adjustments to take into account the impact of transactions involving the capital of the Company, enter into any agreement, in particular in order to ensure the completion of the proposed issuances, duly record the completion of the capital increases, make the corresponding changes to the bylaws, carry out the required formalities, and generally take all necessary measures.

**12<sup>TH</sup> RESOLUTION**      ***Delegation to the Board of Directors to issue shares and securities giving rights to the capital of the Company as payment for contributions in kind***

The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Report, and in accordance with article L.225-129 et seq. of the French Commercial Code, in particular article L.225-147, paragraph 6 of said Code:

- delegates to the Board of Directors, with powers to subdelegate as permitted by law and the bylaws, its authority to carry out capital increases, on one or more occasions, in France or abroad, ordinary shares or securities entitling their holders by any means, immediately and/or in the future, to common shares of the Company, up to a nominal

amount of €112 million, i.e. 28 millions shares, representing less than 10% of the share capital as of December 31, 2010, as payment for contributions in kind to the Company and consisting of equity securities or securities giving access to the share capital, in cases where the provisions of article L.225-148 of the French Commercial Code do not apply,

- acknowledges that, in accordance with law, the shareholders will have no preferential subscription rights to securities issued pursuant to this delegation,
- resolves that the total amount of capital increases carried out under this delegation will count towards the nominal ceiling of €160 million set forth in the 10<sup>th</sup> resolution of this meeting, as well as towards the overall ceiling set forth in the 9<sup>th</sup> resolution of this meeting or, as applicable, towards any overall ceiling set forth in any similar resolution that may supersede said resolution during the term of this delegation
- resolves that the nominal amount of the bonds, debt securities or other securities giving rights to the capital of the Company to be issued pursuant to this delegation may not exceed €8 billion on the date of the issuance decision date, or the exchange value of this amount on the issuance date, in the event of an issuance in a foreign currency or monetary unit established by reference to several currencies. The nominal amount of the issuances of such securities carried out pursuant to this delegation will count towards the overall ceiling provided for in the 8<sup>th</sup> resolution of this meeting, subject to its approval, or, as the case may be, towards any overall ceiling that may be provided for in a resolution of the same nature that supersedes the 8<sup>th</sup> resolution during the term of this delegation, and
- resolves that this delegation cancels any unused portion of any prior delegation having the same purpose.

This delegation is granted for a term of 26 months from the date of this Meeting.

The General Meeting grants full powers to the Board of Directors, with authority to delegate as permitted by law and the bylaws, to implement this delegation and in particular to decide the capital increase(s) that will compensate for the contributions and determine the securities to be issued, establish the list of contributed securities, rule on the appraisal of the contributions, set the terms of the issuance of the securities used to pay for the contributions, if applicable, the amount of the cash balance (*la soulte*) to be paid, approve the granting of specific advantages, and reduce, with the agreement of the contributors, the appraisal of the contribution or the compensation of particular advantages, determine the characteristics of the securities to be used as payment for the contributions and establish the terms, as the case may be, of the preservation of the rights of the holders of securities giving rights to the capital; in its sole discretion, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve, make all necessary adjustments to take into account the impact of transactions involving the capital of the Company, enter into any agreement, in particular in order to ensure the completion of the proposed issuances, duly record the completion of the capital increases, make the corresponding changes to the bylaws, carry out the required formalities, and generally take all necessary measures.

**13<sup>TH</sup> RESOLUTION**      ***Delegation to the Board of Directors of authority to increase the number of securities to be issued in case of a capital increase with or without preferential subscription rights***

The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, and in accordance with article L.225-135-1 of the French Commercial Code:

- *delegates to the Board of Directors, with powers to subdelegate as permitted by law and the bylaws, its authority to decide to increase the number of shares to be issued in the event of an increase in the Company's share capital with or without preferential subscription rights, at the same price as that used for the initial issuance, within the limits as to time and quantity specified in applicable regulations as of the date of the issuance (as of the date hereof, within thirty days following the close of the subscription period and up to 15% of the initial issuance), in particular with a view to granting an oversubscription option in accordance with market practices;*
- *resolves that the aggregate par value of capital increases decided upon by this resolution will count towards the ceiling applicable to the initial issuance and towards the overall ceiling set forth in the 9<sup>th</sup> resolution of this meeting or, as applicable, the 10<sup>th</sup> resolution, or, as applicable, towards any overall ceiling set forth by any similar resolution that may supersede said resolutions during the term of the present delegation.*

*The present delegation is granted for a term of 26 months from the date of this meeting.*

---

#### **Capital increase by incorporation of reserves (14<sup>th</sup> resolution)**

In the 14<sup>th</sup> resolution, you are asked to authorize the Board of Directors to increase the share capital through an incorporation of reserves, profits, premiums or other amounts, the capitalization of which could be carried out up to the nominal amount of €100 million (i.e. 25 million shares). This delegation supersedes the prior delegation granted by the Combined General Meeting of May 6, 2009 which has not been used and will be granted for a new term of 26 months.

The amount of the capital increases made pursuant to this authorization would count towards the ceilings set forth in the 9<sup>th</sup> and 10<sup>th</sup> resolutions.

#### **14<sup>th</sup> RESOLUTION**      ***Delegation to the Board of Directors of authority to decide a capital increase by incorporation of premiums, reserves, profits or other items***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Ordinary Meetings, having reviewed the Board of Directors' Report and in accordance with the provisions of article 225-130 of the French Commercial Code:*

- *delegates to the Board of Directors, with powers to subdelegate as permitted by law, its authority to decide to carry out increases in the share capital on one or more occasions in the proportions and at the times it sees fit by the incorporation of share premium, reserves, profits or other sums that may be converted into capital under the terms of the law and the Company's bylaws, in the form of a free allotment of shares or an increase in the par value of existing shares or by a combination of these two methods,*
- *resolves, in the case of an allotment of free shares: (i) that the shares that will be allotted in connection with old shares with a double voting right and/or a gross-up dividend will benefit from these rights as of their allotment, and (ii) that the fractional rights will not be negotiable and that the corresponding shares will be sold, the amounts resulting from the sale being allotted to the holders of rights under the law and regulations,*

- *resolves that the total amount of capital increases likely to be made under the present delegation may not exceed €100 million, excluding any adjustments likely to be made in accordance with law,*
- *resolves that the total amount of capital increases made pursuant to this resolution would count towards the ceilings set forth in the 9<sup>th</sup> and 10<sup>th</sup> resolutions of this meeting or, as applicable, towards any ceiling set forth by any similar resolution that may supersede said resolutions during the term of the present delegation, and*
- *resolves that this delegation cancels the unused portion of any prior delegation having the same purpose.*

*This delegation is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting grants full powers to the Board of Directors, with authority to delegate as permitted by law and by the Company's bylaws, to implement this delegation for the particular purpose of setting the amount and nature of the amounts to be incorporated in the capital, to set the number of new shares and/or the amount by which the par value of the existing shares will be increased, set the rights date, even retroactive, of the new shares or the date on which the increase of the nominal value of the existing shares will be effective, duly report the completion of the capital increases, make the corresponding modifications to the bylaws, carry out the required formalities, and generally take all necessary measures.*

---

### **Share capital reduction (15<sup>th</sup> resolution)**

The 15<sup>th</sup> resolution authorizes the Board of Directors to reduce Lafarge's share capital by canceling the shares acquired within the framework of share purchase programs authorized before or after the General Meeting. This authorization will be granted for a term of 26 months. It would supersede the authorization previously granted by the Combined General Meeting of May 6, 2006, that was never used.

#### **15<sup>th</sup> RESOLUTION      *Authorization to the Board of Directors to reduce the share capital through cancellation of treasury shares***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Report,*

- *authorizes, in accordance with articles L.225-209 et seq. of the French Commercial Code, the cancellation of all or part of the shares acquired by the Company within the framework of the treasury share repurchase programs authorized by the General Meeting before or after the approval of this resolution, and*
- *grants full power to the Board of Directors to reduce the share capital on one or more occasions, in the proportions and at the times it sees fit, by cancellation of any quantity of treasury shares it sees fit up to 10% of the share capital (adjusted, as the case may be, to take into account the transactions affecting the share capital after the date of this Meeting) in 24 month periods, determine the final amount of the capital reduction, set the terms and duly record the completion thereof, make the corresponding modifications to the bylaws, and generally take all necessary measures, and*
- *resolves that this authorization cancels the unused portion of any prior delegation having the same purpose.*

*This delegation is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting grants full powers to the Board of Directors, with authority to subdelegate as permitted by law and by the Company bylaws, to implement this authorization and in particular to carry out and duly record the completion of future transactions involving the cancellation and reduction of the share capital, make the corresponding modifications to the bylaws, carry out the necessary formalities, and generally take all necessary measures.*

---

### **Share subscription and purchase options and free shares allotments (16<sup>th</sup> and 17<sup>th</sup> resolutions)**

The 16<sup>th</sup> and 17<sup>th</sup> resolutions concern the granting of options and the allotment of free shares.

#### *Grant policy*

The Group's compensation policy aims at rewarding and retaining key talent while providing managers and employees with an opportunity to share in the success of the Group's business through the grant of stock options and free shares, which are connected to the Group's long term strategy. Stock options are granted mainly to senior management and the Chairman and Chief Executive Officer. Middle management, expatriates and other employees may be granted free shares in recognition of their commitment and achievements for the Group. Since the Board of Directors of March 15, 2011, senior management and the Chairman and Chief Executive Officer are also potential beneficiaries of free shares allotments.

Stock options and free shares are granted by the Board of Directors upon a proposal put forward by the Remunerations Committee. Since 2002, the Group's practice is to allocate only subscription options. No discount is applied to the exercise price of options.

The Board of Directors has decided to limit the number of stock options and free shares which can be granted to the Chairman and Chief Executive Officer. Under this rule, the proportion of options and free shares attributable to the Chairman and Chief Executive Officer may not exceed 10% of the total number of options and 10% of the total number of performance shares granted during the fiscal year.

#### *Performance conditions*

The Company's policy since 2009 is that all stock options granted to the Chairman and Chief Executive Officer must be conditional upon performance requirements. It is also the case for free shares, which may now be granted to the Chairman and Chief Executive Officer.

All stock options granted to the Chairman and Chief Executive Officer in 2010 and 2011 were subject to performance conditions. The Board of Directors did not grant any option to the Chairman and Chief Executive Officer in 2009.

In addition, stock options and free shares awarded to members of the Executive Committee are also conditional upon performance requirements, in a growing proportion since 2003. In 2011 this proportion reached 80%. It corresponded to 70% between 2009 and 2010, 50% between 2005 and 2008, and 30% for the years 2003 and 2004.

Part of the stock options and performance shares granted to employees is also conditional upon performance requirements, depending on the employee's level of responsibility. In 2011, the proportion of grants subject to performance conditions amounted to 25% at the minimum.

Free shares and stock options granted in 2011 are conditional upon several performance criteria for all beneficiaries. These criteria are both external based on the Group's performance compared to competitors and internal based on free cash flow and return on capital employed. The proportion of free shares and stock options subject to these performance criteria depends on the level of responsibility of the eligible population, as described above.

In 2009 and 2010, stock options granted to members of the Executive Committee and some senior executives were also conditional upon several performance criteria, which were external based on the

Group's performance compared to competitors and internal based on free cash flow, return on capital employed, Ebitda or cost reduction targets. These criteria were alternate or combined in part, depending on the grant year and on the level of responsibility of the eligible population. These criteria also applied to stock options granted to the Chairman and Chief Executive Officer in 2010 (as the Chairman and Chief Executive Officer did not receive any stock options in 2009).

In 2007 and 2008, stock options granted to the Chairman and Chief Executive Officer, members of the Executive Committee and some senior executives had for sole performance condition cost reduction targets as part of the Excellence 2008 program.

From 2007 until 2010, the performance condition applicable to stock options and free shares granted to employees (other than members of the Executive Committee and some senior executives) was the achievement of cost reduction targets as part of the Excellence 2008 program (for 2007 and 2008 grants) and the Excellence 2010 program (for 2009 and 2010 grants).

#### *Main characteristics*

The 16<sup>th</sup> resolution relating to options provides in particular:

- the absence of a possible discount (the subscription price and the share purchase price will be at least equal to the average of the listed price on the 20 trading days prior to their allotment or to the Company's average purchase price, as applicable)
- the same overall ceiling of 3% of the share capital as the 17<sup>th</sup> resolution on the date of the decision of the Board of Directors,
- that the number of options granted to executive officers of the Company may not represent more than 10% of each allotment made by the Board on a given fiscal year,
- that the granting of options to executive officers of the Company will be subject to the satisfaction of one or several performance criteria to be established by the Board,
- that the Board may subject the granting of all or some of its options to the satisfaction of one or several performance criteria established by it,
- a term of 26 months

The 17<sup>th</sup> resolution on free allotments of shares notably provides:

- that the Board may subject the allotment of all or some of its shares to the satisfaction of one or several performance criteria established by it,
- that the number of free shares granted to executive officers of the Company may not represent more than 10% of each allotment made by the Board on a given fiscal year,
- that the granting of free shares to executive officers of the Company will be subject to the satisfaction of one or several performance criteria to be established by the Board,
- a specific ceiling providing that the total number of freely allotted shares may not represent more than 1% of the share capital on the date of the decision of the Board of Directors, this amount number also counting towards the 3% ceiling provided for in the 16<sup>th</sup> resolution that constitutes an overall ceiling for all allotments made pursuant to the 16<sup>th</sup> and 17<sup>th</sup> resolutions
- a term of 26 months

#### *Past grants*

The detailed presentation of grants made in the past is set out in the Annual Report (*Document de Référence*).

At the end of December 2010, the total number of unexercised options was 9,113,828 i.e. approximately 3.18% of the capital on that same date (all the stock options exercise prices of the options attributed and capable of being exercised were above the Lafarge share price on that same date), and the total number

of remaining free shares was 492,560, i.e. approximately 0.17% of the share capital of the Company at December 31, 2010.

**16<sup>TH</sup> RESOLUTION**      ***Authorization to the Board of Directors to grant options to subscribe for or purchase shares***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report,*

- *authorizes the Board of Directors, under articles L.225-177 et seq. of the French Commercial Code, to grant, on one or more occasions, to employees, to corporate officers, or to certain among them, from the Company or from companies or groupings related to the Company, on the terms specified in article L. 225-180 of said Code, options entitling their holders to subscribe for new shares in the Company to be issued in the form of an increase in its capital up to 3% of the share capital on the date of the decision of the Board of Directors, this ceiling being the same for this resolution and the 17<sup>th</sup> resolution below (or, as the case may be, any similar resolutions that could supersede said resolutions during the term of this authorization), and options entitling their holders to purchase shares in the Company obtained by the Company repurchasing its own shares on the terms set forth by the law,*
- *resolves that the allotment of all or part of the options will be subject to the satisfaction of performance criteria established by the Board of Directors,*
- *resolves that the number of options granted to executive officers of the Company may not represent more than 10% of the total of the allotments made by the Board during any fiscal year, whether these allotments are made pursuant to the present authorization or pursuant to the authorization granted under the 23<sup>rd</sup> resolution of the combined general meeting of 6 May 2009,*
- *resolves that said allotments of options to executive officers of the Company will be subject to the satisfaction of performance criteria established by the Board of Directors,*
- *resolves that the subscription price or, as the case may be, the price payable on the exercise of the options to subscribe for or purchase shares will be set by the Board of Directors on the day the options are granted, within the limits and pursuant to the terms provided by law, it being specified that the Board of Directors may not apply a discount to the subscription or purchase price of the shares, which is to be at least equal (i) in the event of a grant of subscription options, to the average of the first quoted prices of the Company's shares on the regulated market of Euronext Paris (or any market that may be substituted for it) during the twenty trading days preceding the date on which the options to subscribe for shares are granted, and (ii) in the event of a grant of share purchase options, the average trading price of the shares held by the Company pursuant to articles L. 225-208 and L. 225-209 of the French Commercial Code,*
- *resolves that the options must be exercised by their beneficiaries within a maximum period of 10 years from the date on which they are granted,*
- *formally notes that this delegation entails the express waiver by the shareholders, in favor of the beneficiaries of options to subscribe for shares, of their preferential subscription rights relating to the shares that are to be issued as and when said options are exercised. The increase in the share capital resulting from the exercise of the options to subscribe for shares will be definitively completed by a mere declaration that the option is exercised accompanied by the subscription form and full payment, which may be made in cash or by offset of debts of the Company, and*
- *resolves that this authorization cancels the unused portion, of any prior authorization having the same purpose.*

*This authorization is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting grants full powers to the Board of Directors, with authority to delegate as permitted by law and the bylaws, to set the other terms and conditions of the allotment of shares and of their exercise and notably to:*

- *set the conditions under which the options will be granted, and establish a list of beneficiaries of options, including the number of options granted to each,*
- *make the necessary adjustments to preserve the interests of beneficiaries in the cases and under the conditions required by regulations then in force,*
- *set the terms and conditions of the options, and in particular: (i) the term of the options; (ii) the exercise dates or periods of the options; (iii) the rights date, which may be retroactive, of the new shares resulting from the exercise of subscription options,*
- *allow for the temporary suspension of the exercise of options during the maximum period allowed by applicable law and regulations in the event that financial transactions involving the exercise of a right attached to the shares is carried out,*
- *where appropriate, limit, suspend, restrict or prohibit the exercise of options or the transfer or conversion into bearer shares of shares obtained by the exercise of options during certain periods or with effect from certain events; such decision may relate to some or all of the options or shares or to some or all of the grantees,*
- *carry out or cause to be carried out the required acts and formalities for purposes of finalizing and duly reporting capital increases that may be made pursuant to the authorization granted in this resolution; make the corresponding modifications to the bylaws, and generally take all necessary measures,*
- *at its sole discretion and if it deems it appropriate, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve to one tenth of the new share capital after each capital increase.*

**17<sup>TH</sup> RESOLUTION**      ***Authorization to the Board of Directors to allot free existing or new shares***

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary Meetings, having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, in accordance with articles L.225-197-1 et seq. of the French Commercial Code:*

- *authorizes the Board of Directors, to allot, on one or more occasions, free existing or new shares of the Company,*
- *resolves that the beneficiaries may be employees or executive officers, or some of them, of the Company or of companies or groupings related to the Company within the meaning of article L.225-197-2 of the French Commercial Code,*
- *resolves that the Board of Directors will determine the identity of the beneficiaries of allotments as well as the conditions and, as the case may be, have the same allotment criteria,*
- *resolves that the allotment of all or part of the shares will be subject to the satisfaction of performance criteria established by the Board of Directors,*
- *resolves that the number of free shares granted to executive officers of the Company may not represent more than 10% of the total of the allotments made by the Board during any fiscal year, whether these allotments are made pursuant to the present*

*authorization or pursuant to the authorization granted under the 24<sup>th</sup> resolution of the combined general meeting of 6 May 2009,*

- *resolves that said allotments of free shares to executive officers of the Company will be subject to the satisfaction of performance criteria established by the Board of Directors,*
- *resolves that the total number of shares allotted freely pursuant to this resolution may not represent more than 1% of the share capital on the date of the decision of the Board of Directors, it being specified that this number will also count towards the ceiling that applies to share subscription options set forth in the 16<sup>th</sup> resolution of this meeting, which will constitute an overall ceiling for all allotments made pursuant to the 16<sup>th</sup> and 17<sup>th</sup> resolutions of this meeting (or, as the case may be, pursuant to this resolution and to any similar resolution that may supersede the 16<sup>th</sup> resolution during the term of this authorization),*
- *resolves that the allotment of said shares to the beneficiaries will become irrevocable either at the end of a minimum vesting period of 2 years, the beneficiaries being required to retain said shares for a minimum period of 2 years from the irrevocable allotment thereof, or after a minimum vesting period of 4 years, in which case beneficiaries will not necessarily be subject to any minimum retention period,*
- *resolves that the allotment period and retention obligation will be reduced in the event of disability of the beneficiary under the conditions set by the law,*
- *duly notes that this authorization will automatically entail the waiver by the shareholders of the part of reserves that will, as the case may be, be used in case of issuance of new shares, and*
- *resolves that this authorization cancels the unused portion of any prior authorization having the same purpose.*

*This authorization is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting grants full powers to the Board of Directors, with authority to delegate as permitted by law and bylaws, to implement this resolution, accomplish all acts, formalities and declarations, make, as the case may be, the corresponding adjustments resulting from the transactions affecting the share of the Company in order to preserve the rights of beneficiaries (it being specified that the shares allotted in application of these adjustments will be deemed to have been allotted on the same date as the shares initially allotted), set, if needed, the periods of acquisition and longer retention obligations than the minimum periods set forth above, charge, as the case may be, on reserves, profits or issuance premium, the amounts necessary to the pay-up of such shares, duly report, as the case may be the capital increase(s) completed pursuant to this authorization, make any corresponding modifications to the bylaws, and generally take any necessary measure.*

---

### **Employee profit sharing – Capital increases in favor of employees (18<sup>th</sup> and 19<sup>th</sup> resolutions)**

The 18<sup>th</sup> and 19<sup>th</sup> resolutions are consistent with the Company's wish to allow its employees to share in the group's profits by fostering a sense of implication and aligning their interests with those of the Company's shareholders.

#### *Main characteristics*

The 18<sup>th</sup> resolution is intended to allow the Board to carry out capital increases of a maximum nominal amount of €50 million (i.e. approximately 4.4% of the capital) reserved for employees and former employees of Lafarge subscribing to a company savings plan or to a partnered employee savings plan

(*plan partenarial d'épargne salariale*) of the Company or of the Group. The term provided for this delegation is twenty-six months.

The 19<sup>th</sup> resolution is intended to allow the implementation, in favor of employees and corporate officers of companies within the scope of consolidation of the Lafarge group whose headquarters are located outside France, of alternative offers to those covered by the 18<sup>th</sup> resolution, given that in certain countries, legal or tax difficulties or uncertainties could make it desirable to do so. The term provided for this authorization is eighteen months.

The maximum nominal amount of €50 million is an overall ceiling applicable to both of these resolutions.

These two resolutions would allow the implementation, in favor of employees and corporate officers of the Lafarge group, of shareholding schemes, either direct or through the intermediary of corporate investment funds (*fonds communs de placement d'entreprise*) or other structures or entities, as well as schemes with a leverage effect (to date, the Company has not carried out any transaction with a leverage effect).

In general, the issuance price of new shares or securities giving rights to the capital within this framework will be determined by the Board of Directors under the conditions and within limits set by law, and will be equal to at least 80% of the average opening listing price of the Company's shares during the twenty trading days prior to the date of the decision (or 70% in the case of a lock-up period in excess of 10 years).

#### *Implemented operations*

In 2009, a capital increase reserved for employees of the Group took place under the "Lafarge en Actions 2009" (LEA 2009) program. The goal of this employee stock ownership plan was to reach all employees of Lafarge, meaning that it was offered in all countries where it was legally feasible. The subscription price for the shares was set at €48.80. In the case of LEA 2009, each employee was offered to subscribe for shares of Lafarge while benefiting from a contribution from their employer on the first 15 shares purchased. The share capital increase reserved to eligible employees was realized on December 11, 2009; the amount of the share capital increase was €4,407,336 corresponding to the issuance of 1,101,834 shares. The subscription rate was 53%. In the case where it was not possible to offer the LEA program in a country, employees could subscribe to an alternative plan providing the same economical benefits. A broadly similar offer could be implemented in 2011.

As at December 31, 2010, the employees held 1.50% of Lafarge's share capital and 1.85% of its voting rights.

### **18<sup>TH</sup> RESOLUTION** *Delegation of power to the Board of Directors to issue shares and/or securities giving rights to the capital reserved for members of company savings plans*

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Directors' Report and the Statutory Auditors' Report, and in accordance with articles L.225-129 et seq., L.225-129-6 and L.225-138-1 of the French Commercial Code and articles L.3332-18 et seq. of the French Labor Code:*

- *resolves that the share capital of the Company be increase and delegates to the Board of Directors, with powers to subdelegate as permitted by law and the bylaws, the necessary power to carry out capital increases, on one or more occasions, at the times and in accordance with the terms determined by it, up to a maximum nominal amount of €50 million, increased as the case may be, by the nominal amount of additional shares issued in the future, at the time of any new financial transactions, to preserve the rights of holders of securities giving access to the share capital, through the issuance of*

*ordinary shares and/or securities, reserved for members of one or more employee savings plans (or any other plan for whose members a capital increase may be reserved on equivalent terms under article L.3332-1 et seq. of the French Labor Code or any analogous law or regulation allowing a reserved capital increase in equivalent conditions) instituted within the Company and/or one or several companies or group of entities falling within the scope of the Company's consolidated financial statements pursuant to article L.233-16 of the French Labor Code, it being specified that (i) this delegation may be used to implement leverage effect schemes and (ii) any use of the 19<sup>th</sup> resolution submitted to this meeting will be subtracted from the above-mentioned ceiling of €50 million,*

- *resolves that the issuance price of the new shares or securities giving access to the share capital will be determined in accordance with the terms stipulated in article L.3332-18 et seq. of the French Labor Code and will be equal to at least 80% of the Reference Price (as defined below) or 70% of the Reference Price where the lock-up period stipulated by the plan in application of articles L.3332-25 and L.3332-26 of the French Labor Code is ten years or more; however, the General Meeting expressly authorizes the Board of Directors to reduce or eliminate the above-mentioned discounts (within the legal and regulatory limits) as it sees fit, in particular to take account inter alia of locally applicable legal, accounting, tax and social security regimes; for the purposes of the present section, the Reference Price refers to the average of the first quoted market prices of the Company's shares on the regulated market of NYSE Euronext Paris (or any market that may be substituted for it) for the twenty trading days preceding the date of the decision setting the opening date of the subscription period for members of an employee savings plan;*
- *resolves, as an exemption to the foregoing, regarding issuances of shares that may be reserved for the employees of Lafarge Group companies included within the scope of consolidation or combination of the company's financial statements under article L.3344-1 of the French Labor Code, and which conduct business in the United States, the Board of Directors decides that: (i) the issuance price shall be, subject to compliance with the applicable French legal and regulatory provisions and in accordance with article 423 of the American tax code (Section 423 of the Internal Revenue Code), at least equal to 85% of the price of the Company shares on the regulated market of Euronext Paris (or any market that may be substituted for it) on the date of the decision setting the opening date of the subscription period for the capital increase reserved for employees described in this paragraph; and (ii) the number of shares issued within the framework of the issuances mentioned in this paragraph may not represent more than a nominal amount of €10 million, increased as the case may be, by the nominal amount of additional shares issued in the future, at the time of any new financial transactions, to preserve the rights of holders of securities giving access to the share capital, and will count towards the maximum nominal amount of the capital increase provided for in the first sub-section above,*
- *authorizes the Board of Directors to allot to the beneficiaries indicated above, in addition to the shares or securities giving access to the share capital subscribed for in cash, free shares or securities giving access to the share capital, to be issued or already issued, in full or partial substitution for the discount to the Reference Price and/or by way of additional amounts, it being specified that the benefit resulting from such allotment may not exceed the legal or regulatory limits applicable under article L.3332-10 and L.3332-11 of the French Labor Code, it being further specified that the maximum nominal amount of the capital increases carried out immediately or in the future as a result of the allotment of securities giving access to the share capital allotted in this manner will count towards the ceilings mentioned in the first sub-section above;*
- *resolves to cancel in favor of the above-mentioned beneficiaries the preferential subscription rights of shareholders to the shares and securities giving access to the*

*share capital covered by this delegation, and such shareholders shall also waive, in the event of an allotment to such beneficiaries of free shares or securities giving access to the share capital, any rights to such shares or securities giving access to the share capital (including the portion of reserves, profits, or share premium incorporated into the share capital to the extent of the free allotment of such securities on the basis of this resolution), and*

- *resolves that this delegation cancels the unused portion, if any, of any prior delegation having the same purpose.*

*This delegation is granted for a term of 26 months from the date of this Meeting.*

*The General Meeting delegates full powers to the Board of Directors, with power to subdelegate as provided by law and the bylaws, to implement this resolution or to postpone the implementation of the capital increase, to carry out any acts, formalities and declarations, establish in accordance with the law a list of those companies for which the beneficiaries indicated above may subscribe for the shares or securities giving access to the share capital issued thereby and who may be allotted free shares or securities giving rights to the capital; decide that subscriptions may be made directly by beneficiaries belonging to an employee savings plan, or via dedicated mutual funds or other vehicles or entities permitted under the applicable laws and regulations; determine the conditions in accordance with the laws and regulations applicable to employee savings plan, in particular as regards length of service, that must be met by the beneficiaries of the capital increases; set the opening and closing dates for subscriptions; set the amounts of issuances to be made under this delegation and in particular determine the issuance prices, dates, time limits, terms and conditions of subscription, payment, delivery and date of ranking for dividend of the securities (which may be retroactive), rules for scaling down in the event of oversubscription and any other terms and conditions of the issuances, subject to applicable legal and regulatory limits, in the case of an issuance of free shares or of securities giving rights to the capital, determine the nature, characteristics and quantity of shares or securities giving rights to the capital to be issued, the quantity to be allotted to each beneficiary, and determine the dates, time limits, and terms and conditions of allotment of such shares or securities giving rights to the capital subject to applicable legal and regulatory limits and make any needed adjustments relating to any future transactions affecting the Company's capital, to duly record the completion of a capital increase pursuant to this delegation, to modify the bylaws accordingly and, where appropriate, charge the costs of the capital increases against the premium arising thereon, and deduct from this premium the sums necessary to increase the legal reserve to one-tenth of the new share capital after each capital increase; enter into all agreements, in particular to ensure completion of the envisaged issuances and generally, take all necessary measures.*

**19<sup>TH</sup> RESOLUTION**      ***Delegation of power to the Board of Directors to carry out capital increases reserved for a category of beneficiaries as part of a transaction reserved for employees, with a cancellation of the shareholders' preferential subscription rights***

*The General Meeting, ruling on the quorum and majority conditions for Extraordinary General Meetings, having reviewed the report of the Board of Directors and the report of the Statutory Auditors, and ruling in accordance with the provisions of articles L.225-129 et seq. of the French Commercial Code and in particular articles L.225-129-1 and L.225-138 of the French Commercial Code:*

1. *acknowledges the fact that in certain countries, legal or tax-related difficulties or uncertainties may complicate or undermine the implementation of employee share ownership formulas directly or through the intermediary of a company mutual fund (the eligible beneficiaries of the Lafarge Group companies whose registered offices are located in one of these countries referred to hereafter as "Foreign Employees," are the*

*employees or corporate officers of the Company and the Lafarge Group companies comprised within the scope of consolidation of the company's financial statements under article L.233-16 of the French Commercial Code) and of the fact that the implementation for the benefit of certain Foreign Employees of alternatives to the formulas offered to French residents who are participants in one of the savings plans implemented by one of the Lafarge Group companies may be needed;*

2. *resolves that the share capital of the Company be increase and delegates to the Board of Directors, with the authority to subdelegate as permitted by applicable law and the bylaws, its power to carry out a capital increase, in one or several transactions, for a maximum nominal amount of €50 million, through the issuance of new shares or securities giving access to the share capital reserved for the category of any of the persons comprising (i) the Foreign Employees, and/or (i) mutual funds (OPCVM) or other entities, with or without a legal personality and/or any person acting as a trustee (or "fiduciaire") in case shares would be held through a trust (or "fiducie"), invested in company securities whose unit holders, shareholders or beneficiaries are Foreign Employees, (iii) and/or the credit institutions (or subsidiaries of such credit institutions) intervening on the Company's request for one or several offers to all or some of the Foreign Employees of alternative formulas (whether including a shareholding component or not) providing an equivalent economic profile to one or several share offerings (structured or not) proposed to French residents participating in one of the savings plans set up by one of the Lafarge Group companies, and any entities controlled by these institutions within the meaning of article L.233-3 of the French Commercial Code, it being specified that any use of this delegation will count towards the maximum nominal amount of any capital increase provided for in the first sub-section of the 18<sup>th</sup> resolution of this meeting.*
3. *resolves that this delegation cannot be used other than in connection with an offer to employees (and assimilated beneficiaries) giving rise in addition to the use of the delegation conferred pursuant to the 18<sup>th</sup> resolution submitted to this meeting and for the sole purpose of pursuing the objective set forth in paragraph 1 of this resolution;*
4. *resolves that the issuance price of the new shares or securities giving rights to the capital to be issued under this delegation shall be determined by the Board of Directors (with powers to subdelegate as permitted by law and the bylaws) on the basis of the Company's share price on the NYSE Euronext Paris regulated market (or any other market that may be substituted for it); this price will be equal to (i) the average opening price of the company's shares during the twenty trading days prior to the date on which the subscription price is determined. This average may be decreased by a maximum discount of 20%, or (ii) the price of the offering carried out previously or concurrently pursuant to the 18<sup>th</sup> resolution of this meeting;*
5. *resolves to cancel, in favor of the above-mentioned category of beneficiaries, the preferential subscription right of the shareholders to the shares that might be issued pursuant to this delegation;*
6. *resolves that the Board of Directors will have all authority, with the authority to subdelegate as permitted by law and the bylaws, to implement this delegation on one or several occasions, or to postpone the implementation of the capital increase, within the limits and subject to the conditions specified above, particularly in order to:*
  - *set the amount of the issuances that will be carried out pursuant to this authorization and to establish in particular the issuance price, date, time periods, terms and conditions of the subscription, the payment, the delivery and eligibility for dividends of the securities (which may be retroactive), as well as the other terms and conditions of the issuance, within the legal and regulatory limits in force;*

- *establish the list of the beneficiary/ies of the cancellation of the preferential subscription right within the category defined above, as well as the number of shares to be subscribed by each of them;*
  - *set the dates for the opening and closing of the subscription periods;*
  - *acknowledge the completion of the share capital increase, make the corresponding modification to the bylaws, carry out, directly or through a representative, all transactions and formalities relating to the capital increases;*
  - *enter into any agreements, carry out, directly or indirectly by a representative, all transactions and terms, including the performance of all formalities following the capital increases and the corresponding modification of the bylaws;*
  - *apply, if it considers doing so to be appropriate, the costs of the capital increase to the corresponding amount of share premiums and deduct from such amount the sum needed to increase amount of the legal reserves to one-tenth of the new capital resulting from these capital increases; and*
  - *generally, to enter into any agreement, in particular to ensure the underwriting of the contemplated issuances, to take all measures and carry out all formalities necessary for the issuance, listing and financial service of the securities issued pursuant to this delegation and the exercise of the rights attached thereto or that result from the capital increases.*
7. *resolves that this delegation is valid for a term of 18 months from this General Meeting.*

---

**Amendments to the articles of association – Participation in the general meetings (20<sup>th</sup> resolution)**

The 20<sup>th</sup> resolution concerns amendments required following recent amendments to the French Code of Commerce.

You are asked to update the provisions of article 29 of the articles of association of the Company relating to general meetings. The proposed amendments relate to the modalities of participation and voting in general meetings. They aim essentially at allowing the Company to set up electronic voting before the meeting.

The use of electronic communication means for the notices to shareholders, for the sending of relevant documentation and for the voting before the meeting is held addresses a growing demand aiming at facilitating the participation of shareholders at general meetings. The use of such electronic tools will result in a reduction of the costs of each meeting and will be appropriate for the Company.

You are therefore asked to amend article 29 of the articles of association of the Company in order to take into account those new modalities of participation in general meetings.

**20<sup>TH</sup> RESOLUTION** *Amendments to the articles of association – Participation in the general meetings*

*The General Meeting, deliberating pursuant to the quorum and majority requirements for Extraordinary General Meetings, having reviewed the Directors' Report, decides to amend article 29 of the articles of association relating to general meetings as follows:*

<i>Article 29 – Holding of meetings of shareholders</i>	<i>Article 29 – Holding of meetings of shareholders</i>
<i>Sub-article 1, Paragraph 3 Current wording</i>	<i>Sub-article 1, Paragraph 3 New wording</i>

*The shareholders may be represented under the conditions set by law. They may also vote by mail under the conditions set by the laws and regulations, by sending their proxy form or mail vote for any shareholders' meeting, either in paper form or, on a decision of the Board of Directors published in the meeting notice and in the notice of meeting, via electronic methods.*

*The shareholders may be represented under the conditions set by law. They may also vote by mail under the conditions set by the laws and regulations, by sending their proxy form or mail vote for any shareholders' meeting, either in paper form or, on a decision of the Board of Directors published in the meeting notice and in the notice of meeting, via **electronic communication means**.*

---

*Sub-article 1, Paragraph 4 Current wording*

*Sub-article 1, Paragraph 4 New wording*

*If the Board of Directors so decides at the time the meeting is called, shareholders may participate in shareholders' meetings via videoconferencing or by all telecommunication and electronic means, including the Internet, under the conditions set forth in the regulations applicable at the time such means are used. If applicable, this decision shall be indicated in the meeting notice and the notice of the meeting and the notice that the meeting is convened.*

*If the Board of Directors so decides at the time the meeting is called, shareholders may participate in shareholders' meetings via videoconferencing or by all **electronic communication means**, under the conditions set forth in the regulations applicable at the time such means are used. If applicable, this decision shall be indicated in the meeting notice and the notice of the meeting and the notice that the meeting is convened.*

*New Paragraph 5*

***Upon a decision of the Board of Directors, when electronic admission request forms, proxy forms or mail vote are used, the electronic signature results from the use of a reliable identification process guaranteeing its link with the electronic form to which it is attached. Such process can consist in a login and a password, or any other means set forth or authorised by the then prevailing laws and regulations.***

---

The 21<sup>st</sup> resolution allows the Board to carry out the formalities required by law following the Meeting.

**21<sup>st</sup> RESOLUTION    Delegation of powers to carry out corporate formalities**

*The General Meeting, ruling subject to the quorum and majority conditions applicable to extraordinary general meetings, grants full powers to the bearer of an original, copy or extract of the minutes of its deliberations to carry out any formalities including the filing, publication, and others required under the laws or regulations in force, resulting from the approval of the resolutions above and/or any supplementary resolutions.*

\*\*\*

### **Participation in the General Meeting – Preliminary formalities**

All shareholders can take part in the General Meeting regardless of how many shares they own.

Any shareholder can be represented at the General Meeting by another shareholder, by his or her spouse or by his or her partner in the context of a civil partnership. Any shareholder can also be represented by any legal entity or individual of his or her choice (Article L. 225-106 of the Commercial Code).

In accordance with Article R. 225-85 of the Commercial Code, the right to take part in the General Meeting is proved by the registration of shares in the name of the shareholder or of the intermediary registered on his or her behalf (in accordance with the seventh paragraph of Article L. 228-1 of the Commercial Code), on the third business day preceding the meeting at midnight, Paris time, namely at midnight, Paris time, on **9 May 2011**, either in the registered share accounts kept by the company (or its agent), or in the bearer share accounts kept by the authorised intermediary.

- in the case of registered shareholders, this registration in the accounts at midnight, Paris time, on 9 May 2011, will be sufficient to allow them to take part in the General Meeting.
- in the case of bearer shareholders, registration of their shares in bearer share accounts kept by financial intermediaries will be established by a certificate of investment issued by those intermediaries under the conditions provided by Article R. 225-85 of the Commercial Code, and attached:
  - (1) to the postal voting form; or
  - (2) to the proxy form; or
  - (3)- to the request for an admission ticket prepared in the name of the shareholder or on behalf of a shareholder represented by the registered intermediary.

A certificate can also be issued to shareholders wishing to take part in the meeting in person and who have not received their admission ticket by midnight, Paris time, on 9 May 2011.

### **Manner of participation in the meeting**

Shareholders wishing to **attend the General Meeting in person** can ask for an admission ticket in the following way:

- in the case of registered shareholders: every registered shareholder will automatically receive the voting form attached to the notice of meeting, which he or she must complete, stating that he or she wishes to take part in the General Meeting, and must obtain an admission ticket, to be signed and returned to BNP Paribas Securities Services, Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex. Alternatively such shareholders must attend on the day of the meeting and go to the counter specially provided for this purpose to present proof of identity.
- in the case of bearer shareholders: bearer shareholders must ask the authorised intermediary handling the management of their share account to arrange for an admission ticket to be sent to them.

Shareholders **who do not attend this meeting in person** and who wish to vote by post or be represented by giving a proxy to the Chairman of the meeting, to their spouse or partner in the context of a civil partnership or to another person may:

- in the case of registered shareholders: send back the single postal voting or proxy form, which will be sent to them with the notice of meeting, to the following address: BNP Paribas Securities

Services, Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

- in the case of bearer shareholders: request this form from the intermediary that manages their shares, with effect from the date of the notice of meeting. The single postal voting or proxy form must be accompanied by a certificate of investment issued by the financial intermediary and must be returned to the following address: BNP Paribas Securities Services, Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

In order to be taken into account, postal voting forms must be received by the company or by BNP Paribas Securities Services, Service Assemblées Générales, at the latest at 3 p.m., Paris time, on the day before the meeting.

Proxies granted for this meeting are valid for any further meetings which may be convened with the same agenda and may be cancelled by the shareholders in the same form as was required for the appointment of their proxy.

In accordance with the provisions of Article R. 225-79 of the Commercial Code, notifications of the appointment and cancellation of proxies can also be given electronically, in the following way:

- Pure registered shareholders:
  - (1) must send an e-mail to the address [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com). This e-mail must contain the following information: Lafarge General Meeting, Surname, forename, address and registered account number of the principal, and if applicable, the surname, forename and, if possible, address of the proxy;
  - (2) must send their e-mail with a level 2 electronic certificate produced by a certification provider.
- Bearer shareholders or administered registered shareholders:
  - (1) must send an e-mail to the address [paris.bp2s.france.cts.mandats@bnpparibas.com](mailto:paris.bp2s.france.cts.mandats@bnpparibas.com). This e-mail must contain the following information: Lafarge General Meeting, Surname, forename, address and bank references of the principal, and the surname, forename and, if possible, address of the proxy;
  - (2) must ask the financial intermediary handling the management of their share account to send a written confirmation to BNP Paribas Securities Services, Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

Only notifications of the appointment or cancellation of proxies may be sent to the electronic address referred to above. Requests or notifications on any other subject will not be taken into account and/or processed.

In order to be valid and taken into account, confirmation of electronic appointments or cancellations of proxies must be received at the latest at 3 p.m., Paris time, on the day before the meeting. Appointments or cancellations of proxies in paper form must be received at the latest 1 calendar day before the date of the meeting.

No shareholder that has already voted by post, sent in a proxy or requested an admission ticket or a certificate of investment, will be able to choose another mode of participation in the meeting. A shareholder can at any time sell all or part of his or her shares (Article R. 225-85 of the Commercial Code).

However, if the sale takes place before midnight, Paris time, on 9 May 2011, the Company will, as the case may be, invalidate or make amendments to the postal vote, proxy, admission ticket or certificate of investment. For this purpose, the authorised intermediary and account holder shall give notice of the sale to the Company or its agent, and shall send it the necessary information. No sale or other transaction completed after midnight, Paris time, on 9 May 2011, will be notified by the authorised intermediary or

taken into account by the Company, regardless of the method used, and notwithstanding any agreement to the contrary.

No provision will be made for voting at this meeting by means of videoconferencing or other means of telecommunication and electronic transmission, and accordingly, no site of the kind referred to in Article R. 225-61 of the Commercial Code will be made available for this purpose.

### **Requests for inclusion in the agenda of points or draft resolutions, and filing of written questions**

One or more shareholders representing at least the fraction of the capital provided by the applicable legal and regulatory provisions may, in the 20 days following the publication of this notice of meeting, request the inclusion in the agenda of points or draft resolutions, under the conditions provided by Articles L. 225-105 and R. 225-71 to R. 225-73 of the Commercial Code.

Requests for the inclusion in the agenda of reasoned points or draft resolutions must be sent to the registered office (“Lafarge – Point or draft resolution for the agenda of the General Meeting”, Lafarge, 61 rue des Belles Feuilles, 75116 Paris, France), by registered letter with proof of receipt, at the latest on Thursday 7 April 2011. The request must be accompanied:

- by the point to be inserted in the agenda, and the reasons for its insertion, or
- by the text of the draft resolutions, which may be accompanied by a brief summary of the grounds and, if necessary, by the information provided by Article R. 225-71 paragraph 8 of the Commercial Code, and
- by a certificate of account registration proving that the authors of the request possess or represent the fraction of the capital required by Article R. 225-71 of the Commercial Code, referred to above.

In addition, examination by the Meeting of the points on the agenda or of the draft resolutions filed by shareholders shall be subject to the transmission by the authors of a new certificate proving registration of shares under the same conditions at midnight, Paris time, on Monday 9 May 2011.

Furthermore, requests by the Works Council for the inclusion in the agenda of draft resolutions must be sent to the registered office under the conditions provided by Article R. 2323-14 of the Employment Code, by registered letter with proof of receipt, within ten days of publication of this notice.

A list of the points added to the agenda, and the text of draft resolutions, presented by shareholders under the conditions referred to above, will be published on the Company’s website at [www.lafarge.com](http://www.lafarge.com) (under Shareholders & Investors).

Any shareholder will be entitled to put written questions until the fourth business day preceding the date of the Meeting, namely until midnight, Paris time on 6 May 2011 (Article R. 225-84 of the Commercial Code). Questions must be sent by registered letter with proof of receipt, by midnight on 6 May 2011, to: Lafarge, The Chairman of the Board of Directors, “Written question for the General Meeting”, 61, rue des Belles Feuilles, 75116 Paris. In order to be taken into account, questions must be accompanied by a certificate of account registration.

When more than one question has the same content, a single reply may be given. The reply to a written question will be deemed to have been given if it appears on the website at [www.lafarge.com](http://www.lafarge.com) (under Shareholders & Investors).

### **Documents made available to shareholders**

As required by law, all documents that must be provided in the context of this General Meeting will be made available to shareholders at the registered office at 61 rue des Belles Feuilles, 75116 Paris, within the legal time limits.

Shareholders may also obtain the documents provided for by Articles R. 225-81 and R. 225-83 of the Commercial Code, within the legal time limits, by making a request to BNP Paribas Securities Services,

Service Assemblées Générales, CTS Assemblées Générales, Les Grands Moulins de Pantin 9, rue du Débarcadère, 93761 Pantin Cedex.

Furthermore, the documents intended to be presented to the General Meeting, together with the other information and documents provided by Article R. 225-73-1 of the Commercial Code, will be available on the Company's website at [www.lafarge.com](http://www.lafarge.com) (under Shareholders & Investors), at the latest with effect from 21 April 2011 (namely 21 days before the General Meeting).

This notice shall be valid as a notice of meeting, subject to no amendments being made to the agenda, particularly as a result of requests made by shareholders or by the Works Council for the inclusion of draft resolutions.

The Board of Directors