

SHELF PROSPECTUS

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR AN INDEPENDENT INVESTMENT ADVISER FOR GUIDANCE IMMEDIATELY. THIS SHELF PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE MEMBERS OF THE BOARD OF DIRECTORS OF DANGOTE CEMENT PLC AND THEY JOINTLY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF ALL INFORMATION GIVEN AND CONFIRM THAT, AFTER HAVING MADE INQUIRIES WHICH ARE REASONABLE IN THE CIRCUMSTANCES AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN INACCURATE OR MISLEADING. **FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” ON PAGES 118 TO 129.**



DANGOTE CEMENT PLC (RC 208767) ₦300,000,000,000 (THREE HUNDRED BILLION NAIRA) MULTI-INSTRUMENT ISSUANCE PROGRAMME

THIS SHELF PROSPECTUS IS TO BE READ AND CONSTRUED IN CONJUNCTION WITH ANY SUPPLEMENT THERETO AND ALL DOCUMENTS WHICH ARE INCORPORATED HEREIN, BY REFERENCE AND, IN RELATION TO ANY SERIES OR TRANCHE (AS DEFINED HEREIN) OF INSTRUMENTS, TOGETHER WITH THE APPLICABLE PRICING SUPPLEMENT. THIS SHELF PROSPECTUS SHALL BE READ AND CONSTRUED ON THE BASIS THAT SUCH DOCUMENTS ARE INCORPORATED HEREIN AND FORM PART OF THIS SHELF PROSPECTUS. COPIES OF THIS SHELF PROSPECTUS CAN BE OBTAINED AT NO COST AT THE OFFICES OF THE ISSUER AND THE ISSUING HOUSES.

THIS SHELF PROSPECTUS HAS BEEN ISSUED IN COMPLIANCE WITH PART IX OF THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (“ISA”), RULE 279 UNDER PART F OF THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION (“SEC” OR THE “COMMISSION”), 2013 (AS AMENDED FROM TIME TO TIME) (“SEC RULES”) AND CONTAINS PARTICULARS WHICH ARE COMPLIANT WITH THE REQUIREMENTS OF THE COMMISSION FOR THE PURPOSE OF GIVING INFORMATION WITH REGARDS TO THE DANGOTE CEMENT PLC ₦ 300,000,000,000 MULTI-INSTRUMENT ISSUANCE PROGRAMME (THE “PROGRAMME”). INSTRUMENTS ISSUED UNDER THE PROGRAMME MAY BE ISSUED IN SERIES. THE FINAL TERMS OF THE RELEVANT SERIES OR TRANCHE WILL BE DETERMINED AT THE TIME OF THE OFFERING OF THAT SERIES OR TRANCHE BASED ON PREVAILING MARKET CONDITIONS AND WILL BE SET OUT IN THE RELEVANT PRICING SUPPLEMENT/SUPPLEMENTARY PROSPECTUS.

THE REGISTRATION OF THIS SHELF PROSPECTUS AND ANY PRICING SUPPLEMENT THEREAFTER DOES NOT IN ANY WAY WHATSOEVER SUGGEST THAT THE COMMISSION ENDORSES OR RECOMMENDS THE INSTRUMENTS OFFERED OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED THEREIN. NO INSTRUMENT WILL BE ALLOTTED OR ISSUED ON THE BASIS OF THIS SHELF PROSPECTUS READ TOGETHER WITH ANY SUPPLEMENTARY SHELF PROSPECTUS OR PRICING SUPPLEMENT LATER THAN 3 (THREE) YEARS FROM THE DATE OF THIS SHELF PROSPECTUS UNLESS THE VALIDITY PERIOD (AS SUBSEQUENTLY DEFINED) IS EXTENDED BY THE COMMISSION.

THE DIRECTORS ACCEPT RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS SHELF PROSPECTUS AND DECLARE THAT HAVING TAKEN REASONABLE CARE TO ENSURE THAT THE INFORMATION CONTAINED HEREIN IS, TO THE BEST OF THEIR KNOWLEDGE, IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION AND THAT SAVE AS DISCLOSED HEREIN, NO OTHER SIGNIFICANT NEW FACTOR, MATERIAL MISTAKE OR INACCURACY RELATING TO THE INFORMATION INCLUDED IN THIS SHELF PROSPECTUS AS AMENDED AND/OR SUPPLEMENTED FROM TIME TO TIME HAS ARISEN OR HAS BEEN NOTED, AS THE CASE MAY BE. IT IS A CIVIL WRONG AND A CRIMINAL OFFENCE UNDER THE ISA TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS SHELF PROSPECTUS IS PROVIDED FOR IN SECTIONS 85 AND 86 OF THE ISA. **INVESTORS MAY CONFIRM THE CLEARANCE OF THIS SHELF PROSPECTUS AND REGISTRATION OF THE INSTRUMENTS ISSUED THEREUNDER WITH THE COMMISSION BY CONTACTING THE COMMISSION ON sec@sec.gov.ng OR +234(0)94621100 OR +234(0) 94621168.**

LEAD ISSUING HOUSE



RC 680774

JOINT ISSUING HOUSES



RC1383925



Stanbic IBTC
Capital

RC1031358



United Capital

RC 444999

THIS SHELF PROSPECTUS IS DATED THE 31ST DAY OF MARCH, 2021
This Shelf Prospectus will be available on the following websites throughout the Validity Period
www.dangotecement.com www.sec.gov.ng

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1. PRESENTATION OF INFORMATION

Dangote Cement PLC (the “**Company**”) maintains its books of accounts in Naira and in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”).

Unless otherwise specifically stated elsewhere in this Shelf Prospectus, the financial information set forth herein relates to the Company and its consolidated subsidiaries (the “**Group**”) and has been derived from the Group’s unaudited Management Accounts for the period ended 30 September, 2020 (“**Q3 Management Accounts**”) and audited consolidated financial statements as at and for the years ended 31 December, 2019 (the “**2019 Financial Statements**”), 31 December 2018 (the “**2018 Financial Statements**”), 31 December 2017 (the “**2017 Financial Statements**”), 31 December 2016 (the “**2016 Financial Statements**”) and 31 December 2015 (the “**2015 Financial Statements**”) (together, the “**Financial Statements**”).

The Financial Statements were audited by Deloitte & Touche and Ahmed Zakari & Co., who were auditors of the Company for those financial years. The Financial Statements were audited by the above-referenced firms in accordance with the International Standards on Auditing issued by International Federation of Accountants (IFAC) (“**International Standards on Auditing**”). The Financial Statements were prepared in the manner required by the Companies and Allied Matters Act Chapter C20, Laws of the Federation of Nigeria, 1994.

The Q3 Management Accounts were reviewed by KPMG Professional Services (the “**Auditors**”), the auditors of the Company as of the date of this Shelf Prospectus. The Q3 Management Accounts were prepared in accordance with the International Accounting Standard 34 “*Interim Financial Reporting*”. The Q3 Management Accounts as reviewed by the Auditors are set forth in this Shelf Prospectus and were reviewed by the Auditors in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information performed by the Independent Auditor of the Entity*”.

KPMG Professional Services is an independent auditor in accordance with the International Standards on Auditing and the firm is located at KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos, Nigeria.

Certain statistical information presented in this Shelf Prospectus on topics such as the Nigerian economy, political landscape and related subjects have been obtained from third party sources, as described in the relevant sections. The Company has accurately reproduced such information and as far as it is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the information inaccurate or misleading. Neither the Company, the Lead Issuing House, the Joint Issuing Houses nor any of the Company’s other professional advisers have independently verified the figures, market data or other information on which such third parties have based their report(s). Some of the estimates in this Shelf Prospectus are based on such third-party information. Prospective investors are advised to consider this statistical information with caution.

2. DEFINITION OF TERMS

“Auditors”	KPMG Professional Services
“Board” or “Directors”	the board of directors of the Company
“Bond(s)”	Registered bonds (including Green Bonds) or any other type of debt instruments or securities that will be issued by the Company from time to time under the Programme with an aggregate value not exceeding ₦300,000,000,000 (Three Hundred Billion Naira) in accordance with the terms of this Shelf Prospectus and any applicable Pricing Supplement
“Book”	The collation of all bids received from Qualified Investors in respect of Instruments issued under the Programme which are being sold by way of Book Building indicating the value of the bids and the respective allocations
“Book Building”	As defined in Rule 321 of the SEC Rules, a process of price and demand discovery through which a Book Runner seeks to determine the price at which securities should be issued, based on the demand from Qualified Investors
“Book Runner(s)”	The Issuing House(s) duly appointed by the Issuer to maintain the Book in respect of the Instruments being sold by way of Book Building (as applicable)
“Business Day”	Any day, except Saturdays, Sundays and public holidays declared by the Federal Government, on which commercial banks are open for business in Nigeria
“CAMA”	Companies and Allied Matters Act, No 3. of 2020 (as amended)
“CBN”	Central Bank of Nigeria
“Certificates” or “Sukuk Certificates”	Investment certificates of equal value issued by the Company or Issuer Trustee (as applicable) representing an undivided beneficial ownership interest held by a Certificateholder in the Trust Assets in connection with Sukuks issued under the Programme, which shall be in the form set out in the Programme Trust Deed
“Certificateholder” or “Sukukholder”	a person in whose name a Certificate is registered in the relevant register maintained by the Registrar (and in the case of joint Certificateholders, the first named thereof), as holder of the Certificates
“CIT”	Companies Income Tax
“Company”, “Issuer”, “Dangote Cement” or “DCP”	Dangote Cement PLC
“Conditions” or “Terms and Conditions”	Terms and conditions in accordance with which any Instrument will be issued, set out in the section of this Shelf Prospectus headed “Terms and Conditions of the Instruments” and in the relevant Trust Deeds

“Coupon”	The interest paid on any Bond (other than a Zero-Coupon Bond) issued under the Programme periodically, expressed as a percentage of the face value of the Bond
“Coupon Rate”	The rate or rates (expressed as a percentage per annum) of interest payable in respect of the Bonds specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions of the applicable Pricing Supplement
“Coupon Commencement Date”	The Issue Date for any particular Series or Tranche of Bonds or such other date as may be specified in the applicable Pricing Supplement, from which Coupon on a Series or Tranche of the applicable Bonds will begin to accrue
“Coupon Payment Date”	The date on which any Coupon falls due for payment to the Holders of Bonds as specified in the applicable Pricing Supplement
“COVID-19”	The coronavirus disease, a communicable respiratory disease that causes illness in humans
“CSD” or “Depository”	CSCS or FMDQ Depository Limited
“CSCS” or the “Clearing System”	Central Securities Clearing Systems, operated by the Central Securities Clearing Systems PLC
“Daily Official List”	The daily publication of NGX detailing price movements and information on all securities quoted on The Nigerian Exchange Limited
“Daily Quotation List”	The daily official publication of the FMDQ containing market/model prices and yields, and the values traded on all securities listed and quoted on the FMDQ
“Dealer(s)”	Any registered broker/dealer duly authorised to facilitate liquidity in the Instruments to be issued under the Programme
“Declaration of Trust”	The trust deed between the Issuer and the Delegate Trustees, dated on or about the date of the relevant Pricing Supplement issued in connection with the Certificates, by which the Issuer constitutes a trust over the Trust Assets any assets in favour of the Certificateholders and appointed the Delegate Trustees as its delegate trustee under the trust
“Delegate Trustees ” or “Sukuk Trustees”	Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited, their successors and permitted assigns and/or any other trustee appointed by the Issuer Trustee in relation to the Sukuk
“Dissolution Date”	as the case may be: (a) the Scheduled Dissolution Date; or (b) any Optional Dissolution Date;

“Dissolution Distribution Amount”	In relation to each Certificate: (a) the sum of: (i) the outstanding face amount of such Certificate; and (ii) any accrued but unpaid Periodic Distribution Amounts for such Certificate; or (b) such other amount specified in the applicable Final Terms as being payable upon any Dissolution Date
“Dissolution Event”	All such events as are defined as dissolutions events under the Programme Trust Deed and particularly set out in the relevant Series Trust Deed
“Embedded Option”	A component of an Instrument which attaches certain rights to such Series or Tranche of Instruments, including but not limited to callability, convertibility or exchangeability
“Events of Default”	All such events as are defined under the Programme Trust Deed and particularly set out in the Series Trust Deed for the relevant Series
“FGN” or “Federal Government”	Federal Government of Nigeria
“Final Terms” or “Pricing Supplement” or “Supplementary Prospectus”	The document(s) to be issued pursuant to this Shelf Prospectus, which shall provide final terms and conditions of a specific Series or Tranche (as applicable) of Instruments issued under the Programme and is to be read in conjunction with the Shelf Prospectus
“Fixed Rate Bonds”	Bonds in respect of which Coupon is to be calculated and paid on a fixed rate basis
“Floating Rate Bonds”	Bonds in respect of which Coupon is to be calculated and paid on a floating rate basis
“FMDQ”	FMDQ Securities Exchange Limited
“GDP”	Gross Domestic Product
“Green Bond”	Bonds issued in accordance with the terms of this Shelf Prospectus and the applicable Pricing Supplement, the proceeds of which are to be applied towards projects or other uses with positive environmental impact
“High Net Worth Investor”	As defined in the SEC Rules
“Holder(s)”	Registered or beneficial owner of the Instrument to be issued in accordance with this Shelf Prospectus and the applicable Pricing Supplement
“IFRS”	International Financial Reporting Standards
“Index Linked Coupon Bond”	Bonds in respect of which Coupon will be calculated by reference to an index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be prescribed in the applicable Pricing Supplement
“Instrument”	The registered instruments issued under the Programme including but not limited to Bonds, Sukuk or any other type of instruments or securities that will

be issued by the Company from time to time in accordance with the terms of the Shelf Prospectus and any applicable Pricing Supplement, with the maximum aggregate Principal Amount not exceeding ₦300,000,000,000 (Three Hundred Billion Naira)

“Instrument Maturity Date”	The date specified in the applicable Pricing Supplement on which any Instrument issued thereunder is to be redeemed
“ISA”	Investments and Securities Act No. 29 of 2007 (as amended)
“Issue Date”	The date on which any Instrument is issued as specified in the relevant Final Terms
“Issue Price”	The price at which any Instrument is issued as specified in the applicable Pricing Supplement
“Issuer Trustee”	Dangote Cement PLC or any special purpose vehicle set up by the Issuer for this purpose
“Issuing Houses”	The Lead Issuing House and Joint Issuing Houses
“Joint Issuing Houses”	Absa Capital Markets Nigeria Limited, Stanbic IBTC Capital Limited, United Capital PLC and/or any other issuing house that may be appointed by the Issuer as a joint issuing house
“Lead Issuing House”	Standard Chartered Capital & Advisory Nigeria Limited or any other issuing house that may be appointed by the Issuer as a lead issuing house
“LFN”	Laws of the Federation of Nigeria, 2004
“Maturity Date”	the date on which any principal amount, final instalment amount or final rental amount (as defined in the relevant Series Trust Deed) of Bonds or Sukuk (as applicable) of a Series or Tranche becomes due and payable
“Multi-Instrument Issuance Programme” or the “Programme”	The ₦300,000,000,000 multi-instrument issuance programme being undertaken by Dangote Cement PLC as described in this Shelf Prospectus, pursuant to which the Company may issue Series or Tranches (as applicable) of Instruments from time to time up to a maximum aggregate Principal Amount of ₦300,000,000,000
“Naira/NGN” or “ ₦ ”	The Nigerian Naira
“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“OTC”	Over-the-counter
“Optional Dissolution Date”	in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such in the applicable Final Terms;
“Payment Account”	in relation to each Series or Tranche (as applicable) of Instruments, the account from which payment will be made to the Holders at the times and in such amounts as are specified in the repayment schedule set out in the relevant

Pricing Supplement; provided that in the case of the Sukuk, payment account will be a non-interest bearing account

“Periodic Distribution Amounts”	The amount that will be paid to the Certificateholders calculated on the basis specified in the applicable Final Terms
“Periodic Distribution Date”	The date(s) specified as such in the applicable Final Terms
“PIT”	Personal Income Tax
“PITA”	Personal Income Tax Act Chapter, P8, LFN 2004 (as amended by the Personal Income Tax (Amendment) Act No. 20 of 2011 and the Finance Act, 2019)
“Principal” or “Principal Amount”	The nominal amount of each Instrument, as specified in the applicable Pricing Supplement
“Professional Party(ies)”	Professionals engaged by the Issuer in connection with the establishment of the Programme as listed out on page 20 of this Shelf Prospectus
“Profit” or “Distribution”	Profit or rent due on the Certificates issued under the Programme as may be specified in the applicable Final Terms
“Profit Commencement Date”	The Issue Date or such other date as may be specified in the applicable Final Terms
“Programme Size”	The maximum aggregate outstanding Principal Amount of all of the Instruments that may be issuer under the Programme, being ₦300,000,000,000
“Programme Trust Deed”	The Programme Trust Deed dated on or about the date of this Shelf Prospectus between the Issuer and the Trustees in connection with the Multi-Instrument Issuance Programme and under which the Instruments will be constituted
“Qualified Institutional Investor(s)”	Qualified Institutional Investors as defined in Rule 321 of the SEC Rules
“Qualified Investors”	Qualified Institutional Investors and High Net Worth Investors, as stipulated by the SEC Rules
“Rating Agency”	Global Credit Rating Company Limited
“Relevant Factor”	Variable or indices that may be applied in determining the Profit payment, Principal repayment or Coupon payment (as applicable)
“Registrar”	Coronation Registrars Limited or any other entity so appointed by the Issuer
“Scheduled Dissolution Date”	The date specified as such in the applicable Final Terms
“SEC” or “Commission”	Securities and Exchange Commission, Nigeria
“SEC Rules”	The rules and regulations of the SEC, 2013 issued pursuant to the ISA (as amended from time to time)

“Senior Bonds”	Bonds (or other similar securities) that rank <i>pari passu</i> without any preference of one above another by reason of priority of date of issue, currency of payment or otherwise with all other senior unsecured obligations of the Company, present and future, and such additional features as may be specified in the applicable Pricing Supplement
“Series”	Tranche of Instruments (as applicable) together with any further Tranche or Tranches of Instruments which are identical in all respects except for their respective Issue Dates, Embedded Options and/or Maturity Dates, Profit Commencement Date, Coupon Commencement Dates and/or Issue Prices (as applicable)
“Series Trust Deed”	A Deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer and the Trustees with regards to a specific Series or Tranche (as applicable)
“Settlement Date”	The date by which the successful investor(s) must pay for the Instruments delivered by the Company
“Shelf Prospectus” or “Prospectus”	This prospectus that the Company has filed in connection with the Programme, in accordance with the SEC Rules
“Subordinated Bonds”	Bonds that rank <i>pari passu</i> , without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Company, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations
“Sukuk”	Shariah compliant instruments issued by the Issuer or the Issuer Trustee (as applicable) from time to time, pursuant to the Programme Trust Deed and the applicable Series Trust Deed, which represent an undivided ownership interest in the Trust Assets, proportionate to the value of the Certificateholder's investment in the Trust Assets
“The Exchange” or “NGX”	Nigerian Exchange Limited
“Tranche”	Instruments which are identical in all respects (as applicable) (including as to listing) except for their respective Issue Dates, Embedded Options and/or Maturity Dates, Profit Commencement Date, Coupon Commencement Dates and/or Issue Prices (as applicable).
“Trust Assets”	in relation to the relevant Series or Tranche of Sukuk will be (a) the cash proceeds of the issue of the relevant Series or Tranche of Certificates, pending application thereof in accordance with the terms of the Transaction Documents; (b) all of the Trustee’s rights, title, interest, benefits and entitlements, present and future, in, to and under the assets acquired with the cash proceeds referred to in (a) above; (c) all of the Issuer Trustee’s rights, title, interest, benefits and entitlements, present and future, in, to and under the Transaction Documents; (d) all monies standing to the credit of the relevant Transaction Account from time to time; and all proceeds of the foregoing listed (a) to (d)

“Trust Deeds”	Programme Trust Deed and Series Trust Deed
“Trustees”	Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited, their successors and permitted assigns and/or any other trustee appointed by the Issuer in accordance with the Programme Trust Deed
“Trustees Act”	Trustees Investments Act Chapter T22, LFN 2004
“Validity Period”	A period of three (3) years from the date of this Shelf Prospectus, save as may be extended further to the approval of the SEC
“Variable Coupon Amount Bonds”	A Bond on which payment of Coupon will be calculated by reference to a variety of financial instruments, a currency exchange rate or any other index or formula or as otherwise provided in the relevant Pricing Supplement
“VAT”	Value Added Tax
“Zero Coupon Bond”	non-interest-bearing Bond or similar securities.

3. DECLARATION BY THE ISSUER



Dangote Cement Plc. RC 200767

Marble House
1, Alfred Rewane Road, Ikoyi, Lagos, Nigeria
Tel: +234 1 450 643
Email: customercare@dangote.com
Website: www.dangotecement.com

DECLARATION BY THE ISSUER

This Prospectus has been prepared on our behalf with a view to providing information and disclosures on relevant aspects of Dangote Cement Plc (the "Company"), to prospective investors in connection with the Programme and the investment in the securities to be issued therein.

On behalf of the Board of Directors, we hereby make the following declarations to the best of our knowledge and belief:

1. We confirm that the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import;
2. There has been no significant change in the financial condition or material adverse change in the prospects of the Company as at the date of publication of this Shelf Prospectus;
3. The Company is not in breach of any terms and conditions in respect to borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the twelve (12) months preceding the date of this Shelf Prospectus; and
4. No prosecution has been commenced against either the Company or any of its subsidiaries during the twelve (12) calendar months immediately preceding the date of this Shelf Prospectus in respect of any breach or contravention of any provision of the Companies and Allied Matters Act or the listing requirements of any Securities Exchange on which the securities of the Company are listed.

SIGNED for and on behalf of
DANGOTE CEMENT PLC

By its duly authorized representatives

Michel Pucheros
Managing Director

Guillaume Moyen
Acting Chief Financial Officer

Mahmud Kakaure
Company Secretary

NOTARIZED BY ME
THIS 20th DAY OF JANUARY 2021

SULAIMAN O. ZUBAIR ESQ
NOTARY PUBLIC
15, MEKUNWEN ROAD,
IKOYI, LAGOS



Directors: Mr. Alko Dangote, GCON (Chairman); Mr. Michel Pucheros, GMD (French); Mr. Anind Pathe, DGMD (Indian); Mr. Sani Dangote; Mr. Obalunle Alake; Mr. Abdu Dantata; Mr. Devalumar V.G. Edwin (Indian); Mr. Ernest Ebi, MFR; Mr. Emmanuel Ikazobor; Mr. Douraid Zaghouni (French); Mrs. Dorothy Ulerie Ulas, SAN; Mr. Viswanathan Shankar (Singaporean); Ms. Chere Blak, CBE QC (British); Sir Michael Davis (British); Ms. Berline Morokole (South African)

4. CONFIRMATION OF GOING CONCERN BY THE ISSUER



Dangote Cement Plc. RC 208767

Marble House
1, Alfred Rewane Road, Ikoyi, Lagos, Nigeria
Tel: +234 1 450 643
Email: customercare@dangote.com
Website: www.dangotecement.com

5 January, 2021

The Directors
Absa Capital Markets Nigeria Limited
1, Murtala Muhammed Drive
Ikoyi
Lagos.

The Directors
Standard Chartered Capital & Advisory Nigeria Limited
142, Ahmadu Bello Way
Victoria Island
Lagos.

Dear Sirs,

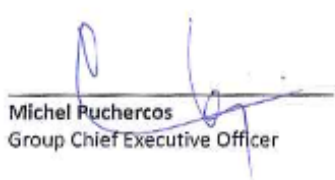
CONFIRMATION OF GOING CONCERN STATUS OF DANGOTE CEMENT PLC ("DCP")

Dangote Cement Plc is in the process of seeking registration of its proposed ₦300 billion Securities Issuance Programme by the Securities & Exchange Commission ("SEC").


Based on our review of the financial statements of DCP for the year ended 31 December, 2019, we have a reasonable expectation that DCP has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared only for the purposes of compliance with the rules and regulations of the SEC.

Yours faithfully,
for and on behalf of Dangote Cement Plc



Michel Puchercos
Group Chief Executive Officer



Guillaume Moyen
Acting Group Chief Financial Officer

Directors: Mr. Aliko Dangote, GCON (Chairman); Mr. Michel Puchercos, GMD (French); Mr. Anind Pathak, DGMD (Indian); Mr. Sani Dangote; Mr. Olakunle Alake; Mr. Abdu Dantata; Mr. Devakumar V.G. Edwin (Indian); Mr. Ernest Ebi. MFR; Mr. Emmanuel Ikazoboh; Mr. Douraid Zaghouani (French); Mrs. Dorothy Udemé Ufot, SAN; Mr. Viswanathan Shankar (Singaporean); Ms. Cherie Blair, CBE QC (British); Sir Michael Davis (British); Ms. Berina Moroola (South African)

5. CONFIRMATION OF GOING CONCERN BY THE AUDITORS



KPMG Professional Services

KPMG Tower
Bishop Abiodun Cole Street
Victoria Island
PMB 40014, Folorunso
Lagos

Telephone 234 (1) 271 8955

234 (1) 271 9599

Internet home.kpmg/ng

19 January 2021

The Directors
Dangote Cement Plc
Union Marble House
1 Alfred Rewane Road,
Ikoyi, Lagos

Dear Sirs

Going Concern Status of Dangote Cement Plc in respect of the establishment of ₦300 billion multi-instrument issuance programme

We have carried out a review in line with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by an Independent Auditor of an Entity" of the condensed consolidated and separate interim financial statements of Dangote Cement Plc ("the Company") and its subsidiaries (together, "the Group") for the nine-month period ended 30 September 2020 which were prepared in accordance with IAS 34, "Interim Financial Reporting".

Based on our review of the condensed consolidated and separate interim financial statements of Dangote Cement Plc for the nine-month period ended 30 September 2020 on which we expressed our conclusion on 5 November 2020 and the representation received from the Directors of Dangote Cement Plc in connection with the review, nothing has come to our attention that causes us to believe that the Company will not continue in operations as a going concern for 12 months from 30 September 2020.

Yours faithfully

For: **KPMG Professional Services**

Goodluck C. Obi, FCA

Partner, Audit Services

FRC/2012/ICAN/00000000442

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Registered in Nigeria No DN 200325

Partners:

Adigbo A. Oyedele
Ajayi D. Olayinka
Ayoola H. Olayinka
Balogun C. Olayinka
Edeh D. Olayinka
Edeh C. Olayinka
Edeh A. Olayinka
Edeh D. Olayinka
Edeh A. Olayinka
Edeh D. Olayinka

Adigbo A. Olayinka
Adigbo A. Olayinka
Adigbo A. Olayinka
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6. NOTICE TO PROSPECTIVE INVESTORS

This Shelf Prospectus has been prepared by the Company in connection with its Programme, pursuant to which the Company proposes to issue Instruments with varying maturities, terms and conditions and is issued, for purposes of giving information to prospective investors in respect of the Instruments.

The Programme provides some flexibility for the Company as it accommodates the issuance of various instruments in accordance with applicable laws, this Shelf Prospectus and the Terms and Conditions.

Following the registration of this Shelf Prospectus with the SEC, the SEC will register the Instruments as they are issued under each Series.

No person has been authorised to give any information or to make any representation other than those contained in this Shelf Prospectus in connection with the Programme and if given or made, such information or representation must not be relied upon as having been authorised by the Company or any of the Professional Parties.

6.1 INVESTMENT ADVICE

Neither this Shelf Prospectus nor any other information supplied in connection with the Instruments is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Company, any of the Professional Parties that any recipient of this Shelf Prospectus or any other information supplied in connection with the Instruments should purchase the Instruments.

The receipt of this Shelf Prospectus or any information contained in it or supplied with it or subsequently communicated to any person is not to be construed as constituting investment advice from the Company or the Professional Parties, to any prospective investor. Prospective investors should make their independent assessment of the benefits of subscribing to the Instruments and should obtain their own professional advice in connection with any prospective investment by them in the Instruments. Neither the Shelf Prospectus nor any other information supplied in connection with the Programme or the Instruments constitutes an offer or invitation by or on behalf of the Company or any of the Professional Parties to any person to subscribe to or purchase the Instruments.

Neither the delivery of this Shelf Prospectus nor the offering, sale or delivery of the Instruments shall in any circumstances imply that the information contained herein concerning the Company is correct at any time after the date of this Shelf Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date of the document containing same.

The Professional Parties expressly do not undertake to review the financial condition or affairs of the Company throughout the life of the Instruments or to advise any investor in the Instruments of any information coming to their attention. The Professional Parties have not separately verified the information contained in this Shelf Prospectus and accordingly no representation, warranty or undertaking, express or implied, is made and to the fullest extent permitted by law, no responsibility or liability is accepted whether in contract or otherwise by the Professional Parties as to the accuracy or completeness of the information contained in this Shelf Prospectus or any other information supplied in connection with the Instruments or their distribution. Each person receiving this Shelf Prospectus acknowledges that it has not relied on the Issuing Houses or any other Professional Party or any person affiliated with any of them in connection with its investigation of the accuracy of this Shelf Prospectus or such information or its investment decision.

The Company and the members of the Board, whose names appear on page 19 of this Shelf Prospectus, individually and collectively accept full responsibility for the accuracy of the information contained herein and have taken reasonable care to ensure that the material facts contained in this Shelf Prospectus are true and accurate in all material respects and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no material facts, the omission of which, would make any material statement herein misleading or untrue.

6.2 STATISTICAL INFORMATION, DATA AND FIGURES

Certain figures included in this Shelf Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Some statistical information reported in this Shelf Prospectus have been reproduced from official publications of, and information supplied by, a number of the Nigerian government agencies and ministries, and other third-party sources, including the CBN, the International Monetary Fund (the “**IMF**”), the Debt Management Office (the “**DMO**”) and the National Bureau of Statistics (the “**NBS**”). Views may necessarily vary among the sources from which the information in this Shelf Prospectus was obtained. This third-party information is presented under “Industry Overview”, “Macro-Economic Overview” and “Risk Factors”. Where such third-party information appears in this Shelf Prospectus, it has been cited as such. The Company has accurately reproduced such information, has not independently verified such information included in this Shelf Prospectus and, so far as the Company is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. The Company has relied on the accuracy of this information without independent verification.

Prospective investors are, therefore, advised to consider this information with caution. The underlying information, on which market studies are based, is to all intents and purposes, speculative. As such, these market and industry studies may not be accurate or appropriate. While neither the Company nor the Professional Parties have any reason to believe that any of the market or industry is materially inaccurate, neither the Issuer nor the Professional Parties have independently verified the figures, market data or other information on which third parties have based their studies and no representation is made by the Company or the Professional Parties with respect to the accuracy or completeness of any of these market or industry studies.

6.3 CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Shelf Prospectus and any applicable Pricing Supplement may contain statements that constitute forward-looking statements that involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. All statements other than statements of historical facts included in this Shelf Prospectus are forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the plans, objectives or goals of the Company and its subsidiaries, the Company’s future economic performance or prospects, the potential effect on the Company’s future economic performance or prospects, the potential effect on the Group’s future performance of certain contingencies; and assumptions underlying any such statements. The forward-looking statements by the Company concerning its anticipated development have been included solely for illustrative purposes.

Words such as “believes”, “anticipates”, “expects”, “estimates”, “may”, “are expected to”, “intends”, “will”, “will continue”, “should”, “would”, “seeks”, “approximately”, “anticipates”, “plans” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

The Company is not obliged to and does not intend to update these forward-looking statements except as may be required by applicable securities laws. All subsequent written or oral forward-looking statements attributed to the Issuer, or persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Shelf Prospectus. A prospective investor in the Instruments should not place undue reliance on these forward-looking statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

These factors include:

- The overall political, socio-economic and business environment in Nigeria and other African countries in which the Company and its subsidiaries operate;

- Economic and political conditions in international markets, including governmental changes;
- Changes in tax provisions, including tax rates or revised/new tax laws or interpretations;
- Interest rate fluctuations and changes in other capital market conditions affecting interest rate levels;
- Changes in government regulations, especially those pertaining to the Company's industry;
- The demand for the Company's products;
- Exchange rate fluctuations;
- Hostilities and disruptions in Nigeria, or other countries in which the Company and/or its subsidiaries operate;
- The ability to maintain sufficient liquidity and access capital markets;
- Adverse rating actions by credit rating agencies in respect of the Company;
- The Company's ability to achieve its strategic objectives, including improved performance, reduced risks, lowered costs and more efficient use of capital;
- The ability of counterparties to meet their obligations to the Company;
- The effects of, and changes in, fiscal, monetary and trade policies, and currency fluctuations;
- Developments relating to war, civil unrest or terrorist activity;
- The possibility of foreign exchange controls, expropriation, nationalization or confiscation of assets in countries in which the Company conducts operations;
- Operational factors such as systems failure, human error or the failure to implement procedures properly;
- Actions taken by regulators with respect to the Company's businesses and practices and possible resulting changes to the business organisation, practices and/or policies;
- The ability to retain and recruit qualified personnel;
- The ability to maintain the Company's reputation and promote the Company's brands;
- The ability to increase market share and control expenses;
- Technological changes;
- Acquisitions, including the ability to integrate acquired businesses successfully, and divestitures, including the ability to sell non-core assets;
- The adverse resolution of litigation, regulatory proceedings and/or other contingencies;
- The ability to achieve the Company's cost efficiency goals and cost targets; and
- The Company's success at managing the risks involved in the foregoing.

The list above is not exhaustive. The sections of this Shelf Prospectus titled "*Risk Factors*" and "*Operating Overview*" contain more detailed discussions on the factors that could affect the Company's future performance and the industry in which it operates.

If one or more of the risks or uncertainties described under "Risk Factors" or elsewhere in this Shelf Prospectus materialize, or if underlying assumptions prove incorrect, the Issuer's actual results, performance or achievements or industry results may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only to the date of this Shelf Prospectus or as of such earlier date at which such statements are expressed to be given.

The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's beliefs or the Issuer's expectations with regards thereto or any change in circumstances, events or conditions on which any such statements are based. Thus, when evaluating forward-looking statements, prospective investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Shelf Prospectus.

7. DOCUMENTS INCORPORATED BY REFERENCE

This Shelf Prospectus should be read and construed in conjunction with:

1. The Q3 Management Accounts and the Financial Statements comprising the audited annual financial statements of the Issuer and prepared in compliance with the IFRS issued by the IASB. The Issuer will, in the event of any material change in its financial position which is not reflected in this Shelf Prospectus, prepare an amendment or addendum to this Shelf Prospectus; and
2. Each applicable Pricing Supplement or Supplementary Prospectus relating to any Series or Tranche of the Instruments issued under this Prospectus.

Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Shelf Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Shelf Prospectus.

7.1 AVAILABILITY OF INFORMATION

This Shelf Prospectus and any Supplementary Prospectus, if applicable, are accessible, and copies of same may be obtained (without charge) at the offices of the Lead Issuing House (as set out on page 20) from 8.00 a.m. until 5.00 p.m. on Business Days, during the Validity Period.

Additional information may be obtained by contacting the Lead Issuing House on any Business Day during the period between the respective opening and closing dates of any Series or Tranche of Instruments issued under the Programme as specified in the applicable Pricing Supplement; provided that the Lead Issuing House possesses such information or can acquire and provide it to the prospective investor without unreasonable effort or expense.

Copies of the Financial Statements of the Issuer incorporated by reference herein may be obtained from the Issuer's website at: www.dangotecement.com. Telephone enquiries should be directed to the Lead Issuing House on +234 1 236 8347 or at DCMAfrica@sc.com.

8. ISSUE OF PRICING SUPPLEMENTS

Following the registration of this Shelf Prospectus with the SEC, a Pricing Supplement may be prepared by the Issuer and the Issuing Houses (in relation to a Series or Tranches of Instruments) for the approval of the SEC in accordance with the SEC Rules.

The Issuer's information given in this Shelf Prospectus and the terms and conditions of the Instruments to be issued under the Programme may be updated in a Supplementary Prospectus or the applicable Pricing Supplement pursuant to the SEC Rules. Statements contained in any such Pricing Supplement, shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Shelf Prospectus.

9. PARTIES

9.1 DIRECTORS AND COMPANY SECRETARY

9.1 DIRECTORS AND COMPANY SECRETARY

Alhaji Aliko Dangote, GCON (Chairman)
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Michel Pucheros
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mrs. Cherie Blair CBE, QC
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Sir Michael Davis
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Arvind Pathak
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Viswanathan Shankar
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Olakunle Alake
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Alhaji Sani Dangote
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Alhaji Abdu Dantata
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Ernest Ebi, MFR
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Devakumar V.G. Edwin
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Emmanuel Ikazoboh
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mrs. Dorothy Ufot, SAN
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Mr. Douraid Zaghoul
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Ms. Berlina Moroole
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Company Secretary
Mr. Mahmud Kazaure
Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

9.2 PROFESSIONAL PARTIES

Lead Issuing House:

Standard Chartered Capital & Advisory Nigeria Limited
142 Ahmadu Bello Way
Victoria Island
Lagos

Yemisi Deyi-Biyi
[Signature]

Joint Issuing Houses:

Absa Capital Markets Nigeria Limited
1, Murtala Muhammed Drive
Ikoyi, Lagos

[Signature]
FELI OLUKUNYA

Stanbic IBTC Capital Limited
I.B.T.C. Place
Walter Carrington Crescent
Victoria Island
Lagos

[Signature]
PUNSO AKER

United Capital PLC
3rd Floor Afriland Towers
97/101 Broad Street, Lagos Island
Lagos

[Signature]
Sunny Anene

Joint Trustees:

ARM Trustees Limited
1 Mekunwen Road
Ikoyi
Lagos

[Signature]
JUNOKE OLUKUNYA

FBNQuest Trustees Limited
10 Keffi Street
Off Awolowo Road
Ikoyi
Lagos

[Signature]
Adekunle Awojobi

Quantum Zenith Trustees & Investments Limited
12th Floor, Plot 2
Ajoose Adeogun Street
Victoria Island
Lagos

[Signature]
EMELIE EMEFULE

Coronation Trustees Limited
No 10, Amodu Ojikutu Street
Off Saka Tinubu Street
Victoria Island, Lagos

[Signature]

Joint Trustees Advised by:

[Signature]
AGBAYE AG-MOKHUEDE

Sefton Fross
20B Kingsley Emu Street,
Lekki Scheme 1
Lagos, Nigeria.

Solicitors to the Issuer:

Banwo & Ighodalo
48 Awolowo Road
South-West Ikoyi
Lagos

Azelechi
Mose-Sedig
AAZ

Solicitors to the Transaction:

Olaniwun Ajayi LP
The Adunola
Plot L2, 401 Close
Banana Island, Ikoyi
Lagos

[Signature]
Yewande Seunwa

Reporting Accountant:

PricewaterhouseCoopers
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

[Signature]
Stefanie

Auditors:

[Signature]
Goodluck OBI

KPMG Professional Services
KPMG Towers, Bishop Aboyade Cole Street
Victoria Island
Lagos

Rating Agency:

Global Credit Rating Company Limited
17th Floor, New Africa House
31 Marina
Lagos

[Signature]
Sulist Nyika-Pearayola

Registrar:

Coronation Registrars Limited
Plot 009 Amodu Ojikutu Street,
Victoria Island
Lagos

[Signature]
BALCOA JAMES - CO

CORPORATE INFORMATION OF THE COMPANY:

Head Office:

Dangote Cement Plc
Union Marble House,
1, Alfred Rewane Road
Falomo, Ikoyi, Lagos

Website:

www.dangotecement.com

Contact telephone number and email:

+234 905 398 4855
Temilade.Aduroja@Dangote.com

10. THE PROGRAMME

A copy of this Shelf Prospectus and the documents specified herein have been delivered to the SEC for approval and registration.

This Shelf Prospectus is being issued in compliance with the provisions of the ISA, the SEC Rules and the listing requirements of relevant securities exchanges and contains particulars in compliance with the requirements of the SEC for the purpose of giving information to the public with regards to the Programme. In the event that any issue under the Programme is to be listed, an application will be made to either the Governing Council of NGX for the admission of such Instruments to its Daily Official List and/or to the FMDQ for the admission to its Daily Quotations List for the listing of the Instruments. Upon admission, the Instruments will qualify as securities in which Trustees may invest under the Trustees Act.

The Directors have taken all reasonable care to ensure that the information concerning the Company, as contained in this Shelf Prospectus, is true and accurate in all material respects on the date of this Shelf Prospectus and that as of the date hereof, there are no other material facts in relation to the Company the omission of which would make misleading any statement herein, whether in fact or opinion.

LEAD ISSUING HOUSE

Standard Chartered Capital & Advisory Nigeria Limited

JOINT ISSUING HOUSES

Absa Capital Markets Nigeria Limited

Stanbic IBTC Capital Limited

United Capital PLC

on behalf of

DANGOTE CEMENT PLC (RC 208767)

are authorised to distribute this Shelf Prospectus in respect of the
₦ 300,000,000,000 Multi-Instrument Issuance Programme.

This Shelf Prospectus has been registered with the SEC. The registration of this Shelf Prospectus and any subsequent Pricing Supplement shall not be taken to indicate that the SEC endorses or recommends the Instruments described herein or assumes responsibility for the correctness of any statements made or opinions or reports included herein.

This Shelf Prospectus must be read in conjunction with the relevant Pricing Supplement to be issued by the Company from time to time within the Validity Period. No Instruments will be issued on the basis of this Prospectus read together with any Pricing Supplement later than three (3) years after the issue date indicated on the cover of this Shelf Prospectus unless the Validity Period is extended by the SEC.

This Shelf Prospectus contains:

1. on page 11, the declaration to the effect that the Issuer and its subsidiaries did not breach any terms and conditions in respect of borrowed monies which resulted in the occurrence of an event of default and an immediate recall of such borrowed monies during the 12 (twelve) calendar months immediately preceding the date of filing an application with the SEC for the registration of this Shelf Prospectus;
2. on pages 31 to 59, the Terms and Conditions of the Instruments;
3. on pages 130 to 135, the extract of the Reporting Accountant's Report on the Company's historic financial information, prepared by PricewaterhouseCoopers;

4. on page 116 extract of the rating report on the Company prepared by Global Credit Rating Company Limited; and
5. on page 144, details of the claims and litigation against the Issuer prepared by the Solicitors to the Transaction.

11. PARTICULARS OF THE PROGRAMME

11.1 VALIDITY PERIOD OF THE SHELF PROSPECTUS

This Shelf Prospectus is valid until the 31st March, 2024. No Instruments shall be issued or allotted on the basis of this Shelf Prospectus read together with the relevant Pricing Supplement(s) after the expiration of the Validity Period unless the Validity Period is extended by the SEC.

11.2 SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and qualified in its entirety by, the remainder of this Shelf Prospectus and, in relation to the terms and conditions of any particular Series, the relevant Pricing Supplement. Words and expressions defined in “*Form of the Instruments*” and “*Terms and Conditions of the Instruments*” shall have the same meanings in this summary:

ISSUER:

Dangote Cement PLC

PROGRAMME DESCRIPTION:

A multi-instrument issuance programme being undertaken by Dangote Cement PLC pursuant to which Series or Tranches of Instruments may be issued by Dangote Cement PLC, the maximum aggregate Principal Amount outstanding of which shall not exceed the Programme Size.

Under the terms of the Programme, Bonds, Green Bonds, Sukuks, Senior Bonds, Subordinated Bonds, Fixed Rate Bonds, Floating Rate Bonds, Floating Rate Sukuk, Fixed Rate Sukuk, Zero Coupon Bonds and any combinations thereof (as applicable, where possible) may be issued, all of which shall be denominated in Naira or in such other currency and on such terms and conditions as may be agreed between the Issuer and the Issuing Houses and specified in the relevant Pricing Supplement.

Instruments to be offered hereunder are accorded a shelf registration with the SEC for a three (3) year period commencing on the date of the issue of this Shelf Prospectus. No Instruments shall be offered on the basis of this Prospectus after the expiration of the Validity Period unless the Validity Period is extended by the SEC.

The Instruments shall be constituted by the Programme Trust Deed. A Series Trust Deed will be issued in respect of each Series.

If issuing Sukuk, the Issuer may issue Sukuks directly or where the transaction exigency requires, Sukuk may be issued through special purpose vehicle(s), subject to obtaining requisite regulatory approvals.

In accordance with the relevant Declaration of Trust or Series Trust Deed for a Sukuk, the Issuer Trustee will, inter alia, unconditionally and irrevocably appoint the Delegate Trustees to be its delegate and attorney and to exercise certain present and future rights, powers, authorities and discretions vested in the Issuer Trustee by

certain provisions of the Trust Deed. In particular, the Delegate Trustees shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action following a Dissolution Event

LEAD ISSUING HOUSE:

Standard Chartered Capital & Advisory Nigeria Limited and/or any other issuing house appointed as a lead issuing house, from time to time, in relation to the Programme.

JOINT ISSUING HOUSES:

Absa Capital Markets Nigeria Limited, Stanbic IBTC Capital Limited, United Capital PLC and/or any other issuing house appointed as a joint issuing house and as may be specified in the relevant Pricing Supplement.

REGISTRAR:

Coronation Registrars Limited and/or such other registrar as may be specified in the relevant Pricing Supplement.

LISTING:

Each Series or Tranche of the Bonds may be unlisted or listed on a recognized securities exchange such as NGX, the FMDQ and/or any other relevant securities exchange as specified in the relevant Pricing Supplement.

PROGRAMME SIZE:

Up to ₦300,000,000,000 (Three Hundred Billion Naira).

AVAILABILITY:

The Programme will be continuously available during the Validity Period.

METHODS OF ISSUE:

Instruments under this Programme may be issued via Book Building, public offering, private placement, reverse enquiry or any other such methods as described in the applicable Pricing Supplement and as approved by the SEC.

ISSUANCE IN SERIES:

The Instruments may be issued in Series and each Series may comprise one (1) or more Tranches. The Instruments in each Series will be subject to identical terms, whether as to currency or otherwise, or terms which are identical except that the Issue Date and/or Maturity Date, the Issue Price, Profit Commencement Date or Coupon Commencement Date (as applicable) may be different. Details applicable to each Series or Tranche will be specified in the relevant Pricing Supplement. A Series may only be comprised of Instruments in registered form.

ISSUANCE IN TRANCHES:

The Instruments may be issued in Tranches, and Instruments in each Tranche may be identical in all respects except that the Issue Date and/or Maturity Date, the Issue Price, Profit Commencement Date or Coupon Commencement Date (as applicable) may be different. Details applicable to each Tranche will be specified in

the relevant Pricing Supplement. A Tranche may only be comprised of Instruments in registered form.

COUPON RATES:

Bonds may be interest-bearing or non-interest bearing. Coupon (if any) may be at a fixed rate or floating rate and may vary during the lifetime of the relevant Series.

PERIODIC DISTRIBUTION AMOUNTS:

Certificateholders are entitled to receive periodic distribution amounts representing the income due on the outstanding amount of the Certificate, equal to the Profit Rate and as specified in the applicable Final Terms.

PROFIT, RENTAL OR RETURN RATE

The profit, rental or return rate payable from time to time in respect of the Certificates and that is either specified in the applicable Final Terms or calculated in accordance with the provisions hereof.

USE OF PROCEEDS:

The use of proceeds for each Series or Tranche shall be in compliance with applicable rules and regulations and specified in the relevant Pricing Supplement. The Issuer will receive the net proceeds of each issuance after the deduction of the costs of the issuance.

VARIABLE COUPON AMOUNT BONDS:

The Pricing Supplement issued in respect of each issue of Variable Coupon Amount Bonds will specify the basis for calculating the amounts of Coupon payable, which may be by reference to a variety of financial instruments, a currency exchange rate or any other index or formula or as otherwise provided in the relevant Pricing Supplement.

CURRENCIES:

Instruments will be denominated in Naira or such other currency or currency units as may be agreed among the Company and the Issuing Houses, subject to compliance with all applicable legal or regulatory requirements (including selling restrictions and additional disclosure requirements) in each case as described in the relevant Pricing Supplement.

STATUS OF THE INSTRUMENTS:

The Programme allows for the issuance of various types of Instruments including Senior Bonds or Subordinated Bonds.

The Senior Bonds are direct, unconditional, unsecured obligations of the Issuer and shall at all times rank *pari passu* among themselves without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the Senior Bonds and in respect of currency of payment, and any Coupon thereon (as applicable) shall at all times rank at least equally with all other senior unsecured obligations of the Company, present and future, except for obligations mandatorily preferred by law applying to companies generally or

except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment, amounts and terms of issue to be published by the Issuer from time to time by way of a Pricing Supplement.

The Subordinated Bonds will rank *pari passu* without any preference of one above the other by reason of priority of date of issue, currency of payment or otherwise with all other subordinated unsecured obligations of the Company, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations. The Senior Bonds will rank in priority of payment to the Subordinated Bonds.

The Certificates will constitute senior unsecured obligations of the Issuer Trustee and shall at all times rank *pari passu*, without any preference or priority with all other Certificates of the relevant Series or Tranche; and shall represent an undivided ownership interest in the Trust Assets of the relevant Series, subject to the terms of the relevant Series Trust Deed and the Final Terms, and will be limited recourse obligations of the Issuer Trustee. The payment obligations of the Issuer (in any capacity) under the Transaction Documents in respect of each Series or Tranche of Certificates will be (subject to the Final Terms) direct, unconditional and unsecured obligations and shall, save for such exceptions as may be provided by applicable legislation and subject to the Final Terms, at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding.

LIMITED RECOURSE:

Each Certificate of a particular Series or Tranche will represent an undivided ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets. Certificateholders have no recourse to any assets of the Issuer Trustee (and/or its directors, officers or agents in their capacity as such) (other than the relevant Trust Assets) or the Delegate Trustees or any of their respective directors, officers, employees or agents in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Issuer Trustee shall be extinguished.

CLOSING DATE:

The closing date of a specific Series or Tranche shall be stated in the relevant Pricing Supplement relating to that Series.

RATINGS:

The Instruments issued under this Programme will be rated by one, or more rating agencies at the instance of the Issuer. The rating report(s) will be set out in the relevant Pricing Supplement.

**PROVISION OF DEBT SERVICE
RESERVE ACCOUNT**

The Debt Service Reserve Account (“DSRA”) may be created in respect of any Tranche or Series in accordance with the provisions of the applicable Series Trust Deed. The DSRA, where established, shall be funded from the Issuer’s operating cash flows and be managed by the Trustees.

ESCROW ACCOUNT

An Escrow Account shall be created specifically for the net proceeds of the Green Bonds domiciled with the custodian and the Trustees and they shall ensure that the proceeds are used for the green projects stated in the relevant Pricing Supplement.

EVENTS OF DEFAULT:

The events of default under the Instruments are as specified in the Programme Trust Deed and as modified in respect of any Series or Tranche by the applicable Series Trust Deed. The Trustees shall notify the SEC upon the occurrence of such event(s) of default as required by the SEC Rules.

**DISSOLUTION EVENTS
(APPLICABLE TO THE SUKUK)**

The Dissolution Events applicable to any Sukuk issued under the Programme are as described in the Programme Trust Deed and as modified in respect of any Series or Tranche by the applicable Series Trust Deed. Following the occurrence and continuation of a Dissolution Event in respect of a Series or Tranche of Certificates, the Certificates may be redeemed in whole, but not in part, at the relevant Dissolution Distribution Amount on the Dissolution Event Redemption Date in the manner described in the Final Terms.

FORM OF THE INSTRUMENTS:

The Instruments will be issued in registered form. The issue and ownership of the Instruments will be effected and evidenced by the particulars of the Holder being entered in the Register by the Registrar and the Instruments being electronically credited in the CSD accounts of the Holders. Unless otherwise specified in the final terms of any Series, the Instruments shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the CSD.

SUBSCRIPTION OF INSTRUMENTS:

The Instruments may be subscribed to in accordance with the form of application set out in the relevant Pricing Supplement relating to the Instruments being issued.

ISSUE PRICE:

The Instruments may be issued at par or at a discount or premium to par. The Issue Price of a specific Series or Tranche shall be specified in the relevant Pricing Supplement of the relevant Series.

MATURITY OF INSTRUMENTS:

The Instruments may be issued with such maturities as may be agreed between the Issuer and the relevant Issuing Houses and as indicated in the relevant Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the Issuer or any laws or regulations applicable to the Issuer or the relevant specified currency.

DENOMINATIONS:

Instruments will be issued in such denominations as may be agreed between the Company and the relevant Issuing Houses and as specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements, and in accordance with usual market practice.

TENOR:

The tenor of a particular Series or Tranche of Instruments shall be determined by the Issuer and the relevant Issuing Houses and specified accordingly in the relevant Pricing Supplement for the Instruments being issued.

EARLY REDEMPTION:

Early redemption will be permitted only to the extent specified in the Programme Trust Deed and/or the relevant Series Trust Deed and relevant Pricing Supplement, and subject to any applicable legal or regulatory limitations.

EARLY DISSOLUTION:

If so specified in the applicable Series Trust Deed, the Certificates may be redeemed in whole, but not in part, prior to the Scheduled Dissolution Date upon the: (a) exercise of an Optional Dissolution Right (if so specified in the applicable Final Terms); or (b) occurrence of a Dissolution Event, in each case, at the relevant Dissolution Distribution Amount on the relevant Dissolution Date.

OPTIONAL DISSOLUTION RIGHT:

If so specified in the applicable Final Terms, the Issuer Trustee may redeem the Certificates of the relevant Series or Tranche in whole, but not in part, at the relevant Dissolution Distribution Amount on any Optional Dissolution Date. If applicable to the relevant Series, the Optional Dissolution Date(s) will be specified in the applicable Final Terms.

REDEMPTION:

Instruments may be redeemable at par or at such other redemption amount (detailed in a formula or otherwise) as may be specified in the relevant Pricing Supplement.

REDEMPTION AMOUNT:

The relevant Pricing Supplement will specify the redemption amount or if applicable, the basis for calculating the redemption amount payable.

REPAYMENT:	Repayment terms in respect of the Instruments issued under the Programme shall be specified in the relevant Pricing Supplement for the Series or Tranche being issued.
DAY COUNT CONVENTION:	Different day count conventions may be stipulated in the relevant Pricing Supplement.
FREQUENCY:	The frequency of payment of Coupon, Periodic Distribution Amount or any other monies due on the Instruments shall be specified in the relevant Pricing Supplement for the Instruments being issued.
TAXATION:	Under current legislation in Nigeria an investment in Bonds to be issued under the Programme are exempted from a number of taxes. These include exemptions from CIT, VAT and PIT, by virtue of the CIT (Exemption of Bonds and Short-Term Government Securities) Order 2011 (“CIT Order”), the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 (“VAT Order”), the Personal Income Tax (Amendment) Act 2011 and the Finance Act, 2019, respectively. The CIT Order and VAT Order became effective on January 2, 2012 and are valid for a period of ten (10) years from that date. The exemption under PITA is indefinite. The Sukuk represents a non-interest variant of a bond and is therefore covered by the exemptions and should therefore benefit from the existing exemptions in the event that the benefits are still in force as at the date the Sukuks are issued under the Programme. <i>See “Tax Considerations” on page 140.</i>
INSTRUMENTS TRADING & LIQUIDITY:	Instruments may trade OTC or on any other recognised trading platform between banks and qualified market counterparties. Dealers will, subject to the rules of the applicable trading platform, be obliged to quote two-way prices for the Instruments.
GOVERNING LAW:	The Instruments and all related contractual rights, obligations and documentation will be governed by, and construed in accordance with Nigerian law.
UNDERWRITING:	The Instruments may be partially or fully underwritten on a standby or firm basis as specified in the relevant Pricing Supplement.
TRANSACTION DOCUMENTS:	Shelf Prospectus Programme Trust Deed Pricing Supplement or Supplementary Prospectus Series Trust Deed Series Vending Agreement Underwriting Agreement (where applicable) and any other agreement executed in connection with any Series

or Tranche of Instruments issued pursuant to this Shelf Prospectus.

In relation to the Sukuk, subject to the Final Terms, there may be additional documents such as a Lease Agreement, Agency Agreement, Murabaha Agreement, Declaration of Trust (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated in connection with the relevant Series).

STATEMENT OF INDEBTEDNESS:

Details of all indebtedness of the Issuer at the time of issuance of any Instruments under the Programme will be disclosed in the applicable Pricing Supplement relating to the relevant Series or Tranche.

TERMS AND CONDITIONS:

The terms and conditions applicable to each type of Instrument or Series or Tranche of Instrument (the “Terms and Conditions”) will be agreed between the Company and the relevant Issuing Houses or other purchaser at or prior to the time of issuance of such Series, and will be specified in the relevant Pricing Supplement. The terms and conditions applicable to each Series or Tranche will therefore be those set out on pages 31 to 59 hereof as supplemented, modified or replaced by the relevant Pricing Supplement.

OTHER CONDITIONS:

Such other terms and conditions as may be incorporated by reference into, modified by, or supplemented by the relevant Pricing Supplement.

11.3 TERMS AND CONDITIONS OF THE INSTRUMENTS

Schedule 1 Terms and Conditions of the Bonds

*The following is the text of the terms and conditions which, (subject to amendment and as completed, modified, supplemented, varied or replaced, in whole or in part, by the final terms which are set out in the relevant Series Trust Deed, Supplementary Shelf Prospectus and/or Pricing Supplement (the “**Final Terms**”), and, save for the italicised text) will be incorporated by reference into the Bonds and will be endorsed on the back of each Bond Certificate issued in respect of the Bonds issued under the Programme.*

Further information with respect to Bonds of each Series will be given in the relevant Final Terms which will provide for those aspects of these terms and conditions which are applicable to such Series of Bonds. Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Programme Trust Deed.

*The provisions of the terms and conditions set out below (the “**Conditions**”) which are applicable to the Bonds issued under the Programme shall be deemed to be completed by the information contained in the relevant Final Terms. Any provisions of the Final Terms modifying, supplementing or replacing, in whole or in part, the provisions of these Conditions shall be deemed to so modify, supplement or replace, in whole or in part, the provisions of these Conditions; alternative or optional provisions of these Conditions as to which the corresponding provisions of the Final Terms are not completed or are deleted shall be deemed to be deleted from these Conditions; and all provisions of these Conditions which are inapplicable*

to the Bonds shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.

*The Bonds are constituted by a Programme Trust Deed (the “**Programme Trust Deed**”) dated 31 March 2021 between Dangote Cement Plc (as **Issuer**), and ARM Trustees Limited, Quantum Zenith Trustees & Investments Limited, Coronation Trustees Limited and FBNQuest Trustees Limited (together the “**Bond Trustees**” which expression shall include all Persons for the time being acting as trustee(s) under the Programme Trust Deed), as supplemented by a separate trust deed applicable to each Series of Bonds.*

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed applicable to them. Copies of the Programme Trust Deed are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal offices of the Bond Trustees at No. 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi, Lagos; Plot 2, Ajo Adegun Street, Victoria Island, Lagos, 10 Keffi Street, Ikoyi, Lagos, and Coronation House, No 10, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, Lagos and at the specified offices of the Registrar, Coronation Registrars Limited at Plot 009, Amodu Ojikutu Street, Victoria Island Extension, Lagos.

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise requires, or unless otherwise stated.

1. Form, Denomination, Title and Series

- 1.1 **Form of Bonds:** Unless otherwise specified in any Final Terms, the Bonds shall be issued in registered form. Bonds issued under the Programme may be Senior Bonds or Subordinated Bonds, Fixed Rate Bonds, Floating Rate Bonds, reverse Floating Rate Bonds, Zero Coupon Bonds or a combination thereof. The Bonds shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the Depositary. The Bonds may, also be issued in certificated form whereupon a Bond Certificate will be issued to Bondholders in respect of their registered holding of Bonds. Each Bond Certificate will be numbered serially with an identifying number which will be recorded on the applicable Bond Certificate and in the Register.
- 1.2 **Issue of the Bonds.** Issue of the Bonds will be effected and evidenced by the particulars of the Bond being entered in the Register of Bondholders of the applicable Series which the Issuer will procure to be kept by the Registrar, and the Bonds being electronically registered in the Securities Account of the Bondholder. Where the Bonds are represented by Bond Certificates, the Bond Certificate(s) will be authenticated by the Registrar and may be dematerialised and held in electronic book entry form at the Depositary.
- 1.3 **Description:** The Bonds will be denominated in Naira (or such denominations as may be agreed between the Issuer and the Issuing Houses and specified in the relevant Final Terms, subject to compliance with all applicable legal and regulatory requirements), with provision for Coupon to be paid (if any) at intervals specified in the Final Terms. Bonds may be issued from time to time, in accordance with the Shelf Prospectus and the Final Terms. Unless otherwise specified in the relevant Final Terms, the Bonds are redeemable at face value on maturity.
- 1.4 **Title:**
 - (a) Title to Bonds which will be issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities held by the Depositary.

- (b) Title to certificated Bonds will pass upon registration of the name of the Bondholder in the Register maintained by the Registrar for this purpose.

The Issuer, the Bond Trustees and the Registrar may deem and treat the person listed on the Register as the absolute owner of the Bonds listed against his name, free from any equity, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of such Bonds. All payments made to the holder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Bonds.

- 1.5 **Series:** Bonds may be issued in Series. A Series of Bonds may be listed on an Exchange, subject to any Applicable Law. The Tranches in each Series will be subject to identical terms, whether as to currency or otherwise, except that the Issue Date, the Maturity Date, the amount of the first payment of interest and/or the issue price thereof may be different. Each Series may comprise one or more Tranches issued on different Issue Dates with the same or different Maturity Dates. A Series may only be comprised of Bonds in registered form. The applicable Series number shall be recorded in the Register and stated on the relevant Bond Certificate (if any). The Register and/or the applicable Final Terms shall be conclusive as to the series of a Bond.

2. **Registration and Transfer of Bonds**

- 2.1 **Register:** A Register of the Bonds shall be kept by the Registrar at its office, a copy thereof shall be made available for inspection at the registered office of the Issuer, and there shall be entered in such Register:-

- (a) The names and addresses of the holders for the time being of the Bonds;
- (b) The amount of the units of Bonds held by every registered holder;
- (c) The Securities Account number of the Bondholder;
- (d) The date at which the names of every registered holder is entered in respect of the Bond standing in his name;
- (e) All transfers and redemption of the Bonds;
- (f) The serial number of each Bond Certificate and date of issue thereof; and
- (g) Such other information, considered necessary by the Registrar.

The entries in the Register shall in the absence of manifest error, be conclusive evidence of the facts, matters and transactions contained therein.

2.2 **Transfers:**

- (a) Transfers of Bonds shall be by instrument in writing in the usual common form of transfer or in any form approved by the Issuer and the Bond Trustees;
- (b) Transfer of dematerialised Bonds shall be by way of a book entry in Securities Accounts held by the transferor and transferee in the Depository in accordance with the procedures of the Depository or such alternative clearing system approved by the Issuer and the Bond Trustees, and registration of the name of the transferee in the Bonds Register in respect of the Bonds then held by him. The transferor shall be deemed to be the holder of the Bonds until the transferee's name is entered in the Bond Register in respect thereof.
- (c) If the Bonds are listed, the Bonds shall be transferred on the Exchange in accordance with

the rules and regulations of the Exchange.

- 2.3 **Change of address:** Any change of name or address on a part of the Bondholder shall forthwith be notified to the Registrar and thereupon the Register shall be altered accordingly. The Bond Trustees and the Bondholders and any Person authorised by any of them shall be entitled at all reasonable times during office hours to inspect the Register and to make copies of or take extracts from the same.
- 2.4 **Amount of transfer:** The Bonds are transferable in whole or in part in such denominations set out in the applicable Final Terms and Series Trust Deed.
- 2.5 **Restriction on Transfer:** There are no restrictions on the transferability of the Bonds, unless otherwise provided in the applicable Final Terms.
- 2.6 **Instrument of transfer:**
- (a) Every instrument of transfer of the Bonds must be signed by both the transferor and the transferee, or where the transferor is a corporation, properly executed according to its constitutional documents and title to the Bond will pass upon registration of the instrument of transfer in accordance with the provisions of the Programme Trust Deed.
 - (b) Every instrument of transfer of the Bonds must be left for registration at the office of the Registrars for the time being accompanied by the Bond Certificate or such other evidence as the Issuer may require to prove the title of the transferor or his right to transfer the Bond, and if the instrument of transfer is executed by some other Person on his behalf the authority of that Person so to do.
- 2.7 **Transmission:** Any Person becoming entitled to the Bonds in consequence of the death, bankruptcy, winding-up or dissolution of the holder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Condition or of his title as the Registrar shall require, be regarded as the holder of such Bonds, or subject to the preceding Conditions as to transfer may transfer the same. The Issuer shall be at liberty to retain any amount payable upon any Bonds which any Person is entitled to transfer under the preceding Condition until such Person shall be registered or duly transfer the same as aforesaid.
- 2.8 **Record Date:** No Bondholder may require the transfer of a Bond to be registered during a period of 15 (fifteen) days immediately preceding each Payment Date during which the Register will be closed (“**Record Date**”).
3. **Status of the Bonds**
The status of the Bonds shall be set out in the relevant Series Trust Deed. The status of the Bonds may be Senior Bonds or Subordinated Bonds, as indicated in the applicable Final Terms.
- 3.1 **Status of Senior Bonds.** The Senior Bonds shall constitute direct, unconditional, unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves other by reason of priority of date of issue, currency of payment or otherwise. The payment obligations of the Issuer under the Senior Bonds and in respect of currency of payment, principal and any Coupon thereon shall at all times rank at least equally with all other senior unsecured obligations of the Issuer, present and future, except for obligations mandatorily preferred by law applying to companies generally or except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment amounts and terms of issue as provided in the applicable Final Terms.
- 3.2 **Status of Subordinated Bonds:** The Subordinated Bonds will rank *pari passu* without any preference to one above the other by reason of priority of date of issue, currency of payment or

otherwise with all other subordinated unsecured obligations of the Issuer, present and future, except to the extent that any such obligations are by their terms expressed to be subordinated in right of payment to other subordinated unsecured obligations as may be provided in the applicable Final Terms.

4. **Negative Pledge**

So long as any Senior Bonds remain outstanding the Issuer shall not, and shall procure that none of its Subsidiaries shall, secure any other Indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without securing the Bonds equally and rateably with such Indebtedness, unless otherwise stated in a Final Terms applicable to a Series.

5. **Redemption, Purchase and Cancellation**

5.1 **Redemption at Maturity:** Unless previously redeemed, purchased or cancelled, a Series of Bonds may be fully redeemed at its Principal Amount on the Maturity Date specified in the applicable Final Terms.

5.2 **Redemption by Instalments:** Bonds may be partially redeemed in installments on each Payment Date at the Instalment Amount specified in the applicable Final Terms whereupon the Principal Amount Outstanding of such Bond shall be reduced by the Installment Amount on each Payment Date until fully redeemed at the Maturity Date.

5.3 **Redemption at the option of the Issuer:** If the Call Option is specified in the relevant Final Terms as being applicable, the Bonds may be redeemed at the option of the Issuer in whole on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than twenty (20) nor more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

5.4 **Redemption for tax reasons:** If the Issuer satisfies the Bond Trustees immediately before the giving of the notice referred to below that:

- (a) it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax (other than the expiry of the Companies Income Tax Act 2004 exemption in respect of the Bonds set out in the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 in relation to Bonds with a Maturity Date later than January 2, 2022), the Value Added Tax (Exemption of Proceeds of Disposal of Government and Corporate Securities) Order 2011 or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than twenty (20) nor more than sixty (60) days' notice to the Bondholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the relevant Optional Redemption Date at the Optional Redemption Amount plus accrued interest (if any) to such date, *provided that* no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in

respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Bond Trustees a certificate signed by two directors of the Issuer stating that the requirement referred to in subparagraph (i) above will apply on the next Coupon Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it, and the Bond Trustees shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Bondholders.

- 5.5 **Redemption at the option of Bondholders:** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Bond redeem such Bond on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 5.5, the holder of a Bond must, not less than thirty (30) nor more than sixty (60) days before the relevant Optional Redemption Date (Put), deposit with the Bond Trustees or Registrar (i) such Bond (in the case of certificated Bond); or (ii) the Depositary statement of stockholding in the case of dematerialised Bond; and a duly completed Put Option Notice in the form obtainable from the Registrar. The Trustee or Registrar with which a Bond or Depositary Statement of stockholding is so deposited shall deliver a duly completed Put Option Receipt to the depositing Bondholder. No Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 5.5 may be withdrawn, *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), an Event of Default shall have occurred and be continuing in which event such Bondholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Bond forthwith due and payable pursuant to Condition 12 (*Events of Default*) For so long as any outstanding Bond is held by the Bond Trustees or Registrar in accordance with this Condition 5.5, the depositor of such Bond and not the Bond Trustees or Registrar shall be deemed to be the holder of such Bond for all purposes.
- 5.6 **Purchase:** The Issuer may at any time and from time to time, purchase at any price Bonds through the market or by tender (available to all Bondholders alike) but not otherwise. Any Bond so purchased will be cancelled and will not be available for re-issue.
- 5.7 **Cancellation:** All the Bonds which are redeemed in accordance with the provisions of this Programme Trust Deed will be cancelled and may not be reissued or resold. For so long as the Bond is admitted to listing and/or trading on an Exchange and the rules of such exchange so require, the Registrar shall promptly inform the Exchange of the cancellation of any Bonds under this Condition 5.7 (*Cancellation*).
6. **Interest and Calculation**
- 6.1 **Accrual of Interest:** The Bonds (save for Zero Coupon Bonds) will bear interest from and including the Coupon Commencement Date at the Coupon Rate payable in arrears on its Principal Amount Outstanding. Each Bond will cease to bear interest from and including the due date for final redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Coupon Rate in the manner provided in this Condition until the date on which all amounts due in respect of such Bond have been paid and notice to that effect has been given to the Bondholders.
- 6.2 **Interest on Fixed Rate Bonds:**
- (c) The Fixed Rate Bonds (being those Bonds that specify the interest is payable at a fixed rate) shall bear interest on the Principal Amount Outstanding at the rate of interest specified in the applicable Final Terms from (and including) the Coupon Commencement Date specified in the applicable Final Terms to (but excluding) the Maturity Date. Coupon shall be payable in arrears on the Coupon Payment Date in each year. The first payment

of interest will be made on the Coupon Payment Date following the Coupon Commencement Date (specified in the applicable Final Terms) and, if the first anniversary of that Coupon Commencement Date is not a Coupon Payment Date, the first payment of interest shall be as specified in the applicable Final Terms.

- (d) If the Maturity Date is not a Coupon Payment Date, interest from (and including) the preceding Coupon Payment Date (or the Coupon Commencement Date specified in the applicable Final Terms, as the case may be) to (but excluding) the Maturity Date will amount to the final broken amount as specified in the applicable Final Terms. If interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of the actual number of days elapsed divided by 365 or such other method as described in the applicable Final Terms.

6.3 **Interest on Floating Rate Bonds:**

- (a) The Floating Rate Bonds (being those Bonds that specify the interest is payable at a floating rate) shall bear interest on its Principal Amount on such basis as may be described in the applicable Final Terms by reference to a specified floating rate benchmark plus a margin, as described in the applicable Final Terms.
- (b) The Floating Rate Bonds shall bear interest on its Principal Amount Outstanding from (and including) the Coupon Commencement Date (specified in the applicable Final Terms) at the rate equal to the Coupon Rate payable in arrears on the Coupon Payment Date(s) specified in the applicable Final Terms.
- (c) The Coupon payable from time to time in respect of each of the Floating Rate Bonds will be determined in the manner specified in the applicable Final Terms.

6.4 **Index Linked Coupon Bonds:** The Coupon Rate applicable to any Series of Bonds may be specified as being linked to an index and/or formula or to changes in the prices of securities or commodities or to such other factors as may be prescribed in the applicable Pricing Supplement, and the amount of interest payable in respect of such Bonds for any Interest Period shall be the relevant Coupon specified in or determined in accordance with, the applicable Final Terms.

6.5 **Zero Coupon Bonds:**

- (a) Zero Coupon Bonds will be issued at an issue price such that the yield to maturity is reflected in the difference between the discounted issue price and the Final Redemption Amount of such Zero Coupon Bond as specified in the Final Terms and/or Series Trust Deed. Zero Coupon Bonds will not bear Coupon other than in the case of late payment.

Where any Series of Bonds specified to be Zero Coupon Bonds is repayable prior to the Maturity Date or other date for redemption and is not paid when due, the amount due and payable prior to the Maturity Date shall be an amount equal to the sum of the applicable Redemption Amount and an amount calculated by applying the Coupon Rate for any overdue principal of such a Bond to the Principal Amount Outstanding and multiplying the product with the Day Count Fraction, or such other methods as described in the applicable Final Terms.

6.6 **Calculation of Interest:**

- (a) The Coupon payable in respect of each Bond (save for Zero Coupon Bonds) for an Interest Period shall be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Final Terms. The amount of interest payable in respect

of any Bond for any period shall be calculated by multiplying the product of the Coupon Rate and the Principal Amount Outstanding of such Bond by the Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Naira.

- (b) For the Purposes of Condition 6.6(a): **"Day Count Fraction"** means in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:
 - (i) if "Actual/365" or "Actual/Actual" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (ii) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365; and
 - (iii) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360.
- (c) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day convention would otherwise fall on a day that is not a Business Day, then, if the Business Day convention specified is (a) the Floating Rate Business Day convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (b) the following Business Day convention, such date shall be postponed to the next day that is a Business Day, (c) the modified following Business Day convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (d) the preceding Business Day convention, such date shall be brought forward to the immediately preceding Business Day.

7. Payments

- 7.1 Subject to Condition 11 (*Taxation*), any principal, interest or other moneys payable on or in respect of any Bonds may be paid by the Bond Trustees through the Registrar by electronic payment transfer.
- 7.2 At least three (3) Business Days before any Payment Date, the Issuer shall ensure that an amount equal to the Instalment Amount, net of all transaction costs is transferred to the Registrar by the Trustees for payment to the Instrumentholders on the next Payment Date.
- 7.3 Payments will be made to the Person shown in the Register at the close of business on the Record Date as defined in Condition 2.8. Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding business day falls in a different month in which case payment shall be made on or by the immediately preceding Business Day.
- 7.4 The Registrar shall give to the Bondholders not less than thirty (30) days' notice in writing of the time and mode for repayment of the Bonds to be redeemed and each such notice shall state the amount of the Bond for redemption.

- 7.5 The Depositary rules and procedure will apply to exchange of the Depositary statement of stockholding in the case of payment of the relevant Redemption Amount in respect of dematerialized Bonds. Payments of the relevant Redemption Amount in case of certificated Bonds will be made only against presentation and surrender of the relevant Bond Certificates in accordance with the applicable Series Trust Deed. Whenever any part of the Bond is redeemed a proportionate part of each holding of the Bond shall be repaid to the Bondholders.
- 7.6 The Bonds shall be deemed redeemed and the obligations of the Issuer discharged on payment to the Bond Trustees, on behalf of the Bondholders, of the Principal Amount Outstanding on the Bonds to the Bondholders whose names appear on the Bond Register on the Record Date. Payment by the Issuer to the Bond Trustees shall be a legal discharge of the liability of the Issuer towards the Bondholders from all obligations in connection with the Bonds.
- 7.7 If, on a Redemption Date, any certificated Bonds which are liable to be redeemed are not delivered to the Issuer, the moneys payable to such Bondholder shall be paid to the Bond Trustees and the Bond Trustees shall hold such moneys in trust for such Bondholder and interest on such Bonds shall cease to accrue as from the date fixed for redemption thereof and the Issuer shall thereby be discharged from all obligations in connection with such Bonds. If the Bond Trustees shall place the moneys so paid to them on deposit at a commercial bank or invest them in the purchase of securities for the time being authorised by law for the investment of trust funds the Bond Trustees shall not be responsible for the safe custody of such moneys or for interest thereon except such interest (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Bond Trustees.

8. **Priority of Payments**

All moneys received by the Bond Trustees in respect of the Bonds or amounts payable under the Programme Trust Deed or Series Trust Deed shall, despite any appropriation of all or part of them by the Issuer, be held by the Bond Trustees on trust and shall be applied by the Bond Trustees:

- (a) in payment or satisfaction of such reasonable costs, charges, expenses and liabilities incurred by the Bond Trustees in the performance of their respective obligations under this Programme Trust Deed (including remuneration of the Bond Trustees);
- (b) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Bonds of that Series or Tranche;
- (c) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Bonds of other Series or Tranche; and
- (d) to pay the balance (if any) to the Issuer.

If the Bond Trustees hold any moneys in respect of Bonds which have become void, or in respect of which claims have become prescribed, the Bond Trustees shall apply them in accordance with the order of payment set out above.

9. **Receipts for Money Paid**

If several Persons are entered in the register as joint holders of any Bond, the receipt of any of such Persons for any Coupon or principal or other money payable on or in respect of such Bond shall be as effective a discharge to the Issuer as if the person signing such receipt were the sole registered holder of such Bond.

10. **Freedom from Equities**

The Bondholder will be recognised by the Issuer as entitled to the Bonds free from any equities, set-off or cross-claim on the part of the Issuer against the original or any intermediate holder of

the Bonds.

11. **Taxation**

All payments of principal, interest and any other sum due in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within Nigeria or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Bondholders as a result thereof. Provided however, that the Bonds shall enjoy the benefits of the provisions of the Tax Exemptions, and such extension, amendments and modifications thereof.

12. **Events of Default**

If any of the following events (“**Events of Default**”) occurs and is continuing, the Bond Trustees may at their discretion and shall, upon the request in writing of the registered holders of at least one-fifth of the nominal amount of the Bonds for the time being outstanding or upon being so directed by an Extraordinary Resolution by notice in writing to the Issuer declare the Bonds to have become immediately repayable:

- (a) **Payment Default:** The Issuer does not pay any amount in respect of the Bonds of the relevant Series or any of them within ten (10) Business Days of the due date for payment; or
- (b) **Breach of other Obligations:** The Issuer does not comply with its other obligations under or in respect of the Bonds of the relevant Series and, if the non-compliance can be remedied, does not remedy the non-compliance within 30 days after written notice requiring such default to be remedied has been delivered to the Issuer by a Bondholder; or
- (c) **Cross Default:** Any Indebtedness in excess of ₦10,000,000,000.00 (or its equivalent in any other currency) of the Issuer in respect of money borrowed or raised is not paid within 10 Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later; or the Indebtedness of the Issuer of a value exceeding ₦10,000,000,000.00 (or its equivalent in any other currency) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and such event shall be certified in writing by the Bond Trustees to be in their opinion materially prejudicial to the interest of the Bondholders.
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Issuer and is not discharged or stayed within sixty (60) days thereof; or
- (e) **Insolvency:** An Insolvency Event occurs in respect of the Issuer; or
- (f) **Cessation of Business:** The Issuer ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates with any other entity without the prior written consent of the Bond Trustees pursuant to Clause 11.22 of the Programme Trust Deed; or
- (g) **Material Adverse Effect:** a Material Adverse Effect has occurred; or
- (h) **Obligations Unenforceable:** any of the Bonds, the Trust Deeds is or becomes wholly or partly void, voidable or unenforceable.

PROVIDED that the Bond shall not be declared immediately payable unless: (i) on the occurrence of any event specified in sub-clauses 12 (a) (b) (c) and (d), the Bond Trustees shall have first served on the Issuer a preliminary notice requiring the Issuer as the case may be to pay the principal or interest in arrears or to remove, discharge or pay out to the satisfaction of the Bond Trustees such distress, execution or process or to perform and observe the covenant or provisions the breach whereof has been committed or threatened and the Issuer shall have failed or neglected for a period of ten (10) days to comply with such notice; (ii) in the case of any event specified in sub-clause 12(g), the Bond Trustees have notified the Issuer to give further particulars as to circumstances causing the Material Adverse Effect, and if ten (10) days after such notification and following the receipt by the Bond Trustees of the explanatory representations from the Issuer regarding the circumstances constituting the Material Adverse Effect, the Bond Trustees, acting reasonably, remain of the view that the Event of Default is, in their opinion, materially prejudicial to the interests of the Bondholders notwithstanding the receipt by the Bond Trustees of the explanatory representations from the Issuer regarding the circumstances constituting the Material Adverse Effect; and (iii) in the case of any event specified in sub-clauses 12(e) and (h), the Bond Trustees shall have certified in writing to the Issuer that the Event of Default is, in their opinion, materially prejudicial to the interests of the Bondholders.

13. Enforcement

Only the Bond Trustees may enforce the provisions of this Programme Trust Deed. No Bondholder shall be entitled to proceed directly against the Issuer to enforce the performance of any of the provisions of this Programme Trust Deed unless where Bondholders holding 75% of the Principal Amount Outstanding of the Bonds have requested the Bond Trustees in writing to exercise the powers granted and, the Bond Trustees having become bound as aforesaid to take proceedings fails or refuses to proceed within twenty-one (21) days and such failure is continuing, in which event any such Bondholder may, on giving an indemnity satisfactory to the Bond Trustees, in the name of the Bond Trustees (but not otherwise), himself institute proceedings against the Issuer to enforce the performance of any of the provisions of this Programme Trust Deed to the same extent that the Bond Trustees would have been entitled to do so in respect of the Bonds held by him.

14. Meetings of Bondholders, Modification and Waiver of Breach

14.1 Convening Meeting of Bondholders: The rights and duties of the Bondholders in respect of attendance at meetings of Bondholders are set out in Schedule 4 to this Programme Trust Deed (*Provisions for Meetings of Instrumentholders*). Decisions taken at Bondholders meetings may only be exercised by the Bond Trustees in accordance with this Programme Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Bond can only be amended with the consent of the parties as that term is defined in clause 1.2(g) of the Programme Trust Deed.

14.2 Modifications and Waiver: The Bond Trustees may agree: (i) upon the giving of prior written notification by the Issuer to the Rating Agency which has assigned a credit rating to the relevant Series or any Bonds comprised therein; and (ii) without the consent of the Bondholders of any Series, to:

- (a) any modification of any of the provisions of the Trust Deed or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error; and
- (b) any other modification (except as mentioned in the Trust Deed) and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of the Trust Deed which, in the opinion of the Bond Trustees, is not materially prejudicial to the interests of the Bondholders of that Series.

Provided that:

- (i) the Issuer has notified the Rating Agency and the Rating Agency has confirmed that such modification will not affect the current ratings of the Bonds; and
- (ii) prior notification of the SEC has been given; or
- (c) any modification to this Programme Trust Deed which is required or necessary to bring this Programme Trust Deed in compliance with Applicable Law.

Any such modification shall be binding on the Bondholders and shall be notified by the Issuer to the Bondholders as soon as practicable, but subject to the SEC and the Exchange being notified as soon as practicable thereafter.

15. Replacement of Bond Certificates

If any Bond Certificate issued pursuant to these Conditions be defaced, lost or destroyed, it may be replaced on payment of all stamp duty (if any) payable on a new Bond Certificate, and upon such terms as to evidence and indemnity as the Registrar may deem adequate and, in the case of defacement, on delivery of the old Bond Certificate to the Registrar. An entry as to the issue of the new Bond Certificate and indemnity (if any) shall be made in the Register.

16. Rights Against Predecessors-in-Title

Except as required by law the Issuer will recognise the registered holder of any Bonds as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Bonds maybe subject, and the receipt by such registered holder, or in the case of joint registered holders the receipt by any of them, of the interest from time to time accruing due for any other moneys available in respect thereof shall be a good discharge to the Issuer notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other Person to or in such Bonds interest or moneys. Notice of any trust express or constructive shall not be entered on the Register in respect of any Bonds.

17. Further Issues

Subject to Condition 4 (*Negative Pledge*), the Issuer may from time to time create and issue further Bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding Bonds of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other Bonds issued pursuant to this Condition and forming a single series with the Bonds.

18. Notices

- 18.1 Any notice or other document may be given to or served on any Bondholder either personally or by sending it by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer for the giving of notice to him.
- 18.2 In the case of joint registered holders of any Bonds a notice given to the Bondholders whose name stands first in the Register in respect of such Bonds shall be sufficient notice to all the joint holders.
- 18.3 Any notice or other document duly served on or delivered to any Bondholder under these Conditions shall (notwithstanding that such Bondholder is then dead or bankrupt or that any other

event has occurred and whether or not the Issuer has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Bond registered in the name of such Bondholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Bond and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Bond.

18.4 Any notice, or other communication may be given to the Bond Trustees hereunder by sending the same through the post in a prepaid letter addressed to:

(a) If to **ARM TRUSTEES LIMITED**, to it at:

1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos
Tel: + 234 (1) 2692097, 2695508-10 ext 121
For the Attention of: Michael Abiodun Thomas
Email: armtrustees-CT@arm.com.ng

(b) If to **QUANTUM ZENITH TRUSTEES & INVESTMENTS LIMITED**, to it at:

Plot 2, Ajoye Adeogun Street
Victoria Island, Lagos
Tel: 01 278 3216
For the Attention of: Onyechie Emefiele
Email: onyechie.emefiele@quantumzenith.com.ng

(c) If to **FBNQUEST TRUSTEES LIMITED**, to it at:

10 Keffi Street,
South West Ikoyi,
Lagos
Tel: +234-1-4622673 Ext - 2804
For the Attention of: Frederick Obodozie
Email: corpratetrust@fbnquest.com

(d) If to **CORONATION TRUSTEES LIMITED**, to it at:

Coronation House
10, Amodu Ojikutu Street
Off Saka Tinubu Street
Victoria Island
Lagos State
Tel: +234 81 627 627 68
For the Attention of: Oritsegbemi Agbajor
Email: Oagbajor@coronationnt.com, Trustee@coronationnt.com

18.5 Any notice, or other communication may be given to the Issuer by sending the same by hand or courier and addressed to:

Dangote Cement Plc
1 Alfred Rewane Road
Ikoyi
Lagos, Nigeria
Tel: +234 1 2714646

For the Attention of: The Group Chief Financial Officer
Email: guillaume.moyen@dangote.com

- 18.6 Any notice shall be deemed to have been served on the day following that on which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.
- (a) Any accidental error, omission or failure in giving or delivering or mailing such notice or the non-receipt of any such notice by a Bondholder shall not invalidate or otherwise prejudicially affect any act, action or proceeding.

Provided that in each case, any notice given to any Bondholder, the Bond Trustees or the Issuer by way of publication in two Nigerian national dailies will suffice as sufficient notice.

19. Governing Law and Jurisdiction

- 19.1 **Governing Law:** The Bonds and all rights and obligations arising from or connected with the Bonds are governed by, and shall be construed in accordance with, Nigerian law.
- 19.2 **Jurisdiction:** The provisions of clause 26 (*Governing Law and Jurisdiction*) of the Programme Trust Deed shall apply mutatis mutandis to these Conditions.

20. Prescription

Claims against the Issuer in respect of the Bonds shall be void unless presented for payment within six (6) years from the due date for payment of any amount due on such Bonds.

Schedule 2 Terms and Conditions of the Sukuk

The provisions of the terms and conditions set out below (the “Sukuk Conditions”) are applicable to the Sukuk issued pursuant to the Declaration of Trust (defined below). All provisions of these Conditions which are inapplicable to the Sukuk shall be deemed to be deleted from these Conditions, as required to give effect to the terms of the relevant Final Terms.

Each of the Sukuk due [] is issued by Dangote Cement Plc or [NAME OF SPV] (in its capacity as issuer (the Issuer Trustee) and on behalf of Dangote Cement PLC (as Originator) and represents an undivided ownership interest in the Trust Assets (defined below) held in trust by the Issuer Trustee (in its capacity as trustee) for the benefit of the Sukukholders pursuant to a declaration of trust (the “Declaration of Trust” or “Series Trust Deed”) dated on or around the date of the Final Terms made by and between [NAME OF SPV] (in its capacity as the Issuer Trustee), Dangote Cement PLC (In its capacity as the Originator) and the Sukuk Trustees.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Declaration of Trust and the Underlying Sukuk Documents. In these Conditions, words, expressions and rules of construction and interpretation set out in the Programme Trust Deed or Declaration of Trust shall, unless otherwise defined herein or the context otherwise requires, have the same meanings herein. Copies of the Underlying Sukuk Documents are available for inspection from 8:00am to 5:00pm on any Business Day at the specified office of the Sukuk Trustees for the time being.

The Sukukholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed, the Declaration of Trust and the Underlying Sukuk Documents applicable to them. Copies of the Programme Trust Deed, Declaration of Trust and the Underlying Sukuk Documents are available for inspection between the hours of 10:00am and 3:00pm on any Business Day at the principal offices of the Sukuk Trustees at No. 1 Mekunwen Road, Off Oyinkan Abayomi Drive, Ikoyi,

Lagos; Plot 2, Ajose Adeogun Street, Victoria Island, Lagos, 10 Keffi Street, Ikoyi, Lagos, 10, Amodu Tijani Street, Victoria Island, Lagos and at the specified offices of the Registrar, Coronation Registrars Limited at Plot 009 Amodu Ojikutu Street, Victoria Island, Lagos.

Each Sukukholder, by its acquisition and holding of its interest in the Sukuk, shall be deemed to authorize and direct the Sukuk Trustees, on behalf of the Sukukholder, to (i) pay the Principal Amount for the purchase of the Trust Property as envisioned and more specifically outlined in the Final Terms and the relevant Underlying Sukuk Document; and (ii) enter into each Underlying Sukuk Documents to which it is a party, subject to the terms and conditions of the Programme Trust Deed, the Declaration of Trust and these Conditions.

Words and expressions defined in the Programme Trust Deed (as same has been and may be amended, varied or supplemented from time to time with the consent of the parties thereto) are expressly and specifically incorporated to and shall apply to these Conditions.

Capitalised terms used but not defined in these Conditions shall have the meanings attributed to them in the Programme Trust Deed unless the context otherwise requires, or unless otherwise stated.

1. Form, Denomination, Title and Series

- 1.1. Form of Sukuk:** Unless otherwise specified in any Final Terms, the Sukuk shall be issued in registered form. The Sukuk shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the Depositary. The Sukuk may, also be issued in certificated form whereupon a Sukuk Certificate will be issued to Sukukholders in respect of their registered holding of Sukuk. Each Sukuk Certificate will be numbered serially with an identifying number which will be recorded on the applicable Sukuk Certificate and in the Register.
- 1.2. Issue of the Sukuk.** Issue of the Sukuk will be effected and evidenced by the particulars of the Sukuk being entered in the Register of Sukukholders of the applicable Series which the Issuer Trustee will procure to be kept by the Registrar, and the Sukuk being electronically registered in the Securities Account of the Sukukholder. Where the Sukuk are represented by Sukuk Certificates, the Sukuk Certificate(s) will be authenticated by the Registrar and may be dematerialised and held in electronic book entry form at the Depositary.
- 1.3. Description:** The Sukuk will be denominated in Naira (or such denominations as may be agreed between the Issuer Trustee and the Issuing Houses and as specified in the relevant Final Terms, subject to compliance with all applicable legal and regulatory requirements), with provision for Periodic Distribution Amounts to be paid at intervals specified in the Final Terms. Sukuk may be issued from time to time, in accordance with the Shelf Prospectus and the Final Terms and constituted under the Declaration of Trust. The Sukuk shall be issued as fully paid and unless otherwise specified in the relevant Final Terms, the Dissolution Amounts for Sukuk shall be paid on maturity.
- 1.4. Shariah Advice:** Each Series of Sukuk shall have issued in relation to it, the pronouncements from the Shariah Advisers in respect of the Declaration of Trust and Underlying Underlying Sukuk Documents to the Sukuk transaction parties confirming that they are satisfied that the Sukuk and underlying transaction complies with the Shari'ah.
- 1.5. Title:**
- (a). Title to Sukuk which will be issued in uncertificated form shall be effected in accordance with the rules governing transfer of title in securities by the Depositary in which it is held and/or any Exchange where it is listed.

- (b). Title to certificated Sukuk will pass upon registration of the name of the Sukukholder in the Register maintained by the Registrar for this purpose.
- (c). The Issuer Trustee, the Sukuk Trustees and the Registrar may deem and treat the person listed on the Register as the absolute owner of the Sukuk listed against his name, free from any equity, set-off or cross-claim on the part of the Issuer Trustee against the original or any intermediate holder of such Sukuk. All payments made to the holder shall be valid and, to the extent of sums so paid, effective to satisfy and discharge the liability for the moneys payable on the Sukuk.

1.6. **Series:** Sukuk may be issued in Series. A Series of Sukuk may be listed on an Exchange, subject to any Applicable Law. The Tranches in each Series will be subject to identical terms, whether as to currency or maturity or otherwise, except that the Issue Date, the Periodic Distribution Amount and/or the issue price thereof may be different. Each Series may comprise one or more Tranches issued on different Issue Dates. A Series may only be comprised of Sukuk in registered form. The applicable Series number shall be recorded in the Register and stated on the relevant Sukuk Certificate (if any). The Register and/or the applicable Final Terms shall be conclusive as to the series of a Sukuk.

2. **Registration and Transfer of Sukuk**

2.1. **Register:** A Register of the Sukuk shall be kept by the Registrar at its office, a copy thereof shall be made available for inspection at the registered office of the Issuer Trustee, and there shall be entered in such Register:-

- (a). The names and addresses of the holders for the time being of the Sukuk;
- (b). The amount of the units of Sukuk held by every registered holder;
- (c). The Securities Account number of the Sukukholder;
- (d). The date at which the names of every registered holder is entered in respect of the Sukuk standing in his name;
- (e). All transfers of the Sukuk;
- (f). The serial number of each Sukuk Certificate and date of issue thereof; and
- (g). Such other information, considered necessary by the Registrar.
- (h). The entries in the Register shall in the absence of manifest error, be conclusive evidence of the facts, matters and transactions contained therein.

2.2. **Transfers:**

- (a). Transfers of Sukuk shall be by instrument in writing in the usual common form of transfer or in any form approved by the Issuer Trustee and the Sukuk Trustees;
- (b). Transfer of dematerialised Sukuk shall be by way of a book entry in Securities Accounts held by the transferor and transferee in the Depository in accordance with the procedures of the Depository or such alternative clearing system approved by the Issuer Trustee and the Sukuk Trustees, and registration of the name of the transferee in the Sukuk Register in respect of the Sukuk then held by him. The transferor shall be deemed to be the holder of the Sukuk until the transferee's name is entered in the Sukuk Register in respect thereof.

- (c). If the Sukuk are listed, the Sukuk shall be transferred on the Exchange in accordance with the rules and regulations of the Exchange.
- 2.3. **Change of address:** Any change of name or address on a part of the Sukukholder shall forthwith be notified to the Registrar and thereupon the Register shall be altered accordingly. The Sukuk Trustees and the Sukukholders and any Person authorised by any of them shall be entitled at all reasonable times during office hours to inspect the Register and to make copies of or take extracts from the same.
- 2.4. **Amount of transfer:** The Sukuk are transferable in whole or in part in such denominations set out in the applicable Final Terms and Series Trust Deed.
- 2.5. **Restriction on Transfer:** There are no restrictions on the transferability of the Sukuk, unless otherwise provided in the applicable Final Terms.
- 2.6. **Instrument of transfer:**
 - (a). Every instrument of transfer of the Sukuk must be signed by both the transferor and the transferee, or where the transferor is a corporation, properly executed according of its constitutional documents and title to the Sukuk will pass upon registration of the instrument of transfer in accordance with the provisions of the Programme Trust Deed.
 - (b). Every instrument of transfer of the Sukuk must be left for registration at the office of the Registrars for the time being accompanied by the Sukuk Certificate or such other evidence as the Issuer Trustee may require to prove the title of the transferor or his right to transfer the Sukuk, and if the instrument of transfer is executed by some other Person on his behalf the authority of that Person so to do.
- 2.7. **Transmission:** Any Person becoming entitled to the Sukuk in consequence of the death, bankruptcy, winding-up or dissolution of the holder thereof may, upon producing such evidence that he has or is entitled to the capacity in respect of which he proposes to act under this Condition or of his title as the Registrar shall require, be regarded as the holder of such Sukuk, or subject to the preceding Conditions as to transfer may transfer the same. The Issuer Trustee shall be at liberty to retain any amount payable upon any Sukuk which any Person is entitled to transfer under the preceding Condition until such Person shall be registered or duly transfer the same as aforesaid.
- 2.8. **Record Date:** No transfer of a Sukuk is to be registered during a period of 15 (fifteen) days immediately preceding each Payment Date during which the Register will be closed (“**Record Date**”).
- 3. **Status**
 - 3.1. Each Sukuk represents an undivided ownership interest in the Trust Asset and will rank *pari passu*, without any preference, with the other Sukuk.
 - 3.2. The status of the Sukuk shall be set out in the relevant Series Trust Deed. The status of the Sukuk may be direct, unconditional, unsubordinated unsecured obligations of the Originator or subordinated obligations of the Originator, as indicated in the applicable Final Terms.
- 4. **Limited Recourse**
 - 4.1. Proceeds of the Trust Assets are the sole source of payments on the Sukuk. The Sukuk do not represent an interest in or obligation of any other asset of the Issuer Trustee, the Sukuk Trustees, the Originator or their respective affiliates. Accordingly, the Sukukholders, by subscribing for or acquiring the Sukuk, acknowledge that they will have no recourse to any other assets of the Issuer Trustee, the Sukuk Trustees or the Originator (other than the Trust Assets).

- 4.2. The Originator in its respective capacity as an obligor under the Underlying Sukuk Documents may be obliged to make certain payments under the Underlying Sukuk Documents to the Issuer Trustee. The Sukuk Trustees as agents of the Issuer Trustee will have direct recourse against the Originator in its capacity as an obligor under the Underlying Sukuk Documents to recover such payments.
- 4.3. Where the net proceeds of realization of, or enforcement of, the Trust Assets are not sufficient to make all payments due in respect of the Sukuk, and if following the distribution of such proceeds, there remains a shortfall in payments due under the Sukuk, subject to paragraph 17 of the Conditions, no Sukukholder will have any claim against the Issuer Trustee (to the extent that the Trust Assets have been exhausted); the Originator or the Sukuk Trustees (to the extent that each fulfils all of its obligations under the Underlying Sukuk Documents to which it is a party) or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall, and any unsatisfied claims of the Sukukholders shall be extinguished.
- 4.4. The Issuer Trustee, the Sukuk Trustees and the Sukukholders shall only be entitled to deal with the Trust Assets as expressly permitted by the Underlying Sukuk Documents and the sole right of the Sukuk Trustees subject to paragraph 17 of the Conditions and the Sukukholders against the Originator shall be to enforce their obligations in their respective capacities under the Underlying Sukuk Documents.

5. Agreement of Sukukholders

By purchasing the Sukuk, each Sukukholder is deemed to have agreed that notwithstanding anything to the contrary contained in the Declaration of Trust, the Conditions, or any Underlying Sukuk Documents that:

- 5.1. no payment of any amount whatsoever shall be made by or due on the Sukuk, except from the Trust Assets;
- 5.2. all payments due under the Conditions shall be made by the Originator as a direct obligation of the Originator and Issuer Trustee, from the proceeds of the Trust Assets, in accordance with paragraph 11 of the Conditions;
- 5.3. no recourse shall be had to the Sukuk Trustees for the payment of any amount owing hereunder or under any Underlying Sukuk Documents, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Underlying Sukuk Documents, against any of the Issuer Trustee, the Sukuk Trustees or the Originator (to the extent that the Trust Assets have been exhausted following which all obligations of the Issuer Trustee, the Sukuk Trustees and the Originator shall be extinguished); and
- 5.4. it will not institute, or join any other person in instituting, against the Issuer Trustee or the Sukuk Trustees, any bankruptcy, reorganization, arrangement or liquidation proceedings or other similar proceedings under any bankruptcy or similar law.

6. The Trust Assets

- 6.1. Pursuant to the Declaration of Trust (and subject to the provisions thereof), the Sukuk Trustees hold the Trust Assets in trust absolutely for and on behalf of the Sukukholders pro-rata according to the face amount of each Sukuk held by each holder. The term "Trust Assets" means:
 - (a). the Trust Property, together with all interest, rights, title, benefits and entitlements, present and future, of the Issuer Trustee in, to and in respect of the Trust Property and the proceeds therefrom;
 - (b). the interest, rights, benefits and entitlements, present and future, of the Issuer Trustee in, to and under the Underlying Sukuk Documents;

- (c). all moneys standing to the credit of the Sukuk Transaction Accounts from time to time; and
- (d). all proceeds of the foregoing.

7. Rights of Sukukholders

- 7.2. Each Sukukholder shall have an undivided ownership interest in the Trust Assets and no Sukukholder shall confer any interest or share in any particular part of the Trust Assets. No Sukukholder shall have a right to call for any partition or division of any portion of the Trust Assets by virtue of his ownership interest in the Trust Assets.
- 7.3. The Sukukholders shall not have any right against the Sukuk Trustees in respect of their investments except such rights as are expressly conferred upon them by the Programme Trust Deed, the Declaration of Trust, these Conditions or by any law, subsidiary legislation, regulation or any order of court.
- 7.4. A Sukukholder shall have the right to share in the benefits from the Trust Assets proportionate to the number of his ownership interest in the Trust Assets.
- 7.5. Only persons who have been duly registered in the Register maintained by the Registrar as Sukukholders shall have the right to be recognized as such.
- 7.6. A Sukukholder shall have the right to pledge, charge, mortgage, or otherwise offer his Sukuk as security for a debt, a loan or an obligation and in any such case the Sukukholder shall notify the Sukuk Trustees, the Registrar and the Depositary, in writing, of the pledge, charge, mortgage or obligation.

8. Negative Pledge

So long as any Sukuk remain outstanding the Obligors shall not, and shall procure that none of their Subsidiaries shall, secure any other Indebtedness represented by bonds, notes or any other publicly issued debt securities which are, or are capable of being, traded or listed on any stock exchange or over-the-counter or similar securities market without securing the Sukuk equally and rateably with such Indebtedness, unless otherwise stated in a Final Terms applicable to a Series.

9. Redemption, Purchase and Cancellation

- 9.1. **Redemption at Maturity:** Unless previously redeemed, purchased or cancelled, a Series of Sukuk may be fully redeemed at the Dissolution Amount on the Maturity Date specified in the applicable Final Terms.
- 9.2. **Redemption at the option of the Issuer Trustee:** If the Call Option is specified in the relevant Final Terms as being applicable, the Sukuk may be redeemed at the option of the Issuer Trustee in whole on any Optional Dissolution Date (Call) at the relevant Dissolution Amount on the Issuer Trustee's giving not less than twenty (20) nor more than sixty (60) days' notice to the Sukukholders (which notice shall be irrevocable and shall oblige the Issuer Trustee to redeem the Sukuk on the relevant Optional Dissolution Date (Call) at the Dissolution Amount plus accrued Periodic Distribution Amount to such date).
- 9.3. **Redemption for tax reasons:** If the Issuer Trustee satisfies the Sukuk Trustees immediately before the giving of the notice referred to below that:
 - (a). it has or will become obliged to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of the Federal Republic of Nigeria or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

- (b). the requirement cannot be avoided by the Issuer Trustee taking reasonable measures available to it, the Issuer Trustee may at its option, having given not less than twenty (20) nor more than sixty (60) days' notice to the Sukukholders (which notice shall be irrevocable and shall oblige the Issuer Trustee to redeem the Sukuk on the relevant Optional Dissolution Date at the Dissolution Amount plus accrued and unpaid Periodic Distribution Amount (if any) to such date, *provided that* no such notice of redemption shall be given earlier than ninety (90) days prior to the earliest date on which the Issuer Trustee would be obliged to pay such additional amounts, were a payment in respect of the Sukuk then due. Prior to the publication of any notice of redemption pursuant to this Condition 0, the Issuer Trustee shall deliver to the Sukuk Trustees a certificate signed by two directors of the Issuer Trustee stating that the requirement referred to in subparagraph (i) above will apply on the next Periodic Distribution Date and cannot be avoided by the Issuer Trustee taking reasonable measures available to it, and the Sukuk Trustees shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Sukukholders.

- 9.4. **Redemption at the option of Sukukholders:** If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer Trustee shall, at the option of the holder of any Sukuk redeem such Sukuk on the Optional Dissolution Date (Put) specified in the relevant Put Option Notice at the relevant Dissolution Amount (Put) together any Periodic Distribution Amount (if any) accrued to such date and yet unpaid. In order to exercise the option contained in this Condition 9.4, the holder of a Sukuk must, not less than thirty (30) nor more than sixty (60) days before the relevant Optional Dissolution Date (Put), deposit with the Sukuk Trustees or Registrar (i) such Sukuk (in the case of certificated Sukuk); or (ii) the Depositary statement of stockholding in the case of dematerialised Sukuk; and a duly completed Put Option Notice in the form obtainable from the Registrar. The Sukuk Trustees or Registrar with which a Sukuk or Depositary Statement of stockholding is so deposited shall deliver a duly completed Put Option Receipt to the depositing Sukukholder. No Sukuk, once deposited with a duly completed Put Option Notice in accordance with this Condition 9.4 may be withdrawn, *provided, however, that* if, prior to the relevant Optional Dissolution Date (Put), an Event of Default shall have occurred and be continuing in which event such Sukukholder, at its option, may elect by notice to the Issuer Trustee or Sukuk Trustees to withdraw the notice given pursuant to this paragraph and instead to declare such Sukuk forthwith due and payable pursuant to Condition 12 (*Events of Default*) For so long as any outstanding Sukuk is held by the Sukuk Trustees or Registrar in accordance with this Condition 9.4, the depositor of such Sukuk and not the Sukuk Trustees or Registrar shall be deemed to be the holder of such Sukuk for all purposes.

- 9.5. **Purchase:** The Originator or the Issuer Trustee may at any time and from time to time purchase at any price Sukuk through the market or by tender (available to all Sukukholders alike) but not otherwise. Any Sukuk so purchased will be cancelled and will not be available for re-issue

- 9.6. **Cancellation:** All the Sukuk which are redeemed in accordance with the provisions of this Programme Trust Deed will be cancelled and may not be reissued or resold. Where the Issuer Trustee decides to make an early redemption or exercise a Call Option to redeem any outstanding Sukuk prior to the Maturity Date of the Sukuk, the Sukuk Trustees must inform the Sukukholders and the SEC of the proposed redemption, giving relevant details of such redemption (including the broad details of the proposed Sukukholders' resolution where appropriate). For so long as the Sukuk is admitted to listing and/or trading on an Exchange and the rules of such Exchange so require, the Registrar shall promptly inform the Exchange of the cancellation of any Sukuk under this Condition 5.7 (*Cancellation*).

10. Returns and Calculation

- 10.1. **Accrual of Returns:** The Sukuk will earn income from the Trust Assets from and including the Distribution Commencement Date at the Return Rate payable in arrears on its Principal Amount.

Each Sukuk will cease to earn income from and including the Dissolution Date, unless, upon due presentation, payment of principal is improperly withheld or refused, in which event the income will continue to accrue (as well after as before judgment) at the Return Rate in the manner provided in this Condition until the date on which all amounts due in respect of such Sukuk have been paid and notice to that effect has been given to the Sukukholders.

10.2. Returns on Fixed Rate Sukuk:

- (a). The Fixed Rate Sukuk (being those Sukuk that specify the return is payable at a fixed rate) shall earn income on the Principal Amount at the rate of returns specified in the applicable Final Terms from (and including) the Distribution Commencement Date specified in the applicable Final Terms to (but excluding) the Maturity Date. Periodic Distribution Amounts shall be payable in arrears on the Periodic Distribution Dates in each year. The first payment of the return on investment by Sukukholders will be made on the Periodic Distribution Date following the Distribution Commencement Date (specified in the applicable Final Terms) and, if the first anniversary of that Distribution Commencement Date is not a Periodic Distribution Date, the first payment of income shall be as specified in the applicable Final Terms.
- (b). If the Dissolution Date is not a Periodic Distribution Date, income on the Trust Assets from (and including) the preceding Periodic Distribution Date (or the Distribution Commencement Date specified in the applicable Final Terms, as the case may be) to (but excluding) the Maturity Date will amount to the final broken amount as specified in the applicable Final Terms. If income is required to be calculated for a period of other than a full year, such income shall be calculated on the basis of the actual number of days elapsed divided by 365 or such other method as described in the applicable Final Terms.

10.3. Returns on Floating Rate Sukuk:

- (a). The Floating Rate Sukuk (being those Sukuk that specify the income on the Trust Property could be fixed or floating for the whole period of the lease) shall earn income on its Principal Amount on such basis as may be described in the applicable Final Terms by reference to a specified floating rate benchmark plus a margin, as described in the applicable Final Terms.
- (b). The Floating Rate Sukuk shall earn income on its Principal Amount from (and including) the Distribution Commencement Date (specified in the applicable Final Terms) at the rate equal to the Return Rate payable in arrears on the Periodic Distribution Date(s) specified in the applicable Final Terms.
- (c). The Periodic Distribution Amounts payable from time to time in respect of each of the Floating Rate Sukuk will be determined in the manner specified in the applicable Final Terms.

10.4. Zero Distribution Sukuk:

- (a). The Zero Distribution Sukuk (being those Sukuk that the Return Rate on the Trust Property throughout the life of the Sukuk is calculated as part of the Dissolution Amount) will be issued at an issue price such that the returns on the Trust Property is not made by way of periodic distributions during the term of the Sukuk but are reflected in the difference between the discounted issue price and the Dissolution Amount of such Sukuk as specified in the Final Terms and/or Series Trust Deed. Zero Distribution Sukuk will not pay Periodic Distribution Amounts.
- (b). Where any Series of Sukuk specified to be Zero Distribution Sukuk is redeemed prior to the

Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be an amount equal to the sum of the applicable Dissolution Amount and an amount calculated by applying the Return Rate for any overdue principal of such a Sukuk to the Principal Amount and multiplying the product with the Day Count Fraction, or such other methods as described in the applicable Final Terms.

10.5. **Calculation of Returns:**

- (a). The Periodic Distribution Amounts payable in respect of each Sukuk (save for Zero Distribution Sukuk) for a Distribution Period shall be specified in (an amortisation/payment schedule appended to), or determined in accordance with, the applicable Final Terms. The amount of earnings or income payable to Sukukholders in respect of any Sukuk for any period shall be calculated by multiplying the product of the Return Rate and the Principal Amount of such Sukuk by the Day Count Fraction and rounding the resulting figure to the nearest sub unit of the relevant currency as specified in the Final Terms.
- (b). For the Purposes of Condition 10.5(a): **"Day Count Fraction"** means in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these conditions or the relevant Final Terms and:
 - (i). if "Actual/365" or "Actual/Actual" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
 - (ii). if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365; and
 - (iii). if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360.
- (c). **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day convention would otherwise fall on a day that is not a Business Day, then, if the Business Day convention specified is (a) the Floating Rate Business Day convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (b) the following Business Day convention, such date shall be postponed to the next day that is a Business Day, (c) the modified following Business Day convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (d) the preceding Business Day convention, such date shall be brought forward to the immediately preceding Business Day.

11. **Payments**

- 11.1. The Originator hereby undertakes to pay directly, all payments due to the Sukukholders under the Trust Deeds.
- 11.2. Subject to Condition 11 (*Taxation*), any Periodic Distribution Amount or the Dissolution Amount payable on or in respect of any Sukuk may be paid by the Sukuk Trustees through the Registrar

by electronic payment transfer.

- 11.3. At least three (3) Business Days before any Payment Date, the Issuer Trustee shall ensure that an amount equal to the Periodic Distribution Amount or the Dissolution Amount payable, net of all transaction costs is transferred to the Registrar by the Sukuk Trustees for payment to the Sukukholders on the next Payment Date.
- 11.4. Payments will be made to the Person shown in the Register at the close of business on the Record Date as defined in Condition 2.8. Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on or by the next succeeding Business Day unless that succeeding business day falls in a different month in which case payment shall be made on or by the immediately preceding Business Day.
- 11.5. The Registrar shall give to the Sukukholders not less than thirty (30) days' notice in writing of the time and mode for repayment of the Sukuk to be redeemed and each such notice shall state the amount of the Sukuk for redemption.
- 11.6. The Depositary rules and procedure will apply to exchange of the Depositary statement of stockholding in the case of payment of the relevant Dissolution Amount in respect of dematerialized Sukuk. Payments of the relevant Dissolution Amount in case of certificated Sukuk will be made only against presentation and surrender of the relevant Sukuk Certificates in accordance with the applicable Series Trust Deed. Whenever any part of the Sukuk is redeemed a proportionate part of each holding of the Sukuk shall be repaid to the Sukukholders.
- 11.7. Payments of Periodic Distribution Amounts shall be made on each Periodic Distribution Date at the Rental Rate from the distributions made by the Originator to the Issuer Trustee under the Underlying Sukuk Documents. Each Sukuk will cease to be eligible to earn Periodic Distribution Amounts from the Dissolution Date.
- 11.8. The Obligor shall repurchase the Trust Property from the Issuer Trustee in accordance with the terms of the Underlying Sukuk Documents. The Dissolution Amount shall be paid to Sukukholders from the proceeds of the purchase price of the Trust Property pro rata to their respective holdings.
- 11.9. The Sukuk shall be deemed redeemed and the obligations of the Issuer Trustee and the Originator discharged on payment to the Sukuk Trustees, on behalf of the Sukukholders, of the Principal Amount on the Sukuk to the Sukukholders whose names appear on the Sukuk Register on the Record Date. Payment by the Originator to the Sukuk Trustees shall be a legal discharge of the liability of the Issuer Trustee towards the Sukukholders from all obligations in connection with the Sukuk.
- 11.10. If, on a Dissolution Date, any certificated Sukuk which are liable to be redeemed are not delivered to the Issuer Trustee, the moneys payable to such Sukukholder shall be paid to the Sukuk Trustees and the Sukuk Trustees shall hold such moneys in trust for such Sukukholder and income on such Sukuk shall cease to accrue as from the date fixed for redemption thereof and the Issuer Trustee and the Originator shall thereby be discharged from all obligations in connection with such Sukuk. If the Sukuk Trustees shall place the moneys so paid to them on deposit at a commercial bank or invest them in the purchase of securities for the time being authorised by law for the investment of trust funds the Sukuk Trustees shall not be responsible for the safe custody of such moneys or for income thereon except such income (if any) as the said money may earn whilst on deposit or invested as aforesaid less any expenses incurred by the Sukuk Trustees.

12. Dissolution of the Trust

- 12.1. Unless previously redeemed, or purchased and cancelled, in full, as provided above each Sukuk shall be finally redeemed on the Dissolution Date at the Dissolution Amount, and, upon the payment of such amount to the Sukukholders, the trust created under the Trust Deeds shall dissolve, the Sukuk shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and none of the Issuer Trustee, the Originator and Sukuk Trustees shall have any further obligations in respect thereof.

13. Priority of Payments

- 13.1. All moneys received by the Sukuk Trustees in respect of the Sukuk or amounts payable under the Programme Trust Deed or Series Trust Deed shall, despite any appropriation of all or part of them by the Issuer Trustee, be held by the Sukuk Trustees on trust and shall be applied by the Sukuk Trustees:

- (a). in payment or satisfaction of such reasonable costs, charges, expenses and liabilities incurred by the Sukuk Trustees in the performance of their respective obligations under this Programme Trust Deed (including remuneration of the Sukuk Trustees);
- (b). in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Sukuk of that Series or Tranche (only if and to the extent that payments of a higher priority have been made in full);
- (c). in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Sukuk of other Series or Tranche (only if and to the extent that payments of in respect of the Sukuk of that particular Series or Tranche been made in full;; and
- (d). to pay the balance (if any) to the Originator.

- 13.2. If the Sukuk Trustees hold any moneys in respect of Sukuk which have become void, or in respect of which claims have become prescribed, the Sukuk Trustees shall apply them in accordance with the order of payment set out above.

14. Receipts for Money Paid

If several persons are entered in the Register as joint holders of any Sukuk, the receipt of any of such persons for any Periodic Distribution Amounts or Dissolution Amount payable on or in respect of such Sukuk shall be as effective a discharge to the Issuer Trustee as if the person signing such receipt were the sole registered holder of such Sukuk.

15. Freedom from Equities

The Sukukholder will be recognised by the Issuer Trustee as entitled to the Sukuk free from any equities, set-off or cross-claim on the part of the Issuer Trustee against the original or any intermediate holder of the Sukuk.

16. Taxation

All payments of principal and income due in respect of the Sukuk shall be made free and clear of, and without withholding or deduction for, any Taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Nigeria or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, no additional amounts shall be paid to the Sukukholders as a result thereof. Provided however, that the Sukuk shall enjoy the benefits of the provisions of the Tax Exemptions, and such extension, amendments and modifications thereof.

17. Sukuk Dissolution Events

- 17.1. If any of the following events (“**Sukuk Dissolution Events**”) occurs and is continuing, the Sukuk Trustees may at their discretion and shall, upon the request in writing of the registered holders of

at least one-fifth of the nominal amount of the Sukuk for the time being outstanding or upon being so directed by an Extraordinary Resolution by notice in writing to the Issuer Trustee declare the Sukuk to have become immediately repayable:

- (a). **Payment Default:** The Obligors do not pay any amount in respect of the Sukuk of the relevant Series or any of them within ten (10) Business Days of the due date for payment; or
- (b). **Breach of other Obligations:** The Obligors do not comply with their other obligations under or in respect of the Sukuk of the relevant Series and, if the non-compliance can be remedied, does not remedy the non-compliance within 30 days after written notice requiring such default to be remedied has been delivered to the Obligors by a Sukukholder; or
- (c). **Cross Default:** Any Indebtedness in excess of ₦10,000,000,000.00 (or its equivalent in any other currency) of the Originator in respect of money borrowed or raised is not paid within ten (10) Business Days of: (i) its due date; or (ii) the end of any applicable period of grace, whichever is the later; or the Indebtedness of the Originator of a value exceeding ₦10,000,000,000.00 (or its equivalent in any other currency) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) and such event shall be certified in writing by the Sukuk Trustees to be in their opinion materially prejudicial to the interest of the Sukukholders.
- (d). **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any substantial part of the property, assets or revenues of the Originator and is not discharged or stayed within sixty (60) days thereof; or
- (e). **Insolvency:** An Insolvency Event occurs in respect of the Originator; or
- (f). **Cessation of Business:** The Originator ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates with any other entity without the prior written consent of the Sukuk Trustees pursuant to Clause 11.22 of the Programme Trust Deed; or
- (g). **Material Adverse Effect:** a Material Adverse Effect has occurred; or
- (h). **Obligations Unenforceable:** any of the Sukuk, the Trust Deeds is or becomes wholly or partly void, voidable or unenforceable.

PROVIDED that the Sukuk shall not be declared immediately payable unless: (i) on the occurrence of any event specified in sub-clauses 12(a) 12(b) 12(c) and 12(d), the Sukuk Trustees shall have first served on the Obligors a preliminary notice requiring the Originator as the case may be to pay the Dissolution Amount or Periodic Distribution in arrears or to remove, discharge or pay out to the satisfaction of the Sukuk Trustees such distress, execution or process or to perform and observe the covenant or provisions the breach whereof has been committed or threatened and the Originator shall have failed or neglected for a period of ten (10) days to comply with such notice; (ii) in the case of any event specified in sub-clause 12(g), the Sukuk Trustees have notified the Obligors to give further particulars as to circumstances causing the Material Adverse Effect, and if ten (10) days after such notification and following the receipt by the Sukuk Trustees of the explanatory representations from any Obligor regarding the circumstances constituting the Material Adverse Effect, the Sukuk Trustees, acting reasonably, remain of the view that the Event of Default is, in their opinion, materially prejudicial to the interests of the Sukukholders notwithstanding the receipt by the Sukuk Trustees of the explanatory representations from the Obligor regarding the circumstances constituting the Material Adverse Effect; and (iii) in the case of any event specified in sub-clauses 12(e) and 12(h), the Sukuk Trustees shall have certified in writing to the Obligors that the Event of Default is, in their opinion, materially prejudicial to the

interests of the Sukukholders.

- 17.2. Where an Event of Default occurs, the Sukuk Trustees shall exercise the powers and rights conferred on the Issuer Trustee under the relevant provisions of the Underlying Sukuk Documents in relation to Events of Default.

18. Enforcement

- 18.1. Only the Sukuk Trustees may enforce the provisions of this Programme Trust Deed. No Sukukholder shall be entitled to proceed directly against the Issuer Trustee to enforce the performance of any of the provisions of this Programme Trust Deed unless where Sukukholders holding 75% of the Principal Amount of the Sukuk have requested the Sukuk Trustees in writing to exercise the powers granted and, the Sukuk Trustees having become bound as aforesaid to take proceedings fails or refuses to proceed within twenty-one (21) days and such failure is continuing, in which event any such Sukukholder may, on giving an indemnity satisfactory to the Sukuk Trustees, in the name of the Sukuk Trustees (but not otherwise), himself institute proceedings against the Issuer Trustee to enforce the performance of any of the provisions of this Programme Trust Deed to the same extent that the Sukuk Trustees would have been entitled to do so in respect of the Sukuk held by him.
- 18.2. Following the distribution of the proceeds of the Trust Assets in respect of the Sukuk to the Sukukholders, in accordance with the Conditions and the Declaration of Trust, the Sukuk Trustees shall not be liable for any further sums and, accordingly, the Sukukholders may not take any action against the Sukuk Trustees (to the extent that they have fulfilled their obligations under the Underlying Sukuk Documents) to recover any such sum in respect of the Sukuk or the Trust Assets.
- 18.3. Upon the payment of all amounts due to the Issuer Trustee under the Underlying Sukuk Documents, the obligations of the Obligors in respect of the Sukuk shall be satisfied and no holder of the Sukuk may take any further steps against the Issuer Trustee or the Originator to recover any further sums in respect of the Sukuk and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Sukuk shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer Trustee or the Originator.

19. WAIVER OF INTEREST

- 19.1. Each Sukukholder irrevocably agrees that no interest will be payable or receivable under or in connection with any Sukuk and in the event that it is determined that any interest is payable or receivable in connection with any Sukuk, whether as a result of any judicial award or operation of any applicable law or otherwise, each Sukukholder agrees to waive any right it may have to claim or receive such interest

20. Meetings of Sukukholders, Modification and Waiver of Breach

- 20.1. **Convening Meeting of Sukukholders:** The rights and duties of the Sukukholders in respect of attendance at meetings of Sukukholders are set out in Schedule 4 to this Programme Trust Deed (*Provisions for Meetings of Instrumentholders*). Decisions taken at Sukukholders meetings may only be exercised by the Sukuk Trustees in accordance with this Programme Trust Deed or under these Conditions. For the avoidance of doubt, the Conditions of the Sukuk can only be amended with the consent of the parties as that term is defined in clause 1.2(g) of the Programme Trust Deed.
- 20.2. **Modifications and Waiver:** The Sukuk Trustees may agree: (i) upon the giving of prior written notification by the Issuer Trustee to the Rating Agency which has assigned a credit rating to the relevant Series or any Sukuk comprised therein; (ii) consent having been obtained from the

Sukukholders (where applicable) and the recertification of the Shariah Adviser having been obtained, to:

- (a). any modification of any of the provisions of the Trust Deeds or the Conditions that is of a formal, minor or technical nature or is made to correct a manifest error; and
- (b). any other modification (except as mentioned in the Trust Deeds) and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of the Trust Deeds which, in the opinion of the Sukuk Trustees, is not materially prejudicial to the interests of the Sukukholders of that Series.

Provided that:

- (i). the Issuer Trustee has notified the Rating Agency and the Rating Agency has confirmed that such modification will not affect the then current ratings of the Sukuk; and
- (ii). prior clearance of the SEC has been obtained; or
- (c). any modification to this Programme Trust Deed which is required or necessary bring this Programme Trust Deed in compliance with Applicable Law.
- (d). Any such modification shall be binding on the Sukukholders and shall be notified by the Issuer Trustee to the Sukukholders as soon as practicable, but subject to the SEC and the Exchange being notified as soon as practicable thereafter.

21. Replacement of Sukuk Certificates

If any Sukuk Certificate issued pursuant to these Conditions be defaced, lost or destroyed, it may be replaced on payment of all stamp duty (if any) payable on a new Sukuk Certificate, and upon such terms as to evidence and indemnity as the Registrar may deem adequate and, in the case of defacement, on delivery of the old Sukuk Certificate to the Registrar. An entry as to the issue of the new Sukuk Certificate and indemnity (if any) shall be made in the Register.

22. Rights Against Predecessors-in-Title

Except as required by law the Issuer Trustee will recognise the registered holder of any Sukuk as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Sukuk maybe subject, and the receipt by such registered holder, or in the case of joint registered holders the receipt by any of them, of the income from time to time accruing due for any other moneys available in respect thereof shall be a good discharge to the Issuer Trustee notwithstanding any notice it may have whether express or otherwise of the right, title, interest or claim of any other Person to or in such Sukuk interest or moneys. Notice of any trust express or constructive shall not be entered on the Register in respect of any Sukuk.

23. Further Issues

Subject to Condition 4 (*Negative Pledge*), the Issuer Trustee may from time to time create and issue further Sukuk either having the same terms and conditions as the Sukuk in all respects (or in all respects except for the first payment of Periodic Distribution Amount on them) and so that such further issue shall be consolidated and form a single Series with the outstanding Sukuk of any series (including the Sukuk) or upon such terms as the Issuer Trustee may determine at the time of their issue. References in these Conditions to the Sukuk include (unless the context requires otherwise) any other Sukuk issued pursuant to this Condition and forming a single series with the Sukuk.

24. Notice

- 24.1. Any notice or other document may be given to or served on any Sukukholder either personally or by sending it by post in a prepaid envelope or delivering it addressed to him at his registered address or (if he desires that notices shall be sent to some other persons or address) to the person at the address supplied by him to the Issuer Trustee for the giving of notice to him.
- 24.2. In the case of joint registered holders of any Sukuk a notice given to the Sukukholders whose name stands first in the Register in respect of such Sukuk shall be sufficient notice to all the joint holders.
- 24.3. Any notice or other document duly served on or delivered to any Sukukholder under these Conditions shall (notwithstanding that such Sukukholder is then dead or bankrupt or that any other event has occurred and whether or not the Issuer Trustee has notice of the death or the bankruptcy or other event) be deemed to have been duly served or delivered in respect of any Sukuk registered in the name of such Sukukholder as sole or joint holder unless before the day of posting (or if it is not sent by post before the day of service or delivery) of the notice or document his name has been removed from the Register as the holder of the Sukuk and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or claiming through or under him) in the Sukuk.
- 24.4. Any notice, or other communication may be given to the Sukuk Trustees hereunder by sending the same by hand or courier and addressed to:
- (a). If to **ARM TRUSTEES LIMITED**, to it at:
- 1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos
Tel: + 234 (1) 2692097, 2695508-10 ext 121
For the Attention of: Michael Abiodun Thomas
Email: armtrustees-CT@arm.com.ng
- (b). If to **QUANTUM ZENITH TRUSTEES & INVESTMENTS LIMITED**, to it at:
- Plot 2, Ajose Adeogun Street
Victoria Island, Lagos
Tel: 01 278 3216
For the Attention of: Onyeche Emefiele
Email: onyeche.emefiele@quantumzenith.com.ng
- (c). If to **FBNQUEST TRUSTEES LIMITED**, to it at:
- 10 Keffi Street,
South West Ikoyi,
Lagos
Tel: +234-1-4622673 Ext - 2804
For the Attention of: Frederick Obodozie
Email: corpratetrust@fbnquest.com
- (d). If to **CORONATION TRUSTEES LIMITED**, to it at:
- 10, Amodu Ojikutu Street
Victoria Island
Lagos State
Tel: +234 81 627 627 68
For the Attention of: Oritsegbemi Agbajor
Email: Oagbajor@coronationnt.com, Trustee@coronationnt.com

- 24.5. Any notice, or other communication may be given to the Originator by sending the same by hand or courier and addressed to:

Dangote Cement Plc

1 Alfred Rewane Road

Ikoyi

Lagos, Nigeria

Tel: +234 1 2714646

For the Attention of: The Group Chief Financial Officer

Email: guillaume.moyen@dangote.com

- 24.6. Any notice, or other communication may be given to the Issuer Trustee by sending the same by hand or courier to the address provided by it in the Declaration of Trust.
- 24.7. Any notice shall be deemed to have been served on the day following that on which the letter containing the notice is posted and in proving such service it shall be sufficient to prove that the envelope containing the notice or the notice itself was properly addressed, stamped and posted. Any notice given by delivery otherwise than by post shall be deemed given at the time it is delivered to the address specified.
- 24.8. Any accidental error, omission or failure in giving or delivering or mailing such notice or the non-receipt of any such notice by a Sukukholder shall not invalidate or otherwise prejudicially affect any act, action or proceeding.

Provided that in each case, any notice given to any Sukukholder, the Sukuk Trustees, the Originator or the Issuer Trustee by way of publication in two Nigerian national dailies will suffice as sufficient notice.

25. Governing Law and Jurisdiction

- 25.1. **Governing Law:** The Sukuk and all rights and obligations arising from or connected with the Sukuk are governed by, and shall be construed in accordance with, Nigerian law.
- 25.2. **Jurisdiction:** The provisions of clause 26 (*Governing Law and Jurisdiction*) of the Programme Trust Deed shall apply mutatis mutandis to these Conditions.

26. Prescription

Claims against the Issuer in respect of the Sukuk shall be void unless presented for payment within six (6) years from the due date for payment of any amount due on such Sukuk.

12. MACRO-ECONOMIC OUTLOOK

The information stated herein accentuates the prospects of the Nigerian economy as well as its future economic activities across key sectors and industries. Information included under this section was sourced from publicly available records including websites of third party and international organisations as well as government agencies such as the NBS, the CBN, the Budget Office of the Federation, the Nigeria National Petroleum Commission (“NNPC”), the Nigerian Federal Ministry of Finance, the DMO, the World Bank, the African Development Bank (“AfDB”) and the IMF amongst others. There is not necessarily any uniformity of views amongst such sources as to such information provided. The Issuer has accurately summarized such information and so far as the Issuer is aware and is able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading. In preparing this section, data and information reported herein has not been independently verified.

12.1 INTRODUCTION

The Federal Republic of Nigeria (“**Nigeria**”) is located in the West African sub-region of Africa, bordered by the Republic of Niger to the North, Republic of Chad to the North East, Republic of Cameroon to the East, Republic of Benin to the West and the Atlantic Ocean to the South, and occupies a land area of approximately 923,773km². Nigeria is comprised of 36 States and a Federal Capital Territory – Abuja – which is located in central Nigeria. The States and the Federal Capital Territory are grouped into six geopolitical zones with 774 constitutionally recognized Local Government Areas and Area Councils. Nigeria has 3 major ethnic groups (Yoruba, Igbo & Hausa), and more than 250 other ethnic groups, with English as its official language.

Nigeria has a population of approximately 206.14million people as of 2020 according to the 2019 revision of the United Nations Population Division (UNPD)’s World Population Prospects. Nigeria is endowed with several minerals including gold, iron ore, coal and limestone, and had 36.89 billion barrels of proven oil reserves and 5.76 trillion cubic feet of proven natural gas as of 2019, according to Organization of the Petroleum Exporting Countries (OPEC). Agriculture is a major source of livelihood, employing roughly 70% of the labor force. According to the United States Energy Information Administration, the country is the largest oil producer in Africa and was the world’s fifth-largest exporter of liquefied natural gas (LNG) in 2018.

12.2 ECONOMY

Nigeria is a significant exporter of cocoa, rubber and cassava, in addition to other significant natural resources, however, the Nigerian economy has, for a long time, been highly dependent on the oil and gas sector. This makes the economy vulnerable to oil price fluctuations. In 2018, the Federal Government of Nigeria introduced reforms and initiatives to diversify the sources of its revenue and reduce reliance on the oil sector. This had a positive impact on the performance of the non-oil sector, which was the major driver of growth in 2019, contributing 91.22% to GDP.

In nominal terms, Nigeria’s GDP grew by 12.89% (year-on-year) from ₦127.74trillion in 2018 to ₦144.21trillion in 2019, and grew by 2.27% (year-on-year) in real terms. GDP grew by 1.87% (year-on-year) in real terms in Q1 2020. Nevertheless, the performance recorded in Q1 2020 represented a drop of 0.23% when compared to the 2.10% growth in Q1 2019 and 0.68% decline when compared to the 2.55% growth in Q4 2019.

According to the NBS, in Q2 2020, Nigeria’s GDP decreased by 6.10% (year-on-year) in real terms, ending the 3-year trend of low but positive real growth rates recorded since the 2017 recession. The decline was largely attributable to significantly lower levels of both domestic and international economic activity during the quarter, which resulted from nationwide shutdown efforts aimed at containing the COVID-19 pandemic. When compared with Q2 2019, which recorded a growth of 2.12%, the Q2 2020 growth rate indicates a drop of 8.22% points, and a fall of 7.97% points when compared to the first quarter of 2020 (1.87%). Due to the impact of the COVID-19 pandemic, and resultant decline in global oil prices, the Nigerian economy slumped into a recession with GDP declining by 3.62% in Q3 2020.

NIGERIA GDP

The following table provides information regarding Nigeria's nominal GDP for the periods indicated:

	2017	2018	2019	2020
Real GDP (constant prices) (millions of ₦)	68,496,917	69,799,942	71,387,827	70,014,372
Nominal GDP (current prices) (millions of ₦)	113,719,048	127,736,828	144,210,492	152,324,071
Naira/US\$ (period average) ¹	305.5	306.5	306.5	379.5
GDP (current prices, billions of US\$)	372,495.16	398.16	448.12	442.98

Source: National Bureau of Statistics, Central Bank of Nigeria, FMDQ Securities Exchange

In US\$ terms, Nigeria's nominal GDP in 2019 was US\$470 billion, an increase of 12.44% compared to US\$418 billion in 2018, which was an increase of 12.37% compared to US\$373 billion in 2017. The following table provides information regarding key macroeconomic indicators for the periods indicated:

Economic Indicators	2017	2018	2019	2020E
Nominal GDP at market exchange rates (US\$ billions)	372.5	418.01	470.29	442.98
Real GDP growth (%)	0.83	1.91	2.27	-1.65
GDP per capita (US\$ market exchange rates)	1,969	2,134	2,340	2,000
Average Consumer Price Index (CPI) (%)	16.5	12.1	11.4	13.4
Monetary policy rate (%)	14.0	14.0	13.5	13.5
Current account/GDP (%)	2.8	0.9	-3.6	-3.7
Population (million)	190.6	195.8	200.9	206 ²
Total external debt stocks (US\$ bn)	18.9	25.3	27.7	74.5
Total external debt stocks (% of GDP)	5.1	6.1	5.9	16.8
CBN I&E Window Exchange rate US\$/₦ (avg)	305.5	306.5	306.5	386

Source: IMF, World Bank, Debt Management Office, CBN

12.3 FISCAL DEFICIT

Deficits exist where a government's expenditures exceed its revenues. The Fiscal Responsibility Act provides that the federal budget deficit should not exceed 3% of estimated GDP or any sustainable percentage as may be determined by the National Assembly for each financial year. From a review of the 2020 budget, the budget deficit reflected therein was ₦4.97 trillion (3.57% of GDP).

President Muhammadu Buhari signed the 2021 Appropriation Bill into law on 31 December 2020, following the passage of same by the National Assembly. The said budget includes an aggregate revenue and planned expenditure of ₦7.99 trillion and ₦13.59 trillion, respectively. The budget reflects a fiscal deficit of ₦5.601 trillion. This is the second consecutive year that the national budget has been approved before the commencement of the fiscal year. This deficit will be financed majorly by borrowings from domestic and foreign sources. The increase in fiscal deficit has been attributed to oil theft, pipeline vandalism and increases in recurrent expenditure amid a slow increase in revenue despite the drive to boost inflows through tax reforms.

Under the 2021-2023 Medium Term Expenditure Framework and Fiscal Strategy Paper, the fiscal strategies for 2021-2023 include fiscal measures to improve government revenues and entrench a regime of prudence with emphasis on achieving value for money. The goal of fiscal interventions is to keep the economy active through carefully calibrated regulatory measures designed to boost domestic value-

¹ CBN Rates

² United Nations 2019 World Population Prospects

addition, de-risk the enterprise environment, attract external investment and sources of funding while managing existing debt obligations in the most fiscally sustainable manner. The government is seeking to intensify economic diversification to ensure growth in non-oil exports, reduce the import bill and improve economic competitiveness.

12.4 CAPITAL MARKETS

The Nigerian Capital Market (“**Market**”) consists of debt and equity markets. Equities consist of shares and stocks of publicly-listed Nigerian companies as well as a few non-Nigerian companies. The debt market, on the other hand, consists of government and corporate bonds, supranational bonds, notes, debentures and their derivatives, Nigerian treasury bills and other debt securities and instruments. The Market is primarily regulated by the SEC while The NGX³, a registered company that offers listing, trading, licensing and similar services for both equities and debt acts as the largest securities exchange in Nigeria.

In addition to The NGX, the FMDQ, also a self-regulatory organisation, has primary responsibility for the listing, trading and regulating the OTC markets—fixed income (money, repos, commercial papers, treasury bills, and bonds), currencies and derivatives. The FMDQ is registered as a private limited liability company.

Another self-regulatory organisation in the market is the National Association of Securities Dealers, otherwise known as the NASD, a public company operating in the NASDAQ market in Nigeria, regulated by the SEC. The NASD promotes a trading network that eases secondary market trading of all securities of unquoted public companies primarily in Nigeria but with a focus on the West African region.

According to The NGX Stock Market Report (as at December 31, 2020), The NGX All-Share Index (“**ASI**”) and market capitalization appreciated at 3.79% and 3.83% to close the week at ₦40,270.72 and ₦21.057 trillion respectively. As of 31 December 2020, the year-to-date (YTD) returns on The NGX ended on an impressive role, standing at 50%.

According to the NGX, as of January 14, 2021, the bonds listed thereon recorded a total market capitalisation of N 17,39 trillion of the total market capitalisation of N39.04 trillion. Activities in the debt capital market increased significantly year-on-year, as of September 30, 2020, as corporates continued to take advantage of the relatively low yields in the market to refinance existing debts, fund expansion and meet other capital needs. According to the PwC Nigerian Capital Markets Update (September 2020), a total of ₦152.7 billion was raised in seven corporate bond issuances in H1 2020 compared to ₦54 billion raised in three issuances in the corresponding 2019 period.

According to the FMDQ, over ₦425 billion of long-term debt securities was issued and listed on the FMDQ in 2020, in the form of corporate bonds (₦162.7 billion) and sub-national bonds (₦100 billion), excluding bond issuances by the Federal Government of Nigeria. In 2020, approximately N162.5 billion worth of sukuk were issued. The volume of debt issuances during the year was strongly supported by the significant drop in yields in 2019 and 2020, due to the monetary policy direction of the CBN.

12.5 INFLATION

The Consumer Price Index (“**CPI**”), issued by the NBS, measures the average change in prices, over a period of time, of goods and services consumed by persons for day-to-day living. This index is used to calculate the inflation rate for any given period.

According to the CBN, the year-on-year headline inflation in 2016 was 18.6%. According to the CPI of March 2017 issued by the NBS, the CPI increased on a headline basis by 17.26% (year-on-year). Price

³ The NGX (Previously The NSE) completed a demutualization process following the conclusion of its Extraordinary General Meeting (EGM) and Court Ordered Meeting (COM) in March 2020. As part of the demutualization. The Exchange transferred its securities exchange licence to Nigerian Exchange Limited whilst another entity NGX Regulation Limited is charged with the regulatory functions of The Exchange post demutualization.

increases were recorded across various individual consumption divisions that yield headline index. Of these divisions, housing, water, electricity, other fuels, education, gas, food, clothing and transportation services were largely responsible for the acceleration of the rate at which headline index increased.

The CPI increased by 11.44% (year-on-year) in December 2018. This is 0.16 percent points higher than the rate recorded in November 2018 (11.28%). The CPI increased by 11.98 percent (year-on-year) in December 2019. This is 0.13 percent points higher than the rate recorded in November 2019 (11.85). The percentage change in the average composite CPI for the twelve months period ending December 2019 over the average of the CPI for the previous twelve months period was 11.40 percent, showing 0.05 percent point from 11.35 percent recorded in November 2019.

According to the NBS, headline inflation increased by 14.89% (year-on-year) in November 2020. This is 0.66% points higher than the rate recorded in October 2020 (14.23%) (year-on-year) in October 2020, which was 0.52 percentage points higher than the rate recorded in September 2020 (13.71%). The CPI Report issued by the NBS reflects that the composite food index rose by 18.3% in November 2020, compared to 17.38% in October 2020 while the “All items less farm produce” or Core inflation, which excludes the prices of volatile agricultural produce stood at 11.05% in November 2020. This increase is attributed to the persistence of insecurity across the country as well as lingering structural deficiencies impacting the logistics of moving food items to urban areas. Other factors include the impact of COVID-19 pandemic, and hikes in the price of energy products (PMS and electricity), amongst others.

Another major factor is the predominance of imported (household and everyday) goods, including food. Due to the fact that most goods sold at the commercial market are imported, the prices of these goods are subject to and significantly affected by currency movements. In recent times, the Nigerian agricultural sector has witnessed substantial growth. In Nigeria, four sub-activities make up the agricultural sector, namely: crop production, livestock, forestry and fishing. The agricultural sector grew by 14.88% year-on-year in nominal terms in Q3 2019; and by 19.90% year-on-year in nominal terms in Q2 2020, showing an increase of 2.14% points Q2 2019. Nonetheless, Nigeria continues to rely heavily on food imports and imported goods generally, which in conjunction with other factors, has led to a depreciation in the value of the Naira against the Dollar.

In November 2020, the CBN devalued the Naira by N6 to the US\$. The Naira devaluation has brought the local currency closer to the exchange rate unification agenda of the CBN as recommended by the IMF and World Bank. In a weekly exchange rate for disbursement of proceeds of International Money Transfer Service Operators (IMTOs) for November 30, 2020, all authorized dealers, Bureau De Change (BDC) Operators and Service Providers were advised to add N6 across all rates.

As at 31 December, 2015, the CBN exchange-rate was ₦197 to US\$1, compared to ₦379 to US\$1 as of 31 December 2020.

12.6 FOREIGN RESERVES

As at 31 December 2020, Nigeria’s foreign reserves stood at approximately US\$35.37 billion, evidencing a decrease of over 7.4% compared with US\$38.59 billion as at December 2019 and US\$43.2 billion as at December 2018. Oil exports from Nigeria account for the bulk of its foreign currency earnings and Nigeria’s external reserves derive primarily from proceeds and earnings from crude oil production and sale. The decrease in reserves has been attributed to the resultant effect of the COVID-19 pandemic, which has negatively impacted global oil production and occasioned a decline in global oil prices.

12.7 PUBLIC DEBT

The Federal Government recently started focusing on developing a robust domestic debt market, with a target of 70:30 domestic debt to external debt ratio. According to data from the DMO, outstanding public debt of the Federal Government was N21.8 trillion as of December 2019, an increase of 13.36% from the 2018 figure. It is the Federal Government’s strategy to refinance domestic debt with external borrowing to reduce debt service cost and achieve a more sustainable debt portfolio mix. Domestic debt to external debt ratio was 65:35 in 2019 and 66:34 in 2018.

As of September 30, 2020, Nigeria's total external debt stock outstanding was US\$ 31,985.17 million. Nigeria's total external debt stock outstanding was US\$27,676.14million as at December 2019, compared to US\$25,274.36 million as at December 2018, representing an increase of US\$2,401.78 million or 9.5%. The increase witnessed in 2019 from 2018, was largely due to the Federal Government's shift towards external financing as part of its debt management strategy of rebalancing the public debt portfolio. Specifically, the growth of external debt was mainly on account of additional disbursements of multilateral and bilateral loans.

The current strategy with respect to the Nigerian domestic debt portfolio is to lengthen the debt maturity structure, to broaden and deepen the domestic bond market through the introduction of a variety of government securities, to use technology to aid the effective and efficient issuance and trading of domestic bonds and to improve the regulatory framework for effective operation of the bonds market. Accordingly, and in line with efforts to broaden the Federal Government's securities basket, the DMO issued a number of securities from January 2017 to December 2020 including the FGN Savings Bonds, the FGN Diaspora Bond (under the category of external debt), the FGN Sukuk programme (in the aggregate of approximately ₦362 billion) and the FGN Green Bond.

12.8 INTEREST RATES

At the CBN's Monetary Policy Committee (the "**Committee**") Meeting in November 2020, the Committee resolved to retain the Monetary Policy Rate ("**MPR**") at 11.5% whilst the Cash Reserve Ratio (CRR) was retained at 27.5%. According to the Committee, the effects of previous decisions were still permeating the system and a policy adjustment at this time could trigger unwarranted shocks and derail an imminent recovery. The decisions of the Committee in September 2020 which were retained at the November meeting reflects the CBN proposed expansionary monetary policy expected to complement the CBN's commitment to sustaining the trajectory of economic recovery and reducing the negative impact of the COVID-19 pandemic, by stimulating credit expansion to the critically impacted sectors of the economy and offer impetus for output growth and economic recovery.

12.9 OIL AND GAS SECTOR

The oil and gas sector is of major importance to Nigeria's economy primarily in relation to foreign exchange earnings and revenue generation for the Federal Government. However, the sector has experienced several challenges in 2020 – the most significant being the effect of the COVID-19 pandemic on crude oil demand and the sharp decline in crude oil prices. According to the NBS, the sector contributed 8.73% to total real GDP in Q3 2020, down from 9.77% and 8.93% in the corresponding period of 2019 and the preceding quarter, Q2 2020, respectively. The average daily oil production recorded in Q3 2020 stood at 1.67 million barrels per day (mbpd), which was 0.37mbpd lower than the average production recorded in the corresponding quarter of 2019 and 0.14mbpd lower than production volume recorded in Q2 2020. According to the NBS, the real growth for the sector was -13.89% (year-on-year) in Q3 2020, indicating a sharp contraction of -20.38% relative to the rate recorded in the corresponding quarter of 2019. Furthermore, real oil growth decreased by -7.26% when compared with the growth recorded in Q2 2020 which was 6.63%. Quarter on quarter, however, the oil sector recorded a growth rate of 9.64% in Q3 2020.

For the year 2016, oil production was estimated to be 1.833 million barrels per day (mbpd), compared to 2.13 mbpd in 2015. This reduction was largely due to vandalism in the Niger Delta region. As a result, the sector contracted by -13.65% in 2016, a more significant decline than that witnessed in 2015 (-5.45%). According to the Nigerian GDP Report for Q1 2017, oil production averaged at 1.83 mbpd, 0.07 million barrels higher than the average production recorded in the fourth quarter of 2016. Real growth of the oil sector slowed by -11.64% (year-on-year) in the first quarter of 2017. According to the CBN, in September 2016, the average price of Nigerian crude oil (Bonny Light) was US\$47.4 per barrel. However, due to the decline in the price of oil at the international market, occasioned largely by the COVID-19 pandemic, the attendant lockdown of most countries and the decline in the world economies, crude oil export earnings remain substantially reduced. According to the CBN, in December 18, 2020, the average price of Nigerian crude oil was US\$51.49 per barrel.

In recent years, the Federal Government has pursued new policies aimed at restructuring the upstream sector as well as deregulating the downstream oil and gas sectors. In this regard, the Petroleum Industry Bill (“**PIB**”) 2020, although not enacted at this time, aims to substantially reform the sector. President Muhammadu Buhari, on 28 September 2020, presented the PIB 2020 to the National Assembly for consideration. The PIB aims to strengthen the governing institutions, establish a strong regulatory framework, ensure transparency and accountability, promote exploration & exploitation of oil resources and foster sustainable development in Nigeria’s oil and gas industry. The PIB 2020 contains elaborate provisions that will:

- Replace the NNPC with NNPC Limited;
- Create separate regulatory authorities for upstream, midstream and downstream operations;
- Reduce the royalty rate from 10% to 7.5% for offshore fields producing not more than 15,000 barrels per day;
- Increase the benchmark threshold of crude oil price for charging royalty from \$35/barrel to \$50/barrel; and
- Make gas flaring penalties non-tax deductible in order to disincentivize gas flaring, among others.

As of November 1, 2020, the Senate arm of the National Assembly had completed the second reading of the PIB 2020.⁴

12.10 FOREIGN EXCHANGE

In Nigeria, there exists (i) the interbank exchange rate which is determined by a two-way quote system of banks trading among themselves and the CBN; and (ii) the Bureaux De Change (“**BDC**”) exchange rate. The BDC exchange rate is the rate at which foreign exchange (“**FX**”) is sold to small scale users for personal purposes such as business and personal travel, medical service fees and overseas educational tuition payments. Authorised FX dealers are entitled to sell a maximum of US\$30,000 per week to BDCs at the prevailing interbank rate.

In addition to the interbank exchange rate and the BDC exchange rate, the CBN has also created other exchange rate windows including the CBN FX Window Secondary Market for personal, business, travel and medical allowances, the Investors and Exporters Foreign Exchange window and special window for small and medium scale enterprises and the Nigerian Autonomous Foreign Exchange Fixing (“**NAFEX**”) quoted on the FMDQ. The NAFEX was introduced to serve as a benchmark for the investors and exporters FX window, while the Nigerian Interbank Foreign Exchange Rate (NIFEX) is used for interbank settlements. Other complementary efforts by the CBN to stabilize the foreign exchange market include the moderation of the Monetary Policy Rate which it has maintained at 11.5% to curb inflation and FX speculation, as of the Monetary Policy Committee meetings in November 2020.

The NAFEX window has been reported to significantly improve the supply of FX and the flow of foreign currency liquidity into the banking system. This has essentially resulted in improved access to FX and reduction of liquidity pressures which were prevalent for much of 2016 and early 2017. The US\$/₦ at the IEFX window appreciated by 4.7% to 360.33 as at the end of 2017 relative to 377.11 when the window was opened in April 2017 as FX liquidity improved on renewed investor confidence. As at 10 December 2020, the US\$/₦ at the IEFX window closed at 394.60.

12.11 REFORMS AND ECONOMIC REFORM INITIATIVES

In light of the fall in crude oil prices and in a bid to diversify the Nigerian economy, the Federal Government has focused its objectives and introduced specific reforms towards creating an enabling environment for doing business. In this regard, the Federal Government, in July 2016, created the Presidential Enabling Business Environment Council (“**PEBEC**”) and charged it with the responsibility to spearhead the establishment of such necessary reforms while the Enabling Business Environment

⁴ To be updated in due course.

Secretariat (“**EBES**”), which was set up in October of the same year, is to implement the reform agenda of PEBEC.

This agenda centers on the removal of bottlenecks to doing business in Nigeria, moving the country twenty steps up on the World Bank Ease of Doing Business Index and steering the country to becoming a globally competitive economy and the business hub of Africa. In February 2020, PEBEC approved the 5th 60-Day National Action Plan on Ease of Doing Business in Nigeria (the “**National Action Plan**”) which is an inter-ministerial, inter-governmental plan driven by EBES for implementation by various Ministries, Departments and Agencies of government (“**MDAs**”). Some of the major reforms driven by the various stakeholders relate to:

- Automation of the land registration process in both Lagos and Kano States;
- Reducing the number of inspections in construction permitting through the implementation of joint inspections by related agencies in Lagos State; and
- Improving the overall time in customs clearance at respective ports by implementing full pre-arrival cargo clearance processes.

Other major initiatives which the FGN has undertaken include:

- The Vision 20:2020 plan established in May 2009, which was set to place Nigeria among the top 20 economies in 2020. However, as at December 30, 2020, the goal was not achieved;
- The establishment of the Medium-Term Expenditure Framework and Fiscal Strategy Paper (“**MTEF/FSP**”) 2021 - 2023 issued by the Budget Office of the Federation, Ministry of Budget and National Planning. The MTEF/FSP highlights revenue projections, expenditure plans and fiscal targets over the medium term based on reliable and credible fiscal outlook from verifiable data;
- Fiscal measures in response to the COVID-19 pandemic, which includes the N500 Billion (Five Hundred Billion Naira) COVID-19 Crisis Intervention Fund to be deployed for upgrading health facilities; financing unique public works programmes; and funding other identified intervention programmes; as well as the Emergency Economic Stimulus Bill 2020; and
- The Nigeria Economic Sustainability Plan.

THE NIGERIA ECONOMIC SUSTAINABILITY PLAN 2020

Following the health and economic emergencies occasioned by the COVID-19 pandemic, His Excellency, President Muhammadu Buhari established the Economic Sustainability Committee (**ESC**) on March 30, 2020. According to the Terms of Reference of the ESC, its major responsibilities are to:

- (i) Develop a clear Economic Sustainability Plan in response to challenges posed by the COVID-19 pandemic;
- (ii) Identify fiscal measures for enhancing distributable oil and gas revenue, increasing non-oil revenues and reducing non-essential spending, towards securing sufficient resources to fund the plan;
- (iii) Propose monetary policy measures in support of the Plan;
- (iv) Provide a Fiscal/Monetary Stimulus Package, including support to private businesses (with emphasis on strategic sectors most affected by the pandemic) and vulnerable segments of the population;
- (v) Articulate specific measures to support the States and FCT;
- (vi) Propose a clear-cut strategy to keep existing jobs and create opportunities for new ones; and
- (vii) Identify measures that may require legislative support to deliver the Plan.

Accordingly, the Nigeria Economic Sustainability Plan (**NESP**), was approved by the Federal Executive Council (FEC) on June 24, 2020. The general objectives of the NESP are to stimulate the economy by preventing business collapse and ensuring liquidity; retain or create jobs using labour intensive methods in key areas like agriculture, facility maintenance, housing and direct labour interventions; undertake growth enhancing and job creating infrastructural investments in roads, bridges, solar power, and communications technologies, among others.

The NESP is based on three (3) pillars – Real Sector Measure, Fiscal and Monetary Measures and Implementation. The first pillar comprises a mix of project and policy approaches, which focus on the creation of jobs across the fields of agriculture and agro-processing, food security, housing construction, renewable energy, infrastructure, manufacturing and the digital economy. The aim is to safeguard existing micro, small and medium scale businesses while ramping up local productive capacity by encouraging opportunities for innovation across various sectors of the economy.

The second pillar – Fiscal and Monetary Measures – outlines steps that will be taken to maximise government revenue, optimise expenditure and enshrine a regime of prudence with an emphasis on achieving value for money. The overriding objective is to keep the economy active through carefully calibrated regulatory interventions designed to de-risk the environment for local production and enterprise, galvanise external sources of funding, rationalise existing debt obligations and boost investments in strategic sectors affected by the COVID-19 pandemic, while supporting the financial viability of state governments.

The last pillar upon which the success of the entire plan has been hinged is Implementation. The NESP emphasizes the need for all responsible parties, especially Ministers to be responsible for supervising the implementation of plans situated in their Ministry through a Ministerial Implementation Committee chaired by the Minister. The Ministerial Implementation Committee will be responsible for ensuring synergy between stakeholders, especially the public and private sector, whilst the ESC will be responsible for general oversight of implementation and will report to the President

One major aspect of the NESP likely to drive a demand for cement is the Mass Housing Programme which is expected to deliver up to 300,000 homes annually, engaging young professionals and artisans who form themselves into small and medium scale businesses within the construction industry. Such businesses are expected to use indigenous labour and materials in the construction of dedicated housing sites.

12.12 POWER SECTOR

The lack of steady and reliable power supply continues to fundamentally hamper the Nigerian economy and prevent sustainable economic development. These power cuts have an overall impact on the economy which translates to negative impacts on commercial activity, productivity and running costs of businesses as well as standard of living. This sector of the economy is also plagued by theft of transformers and sabotage of infrastructure by vandals which result in frequent power outages as well as poor voltage output.

In order to address the infrastructure gaps, the FGN, in July 2019, executed an Implementation Agreement for the Nigeria Electrification Roadmap with Siemens Limited for the rehabilitation, upgrade and expansion of transmission and distribution networks and power generation facilities. Thereafter, in March 2020, the FGN set up the Power Sector Reform Coordination Working Group (“**PSRCWG**”), headed by the Vice President, Professor Yemi Osinbajo, SAN, to coordinate the activities of a National Economic Council committee on power sector reforms and distribution company ownership, and consolidate the efforts of the FGN and state governments in relation to the transformation of the Nigerian power sector.

The Nigerian Electricity Regulatory Commission (“**NERC**”) has also taken various steps to address the technical and operational challenges in the sector. Such steps include the introduction of service-based cost-reflective tariffs. On March 31, 2020, NERC issued the NERC Order No: NERC/198/2020 – Order on the Transition to Cost Reflective Tariffs in the Nigerian Electricity Supply Industry (the “**Order**”) to provide a framework for the transition to cost reflective tariffs within the electricity supply industry. The Order introduced new service expectations and new tariff classes determined by quality of service. Additionally, to bridge the metering gap in the country, the NERC in 2018 issued the Meter Asset Provider Regulations, which creates a new class of operators responsible for installing and maintaining meters. This initiative is now being complemented by the FGN through its National Mass Metering Program (“**NMMP**”) launched in November 2020. Under the NMMP, the FGN is seeking to provide up to N497.13 Billion to electricity distribution companies for the rollout of meters at no cost to electricity consumers. Up to one million meters are to be installed under the first phase of the NMMP, with deployment starting in Kano, Kaduna, Lagos and Abuja.

The electricity, gas, steam and air conditioning supply sector recorded a year on year growth of 8.64% in Q2 2020. The contribution of the sector to nominal GDP in Q2 2020 was 0.92%, higher than the contribution made in the corresponding quarter of 2019 at 0.82% and higher with its contribution of 0.38% in the quarter before. In real terms, however, the sector declined by 3.00% in Q2 2020, a decrease from the growth rate of 0.43% recorded in the same quarter of 2019. The contribution of this sector to real GDP in Q2 2020 was 0.47%.

In 2020, the NERC published its Fourth Quarter Report for 2019 which highlights that there are 26 grid-connected generating plants in operation in the Nigerian Electricity Supply Industry (“**NESI**”). According to the NERC, the NESI recorded a daily generation peak of 5,157MW for Q4 2019 on November 19, 2019 while the available average generation capacity for the quarter stood at 6,238MW. Furthermore, up to 59.35% of the available capacity was utilised in Q4 2019, indicating 5.44% points increase from the capacity utilisation rate recorded in Q3 2019. Furthermore, the total electric energy generated in Q4 2019 rose to 8,101,192.72MWh from 7,984,685MWh recorded in Q3 2019. Additionally, the NERC noted that 12 of the 26 operational power plants accounted for 82.70% of the total electric energy generated during Q4 2019.

According to the NBS Power Sector Report: Energy Generated and Sent Out and Consumed and Load Allocation (2019), a total of 33,448,633 MWh of energy was generated by power stations in 2019. Privatized Generation Companies (“**GenCos**”) generated 19,692,683 MWh, while Independent Power Producer (IPP) GenCos generated 7,798,253 MWh and National Integrated Power Project (NIPP) GenCos generated 5,957,697MWh.

Whilst the NERC has not as of 1 August 2020, published the reports for the first two quarters of 2020, the Nigeria Electricity System Operator (“**NSO**”) provides a daily overview of the system performance in the NESI. According to the Transmission Company of Nigeria (TCN), Nigeria recorded a peak generation of 5,520.40MW in November 2020.

In relation to Nigeria’s gas reserves, according to the Department of Petroleum Resources (DPR), as of January 1, 2020, the gas reserves stood at 203.16 trillion cubic feet (TCF), representing a marginal increase of 1.16tcf (0.57%) from the 202tcf recorded in 2019. The DPR has also indicated that it has set new targets of 210tcf by 2025 and 220tcf by 2030. However, insufficient gas supply is the biggest constraint to available generating capacity. The resulting effect is that the overall operating capacity is reduced by an average of 2,060 MW daily. Although the country has abundant reserves, its gas production is low.

According to data from the BP Statistical Review of World Energy 2020, Nigeria produced approximately 49.3 billion cubic metres gas (excluding gas flared or recycled but including natural gas produced for gas-to-liquids transformation) as at 2019.

A notable initiative of the FGN in relation to addressing the gas-to-power challenge is the conceptualization and development of the Ajaokuta-Kaduna-Kano (“**AKK**”) Pipeline Project with an estimated cost of approximately \$2.8 billion, which entails the construction of a 614km pipeline that will create a link between the eastern, western, and northern regions of Nigeria for the purpose of establishing a guaranteed gas supply network across the country. The project is expected to boost Nigeria’s electricity generation capacity and strengthen the industrial sector within all regions of the country. Furthermore, the FGN has through the DPR launched a Nigerian Gas Transportation Network Code to provide open and competitive access to gas transportation infrastructure.

In addition, the FGN has expressed its commitment to growing domestic gas utilization to five (5) billion standard cubic feet by 2022, develop 5 gigawatts of power generation by 2022, and explore transition, partnership and investment in the gas sector.

In addition to investment in the gas sector, the FGN has also made concerted efforts to invest in renewable energy across the country as the FGN through the Rural Electrification Agency (“**REA**”) is presently supervising the implementation of the Energizing Economies Initiative, a policy initiative of the FGN

through which it supports the deployment of off-grid electricity solutions to small and medium scale enterprises in identified economic clusters (such as markets and agricultural or industrial centres) across the country, through private sector developers. The REA is similarly implementing the FGN's Nigeria Electrification Project ("NEP"), which is co-financed by the FGN, World Bank Group and AfDB. The NEP seeks to provide electricity to households, small-to-medium-sized enterprises, and public institutions in a least-cost and timely manner through off-grid and mini-grid solutions.

12.13 OUTLOOK: NIGERIA

In recent years, the Nigerian economy has been severely affected by the fall in oil prices and oil production and this has resulted in significantly reduced fiscal revenue and export earnings. Security concerns across the country have also posed a threat to economic development. In recent months, the focus of the economy has been on reforms and initiatives in the non-oil sectors and the implementation of policies to ensure the ease of doing business. These reforms are expected to improve the economic performance of the country and also promote foreign investment.

The Federal Government has taken steps to address the effects of the economic downturn including by repealing the Companies and Allied Matters Act, Chapter C20 LFN 2004 and replacing same with the Companies and Allied Matters Act No. 3 of 2020 (as amended), in a bid to improve the investment climate in Nigeria. Also, the passage of the Finance Bill, 2019 and the Finance Bill 2020 into law has witnessed changes to relevant tax statutes in Nigeria. Some of the significant changes include:

- (i) Increase of value added tax to 7.5%;
- (ii) Reclassification of companies to exempt small companies (with turnover of less than N25million) from payment of companies' income tax;
- (iii) Minimum tax for companies in respect of returns for years of assessments due between 1st Jan 2020 and 31st Dec 2021 has been reduced from 0.5% to 0.25% of gross turnover less franked investment income;
- (iv) The moratorium for granting an exemption of tax for foreign and agricultural loans has been revised from "not less than 18 months" to "not less than 12 months"; and
- (v) Tax concessions on assets transferred pursuant to related party business reorganization.

Other efforts include the deregulation of fuel prices, strengthening banking supervision as well as interventions in the foreign exchange market by the CBN to meet the foreign exchange demand by relevant end-users.

12.14 OUTLOOK: AFRICA

2019 to 2020 saw great challenges for most African economies, particularly with the COVID-19 pandemic. The pandemic has reversed the strong growth projections previously reported in the 2020 African Economic Outlook, as presented by the AfDB. This necessitated a revision of the growth projections and outlook for Africa for 2020 and 2021, accounting for the impact of the pandemic on Africa's socio-economic landscape. Uncertainty is heightened by the epidemiology of the virus and the various containment policies adopted by African governments. Due to the fluidity of the pandemic, two possible scenarios are considered: the baseline assumes that the virus has a substantial impact but of shorter duration, and the worst-case assumes a virulent impact of the virus over a longer duration with the pandemic continuing beyond the first half of 2020.

According to the World Bank Group Global Economic Prospects report issued in January 2021, growth in Sub-Saharan Africa is forecast to rebound moderately to 2.7% in 2021. The resumption in activity in major advanced and emerging economies and key trading partners of the region (Europe, China and the United States of America) is chiefly underpinned by positive news on vaccine development and rollout as well as new rounds of fiscal stimulus. Growth in Nigeria is expected to resume at 1.1% in 2021. Activity is nevertheless anticipated to be dampened by low oil prices, OPEC quotas, falling public investment due to weak government revenues, constrained private investment due to firm failures, and subdued foreign investor confidence. In South Africa, growth is expected to rebound to 3.3% in 2021. An expectation of

weak growth momentum reflects the lingering effects of the COVID-19 pandemic and the likelihood that some mitigation measures will need to remain in place.

The African Economic Outlook 2020 projected contraction of growth in Africa, reflecting GDP losses in 2020 between \$145.5 billion (baseline) and \$189.7 billion (worst case), from the pre-COVID-19 estimated GDP of \$2.59 trillion with such contractions being diametrically linked to the impact of the spread of COVID-19 in Africa, and its effects in other continents.

Some losses are carried over to 2021, as the projected recovery would be partial. For 2021, the projected GDP losses could be from \$27.6 billion (baseline) up to \$47 billion (worst case) from the potential GDP of \$2.76 trillion without the pandemic. The most affected economies are those with poor healthcare systems, those that rely heavily on tourism, international trade, and commodity exports, and those with high debt burdens and high dependence on volatile international financial flows. The overall impact of the pandemic on socioeconomic outcomes remains uncertain, however. It will depend crucially on the unfolding epidemiology of the virus, the extent of its impacts on demand and supply, the effectiveness of public policy responses, and the persistence of behavioral changes.

The COVID-19 pandemic has already triggered an increase in inflation in the continent, in some cases like Sudan and Zimbabwe, by more than 5% in Q1 2020. This has mainly been caused by disruptions in the supply of food and energy, the bulk of which are imported. But for many other countries, the drastic fall in aggregate demand due to the lockdown and other containment measures has eased inflationary pressures, especially among non-resource-intensive economies like Uganda and Kenya. Overall, due to the impact of the COVID-19, even though headline inflation (includes food and basic energy prices) is expected to rise, core inflation might remain stable until demand picks up after the pandemic⁵.

At the global level, countries that are net exporters of oil are experiencing a global economic contraction driven by the COVID-19 pandemic and oil market collapse, with the benchmark price for United States crude oil, the West Texas Intermediate, briefly going into the negative for the first time in history, in April 2020.

The International Energy Agency (“**IEA**”) in its World Energy Outlook, 2020 (“**Outlook**”) expressed that the COVID-19 pandemic has caused more disruption to the energy sector than any other event in recent history, leaving impacts that will be felt for years to come. The Outlook examines the impact of the said pandemic, and in particular how it affects the prospects for rapid clean energy transitions. The Outlook highlights Stated Policies Scenario (STEPS), in which COVID-19 is gradually brought under control in 2021 and the global economy returns to pre-crisis levels the same year; as well as a Delayed Recovery Scenario (DRS) designed with the same policy assumptions as in the STEPS, but a prolonged pandemic causes lasting damage to economic prospects.

Furthermore, the IEA forecasts that global energy demand rebounds to its pre-crisis level in early 2023 in the STEPS, but this may be delayed until 2025 in the event of a prolonged pandemic and deeper slump, as in the DRS. Prior to the crisis, energy demand was projected to grow by 12% between 2019 and 2030. Growth over this period is now 9% in the STEPS, and only 4% in the DRS. With demand in advanced economies on a declining trend, increases will come from emerging markets and developing economies, led by India.

Ultimately, the slower pace of energy demand growth puts downward pressure on oil and gas prices compared with pre-crisis trajectories.

The current crisis is expected to hit oil-exporting developing countries particularly hard, for two primary reasons:

- Firstly, the dependence of many of these countries on a single commodity for their exports and revenues renders them extremely vulnerable to market volatility. Although the largest share of commodity-dependent countries globally are in sub-Saharan Africa, oil and gas make up the

⁵ IMF Regional Economic Outlook: Sub-Saharan Africa, October 2020.

majority share (over 60%) of total merchandise exports in a range of developing countries, including Cameroon, Chad, Congo, and Nigeria;

- Secondly, many of these countries were in vulnerable positions already before the current crisis, and further deterioration may exacerbate existing fragilities. Over half of low and lower middle-income countries dependent on oil and gas for their exports and revenues are categorized as ‘fragile’ by the World Bank.

Dangote Cement, being a Pan-African company with operations in Nigeria, Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia, has witnessed growth across its business base in the continent in spite of the recent fall in commodity prices. Although Africa has long suffered from sluggish productivity growth and export diversification, countries such as Senegal have broadened their range of industries and products.

In Cameroon, a number of events have had an impact on economic activity and trade in goods and services in recent times: the oil crisis, the regional security crisis in the far north of the country, the COVID-19 pandemic and the competitive devaluations of the Nigerian currency. Nonetheless, Cameroon’s economy grew an estimated 4.1% in 2019 due to a dynamic tertiary sector and growth in consumption and investment. According to the AfDB Africa Economic Outlook, 2020, the inflation rate rose from 1.1% in 2018 to 2.4% in 2019, but remained below the Economic and Monetary Community of Central Africa (CEMAC) 3% limit. The fiscal deficit has been declining (3.8% of GDP in 2017, 2.5% in 2018, and 2.3% in 2019) due to fiscal consolidation in the context of the three-year plan for 2017–2019. Growth is projected to remain around 4% in 2020 before slowing to 3.4% in 2021.

According to the AfDB African Economic Outlook 2020, in the Republic of Congo, the country’s economy contracted by 2.4% in 2016 (following the expansion of the country’s economy by 2.6% in 2015). However, the economy recovered and has remained on track despite a still weak domestic environment. The growth upturn in 2018 (1.6%) accelerated slightly in 2019 to 2.2%, attributable to the oil sector, which grew 5.5%, and construction and public works, up by 0.8%.

In Ethiopia, real GDP growth slowed to an estimated 7.4% in 2019 from 7.7% in 2018, caused by social unrest and fiscal consolidation to stabilize the public debt. On the supply side, industry and services continued to lead growth in 2019. Industry was driven by construction, notably for industrial parks and infrastructure investments, according to AfDB African Economic Outlook 2020. The Ethiopian economy grew by 6.1% in the 2019/2020 fiscal year, being the weakest expansion in the country since a contraction in 2002. This was mainly, mainly due to the adverse impact of the COVID-19 pandemic. It is forecasted that, where the COVID-19 pandemic persists beyond December 2020, the projected GDP of Ethiopia will be further adversely affected. According to AfDB African Economic Outlook 2020, Ethiopia’s economy is expected to grow by 7.2% in 2021.⁶ This notwithstanding, it is anticipated that the Homegrown Economic Reform Program, which seeks to address macroeconomic imbalances and unlock structural and sectoral bottlenecks, improving governance of state-owned enterprises and strengthening institutional capacities, would boost economic growth. It is also expected that measure will be introduced to open key sectors to competition and attract private investment to sectors such as transport, logistics, manufacturing, and telecommunications.

For Ghana, the high growth momentum experienced since 2017 has consistently placed it among Africa’s 10 fastest-growing economies. It continued to expand in 2019, with real GDP growth estimated at 7.1%. Improvements in the macroeconomic environment were accompanied by expansion in domestic demand due to increased private consumption. The industrial sector, with average annual growth exceeding 10%, was a major driver of growth between 2016 - 2019. According to Ghana’s Statistical Service Rebased Quarterly GDP Bulletin (December 2020), Ghana’s real GDP was estimated to have contracted by 1.1% in Q3 of 2020, compared to the same period in 2019, but when seasonally adjusted, real GDP increased to -0.3% in Q3 of 2020 from -0.8% recorded in Q2 of 2020. Growth prospects remain positive, with increased output and stable global prices for Ghana’s main export commodities.

⁶ To be updated.

According to the AfDB Africa Economic Outlook, 2020, in South Africa, real GDP grew at an estimated 0.7% in 2019, down from 0.8% in 2018, and was projected by the AfDB to rise to 1.1% in 2020 and 1.8% in 2021 amid domestic and global downside risks. However, due to the COVID-19 pandemic, growth contracted by nearly 8.0% in 2020, driven mainly by the impact of containment measures and a decline in investment, exports, and private consumption. Although this was partially offset by reduced imports, it is projected that output will recover modestly during 2021 and maintain momentum thereafter. Notwithstanding the foregoing, high unemployment and persistent electricity shortages are likely to weigh on growth, while frail fiscal metrics and a ballooning public debt stock pose additional risks.

According to the World Bank, inflation in Tanzania fell to an estimated 3.3% in 2019 from 3.6% in 2018 due to an improved food supply. The Tanzanian shilling was fairly stable in 2019, exchanging at an average of 2,290 to the USD, compared with 2,263 in 2018. Real GDP growth was estimated at 6.8% in 2019, down slightly from 7% in 2018. A markedly diversified economy, characterized by robust private consumption, substantial public spending, strong investment growth, and an upturn in exports underpinned the positive outlook. Tourism, mining, services, construction, agriculture, and manufacturing are notable sectors. Growth is projected to be broadly stable at 6.4% in 2020 and 6.6% in 2021, subject to favorable weather, prudent fiscal management, mitigation of financial sector vulnerabilities, and implementation of reforms to improve the business environment. The government has launched a five-year development programme that seeks to achieve full industrialization of the country by 2025.

Zambia's economy was hit by drought in the south and west that lowered 2018 and 2019 agricultural production and hydropower electricity generation considerably. Severe electricity rationing followed, and long periods of electricity load shedding dampened activity in almost all its economic sectors. Economic activity is expected to remain weak, with growth rebounding moderately to 2.9% in 2021. Inflation rose from 7.5% in 2018 to 9.2% in 2019 and 16% in October 2020, according to the Zambia Statistics Agency.

According to the World Bank, the COVID-19 pandemic has exacerbated Zambia's macroeconomic vulnerabilities as the country, being Africa's second largest copper producer, has been adversely affected by the pandemic's effect on commodity markets (which saw copper prices fall by about 14% through May 2020). This has had a negatively affected Zambia's economy and production in this sector. The supply chain breakdown in major trading partners such as China and South Africa also negatively affected domestic production and consumption.

The Zambian Kwacha has depreciated by 30% since the beginning of 2020, according to the World Bank, and increasing external debt servicing costs as well as domestic inflationary pressures have further affected the economy of the copper-rich nation. In December 2020, the Zambian President, Dr. Edgar Chagwa Lungu, presented the Zambia government's 2020-2023 Economic Recovery Plan (ERP) which seeks to addresses key economic challenges in Zambia presently and provide a roadmap for far-reaching economic reforms to achieve growth, prosperity and sustainable public debt levels. Some of the targets contained in the ERP include a GDP growth rate of above 3% by 2022 and reduction in fiscal deficit to 9% or lower in 2021, amongst others.

Growth is expected to get a boost from the county's national government's medium-term strategy for inclusive growth, set out in the Seventh National Development Plan (7NDP) for 2017–22. The 7NDP identifies tourism, mining, energy, and agriculture as sectors that drive growth and create jobs and sites for economic diversification. It identifies infrastructure, access to markets, and information and communication technology as growth enablers.

Non-resource-rich countries such as Cote d'Ivoire, Ethiopia and Senegal are expected to continue to grow at more than 6%, reflecting the price trends in agricultural produce and exports. Furthermore, conflicts and civil unrest in various African countries have stunted economic growth and adversely affected economic confidence. Conflicts and tensions in various African countries arising from acts by Boko Haram and Fulani Herdsmen clashes, amongst others, have from time to time resulted in political and social instability in these regions. There have been significant efforts and successes in combatting these conflicts, such as through cross-border cooperation and coordination against Boko Haram through the Multi-National Joint

Task Force (“**MNJTF**”). In Nigeria, in October 2020, peaceful protests commenced in various states in the country condemning alleged police brutality against Nigerian civilians using the “#EndSars” slogan..

Generally, growth in the region is largely influenced by the performance of Angola, Nigeria and South Africa’s economies. Progress and economic growth in the region require substantial and well-tailored reforms to improve institutions for private sector growth. Additionally, various reforms to be executed across the region must prioritize infrastructural development and capacity building in order to strengthen domestic resource mobilization. It is expected that privatization, if implemented, will spur capital injection which will essentially help develop the region.

13. INDUSTRY OVERVIEW

13.1 INTRODUCTION

With regard to the cement manufacturing industry, Dangote Cement is Sub-Saharan Africa's leading producer with a production capacity of circa 48.6 million tonnes per annum ("Mta") operating in ten countries spread across the continent. The Company is the capacity leader in five of those countries, notably its home market Nigeria, where it has 32.3Mta, representing an estimated 64% of total industry capacity, as of December 31, 2020.

Cement is made by heating limestone with other raw materials, such as laterite and shale, to form an intermediate product, clinker. It is then ground finely with gypsum and additives or 'extenders' such as limestone, volcanic rock and fly ash to make cement.

Cement can be regarded as a form of glue that binds together other materials such as sand and aggregates, which are mixed with water to form concrete. Although cement is regarded as a homogenized product, it comes in different types and strength classes suitable for different applications. In commercial use, three main strength classes are defined according to the strength they achieve under standard conditions at 28 days. The three strength classes are 32.5, 42.5 and 52.5, which equate to Mega Pascals or Newtons per square millimeter.

The 42.5 and 52.5-strength classes of cement have more clinker and less of the extenders, making them suitable for load-bearing structures, such as large buildings and bridges. The 32.5 strength class has less clinker and more extenders, making it suitable for application in low-rise buildings and mortar. In a retail setting, the strength class will be clearly identified on a bag of cement, as illustrated in the image below.



Cement is delivered in three ways, according to the needs of the customer and the amount being sold: in standard 50kg bags, in jumbo bags of 1.0 tonne and in bulk carriers that may contain more than 30 tonnes of cement.

Although different forms of cement have existed since Greek and Roman times, the invention of Portland cement in 1824 created the product that is ubiquitous today. Given cement's characteristics of high strength at low cost, no viable substitute has since been developed for use in construction. It is impossible to create large modern buildings without copious use of cement in producing the concrete.

13.2 GLOBAL CEMENT CONSUMPTION

The ubiquity and necessity of cement is reflected in its consumption around the world, with an estimate of 4081 million tonnes ("Mta") consumed in 2019, according to the Global Cement Report 13th Edition, issued in December 2019 ("GCR 13"). Notably, there had been a steady decline in worldwide cement consumption, from 4,129Mta in 2016, to 4,056Mta in 2017 and 3,968Mta in 2018. Similarly, average per capital cement consumption continued to decline on a worldwide basis, falling to 512kg in 2018, and was 7.9 per cent lower than in 2013 (565kg).

According to GCR 13, the compound annual growth rate (CAGR) over the 2013-2018 period was 0.33%, with demand levels back to 2013 figures. The fall is largely attributable to lower consumption in China, Russia, Europe and parts of Latin America. China had been a major driver to the robust growth witnessed in the global cement industry, hence the industry was affected by the decline in China's economic activity. In Western Europe, the recessionary environment continued to undermine construction activity and Russian demand declined amidst geopolitical instability and oil price crisis. There was a mild recovery in 2019, with world demand estimated to have risen by 2.8% to 4,081Mta. Notwithstanding the foregoing, it is predicted that the global cement consumption volume will reach 4.42 billion ton in 2021, growing at an annual rate of 2.96% for the period spanning from 2018-2021.

On a per-capita basis, global consumption was 521kg in 2018, according to GCR 13. Excluding China, however, per-capita consumption equaled 289kg in 2018. Per-capita consumption of cement is an indicator of national development. On a per-capita basis, Qatar leads with consumption of 2,260kg per person recorded in 2017, which is far higher than the global average.

Higher than average per-capita consumption is typical of countries experiencing strong growth and which are building out their infrastructure. Low per-capita consumption indicates the country has yet to begin its build-out of infrastructure and housing. Consumption levels of less than 100kg per person are typical of countries in Sub-Saharan Africa, with Burundi being the lowest worldwide at just 13kg.

TOP-10 CEMENT-CONSUMING NATIONS, 2018

Rank	Country	Mta
1	China	2,168
2	India	327
3	United States	99
4	Indonesia	70
5	Turkey	67
6	Vietnam	64
7	Russia	54
8	Brazil	53
9	South Korea	52
10	Egypt	49
21	Nigeria	21

Source: International Cement Review /Global Cement Report 13th Edition, December 2019

As the COVID-19 outbreak has slowed construction in many countries, the industry has seen lower demand for its products, leading to overcapacity. According to the International Finance Corporation ("IFC"), the global cement demand is expected to shrink 3 percent year-on-year in 2020 when including China, and 6.4 percent year-on-year when excluding China. The IFC, however, noted that the overall impact of the pandemic will be unevenly distributed, with some countries more resilient than others.

13.3 GLOBAL CEMENT MANUFACTURING

GCR 13 has listed the world's largest multinational cement companies, as outlined in the table below.

TOP-10 INTERNATIONAL CEMENT MANUFACTURERS

Rank	Company	Country	Cement Capacity (Mta) in 2018	Cement Capacity in 2019
1	Anhui Conch	China	353.3	359.0
2	LafargeHolcim	Switzerland	312.9	285.9
3	HeidelbergCement	Germany	195.6	187.0
4	Ultratech Cement	India	102.8	116.8
5	Cemex	Mexico	93.0	93.1
6	Taiwan Cement Corp	Taiwan	60.4	61.0
7	Eurocement	Russia	60.05	60.1
8	CRH	Ireland	54.5	54.5
9	Votorantim	Brazil	53.4	52.8
10	Dangote Cement	Nigeria	43.6	45.6

Source: International Cement Review /Global Cement Report 13th Edition, December 2019 and Individual Company Websites

With nearly 44Mta of production as at 2018 (which increased to 45.6Mta as at 2019) including grinding and import capacity, Dangote Cement is a top-10 international manufacturer by capacity, less than a decade after it first began operations. Near-term expansion plans suggest its capacity will increase by 6Mta after the plants in Obajana and Okpella are completed. At 16.3Mta, the Obajana plant, when fully operational, will have capacity than many African countries.

13.4 THE CEMENT MARKET IN SUB-SAHARAN AFRICA

Sub-Saharan Africa is home to almost 1.1 billion people and has a population growth of approximately 2.7% per year. The United Nations estimates that by 2050, the region will have a population of more than 2.1 billion. Furthermore, Sub-Saharan Africa is experiencing greater stability, less conflict and economic growth above global averages.

Despite the recent slowing of its economies, Sub-Saharan Africa will need considerable investment in infrastructure and housing, as urbanization increases and economies diversify from dependence on agriculture, minerals and oil towards manufacturing, retail and services. Increasing personal wealth and the ongoing shift towards younger, more affluent and more mobile populations, will also increase demand for property. The combination of these drivers will see Sub-Saharan Africa's demand for cement increase significantly in the coming years.

According to GCR 13, the highest growth rates were recorded in sub-Saharan Africa at 5-6%, although the combined region represents just 101Mt of cement consumption – equal to the entire United States of America. On a per capita basis, sub-Saharan African countries have some of the lowest consumption levels worldwide. As a region, per capita cement consumption is just 91kg, compared to the global average of 521kg; indicating both the huge potential from the region in the future and the low level of development at present.

The region's key markets are Nigeria, South Africa, Ethiopia, Kenya, Tanzania and Ghana. The table below shows that Dangote Cement is present in six of the top-10 cement markets in Sub-Saharan Africa (highlighted in orange). On a per-capita basis, cement consumption in all countries are significantly below the global average (excluding China) of 286kg and therefore have strong potential for growth, particularly given the infrastructure and housing deficit across the region.

LEADING CEMENT MARKETS IN SUB-SAHARAN AFRICA

Rank	Country	2019F consumption (Mta)	2018A consumption (Mta)
1	Nigeria	22.89	21.31
2	South Africa	12.00	12.10
3	Ethiopia	7.88	7.20
4	Kenya	6.00	5.95
5	Tanzania	6.47	5.76
6	Ghana	5.66	5.30
7	Cote D'Ivoire	4.40	4.20
8	Senegal	4.06	3.90
9	Uganda	3.56	3.21
10	Cameroon	2.88	3.15
16	Zambia	2.06	1.80
24	Republic of Congo	0.82	0.70
31	Sierra Leone	0.57	0.55

Source: International Cement Review /Global Cement Report 13th Edition, December 2019 and Dangote Cement

■ Dangote Markets
■ Non-Dangote Markets

According to GCR 13, Sub-Saharan regions of East and West Africa grew robustly at 9.6% and 8.4% respectively, recording cement demand of 35.4Mta and 49.8Mta in 2018.

Cement demand is expected to grow strongly in Sub-Saharan Africa for the following reasons:

- The population is predicted to grow to 2.1 billion people by 2050, according to the UN Population Division, which indicates total market growth even if per-capita consumption remained the same. However, we expect that the per-capita consumption will increase.
- Increasing prosperity, coupled with improved access to banking and finance, will drive the building of houses and infrastructure.
- Urbanisation rates are expected to increase such that Sub-Saharan Africa's urbanized population will grow from 360 million in 2015 to 523 million in 2025 and more than 1,100 million by 2050, according to the UN Population Division.
- Sub-Saharan Africa has a low proportion of paved roads and transport infrastructure in general is poor. However, governments are committed to improvements in roads, railways, ports and airports.
- Governments will increasingly be able to raise external finance for infrastructure projects, particularly those that support mineral extraction, housing and trade.
- Economies benefit from the multiplier effects that infrastructure projects have upon GDP, which then feeds back into increased demand for cement, for example in the creation of logistics hubs on new roads.

On the supply side, it is expected that major players will continue to increase capacity and replace ageing and inefficient capacity, as population growth, increasing urbanization, infrastructure drive and rising GDP continues to drive consumption upwards.

The current drive for import substitution by key African economies is also expected to lead to an increase in overall capacity, thus significantly reducing imports in the region and contributing to the overall growth of the African cement industry. Due to insufficient domestic capacity or lack of limestone, the essential raw material, many countries in Sub-Saharan Africa rely on imports to meet demand. This is particularly true of coastal countries in West Africa, which lack sufficient native limestone for viable manufacturing and are therefore dependent on imports. Dangote Cement is the leading manufacturer in Sub-Saharan Africa, with nearly 48.6Mta of capacity across ten countries. LafargeHolcim, through its Lafarge Africa subsidiary and other operations, has 23.3Mta across 13 countries, according to the company's website (www.lafargeholcim.com). HeidelbergCement has 18 production facilities in 11 countries in sub-Saharan Africa (www.heidelbergcement.com/en/sub-saharan-africa). South African manufacturer PPC has 11.4Mta in six countries, with 7Mta in South Africa.

While COVID-19 has had an impact in Africa, it has been less severe than in many other parts of the world. Despite the pandemic, it appears that the cement and construction sectors have continued to operate with limited restrictions in most African countries. However, demand growth has been softened and the outlook for the region is very challenging. The Pan-African operations of Dangote Cement increased following the relaxation of COVID-19 restriction measures and sales volumes increased at the end of Q3 2020 by 3.7% year-on-year, despite the lockdowns and restrictions earlier in Q2 2020.

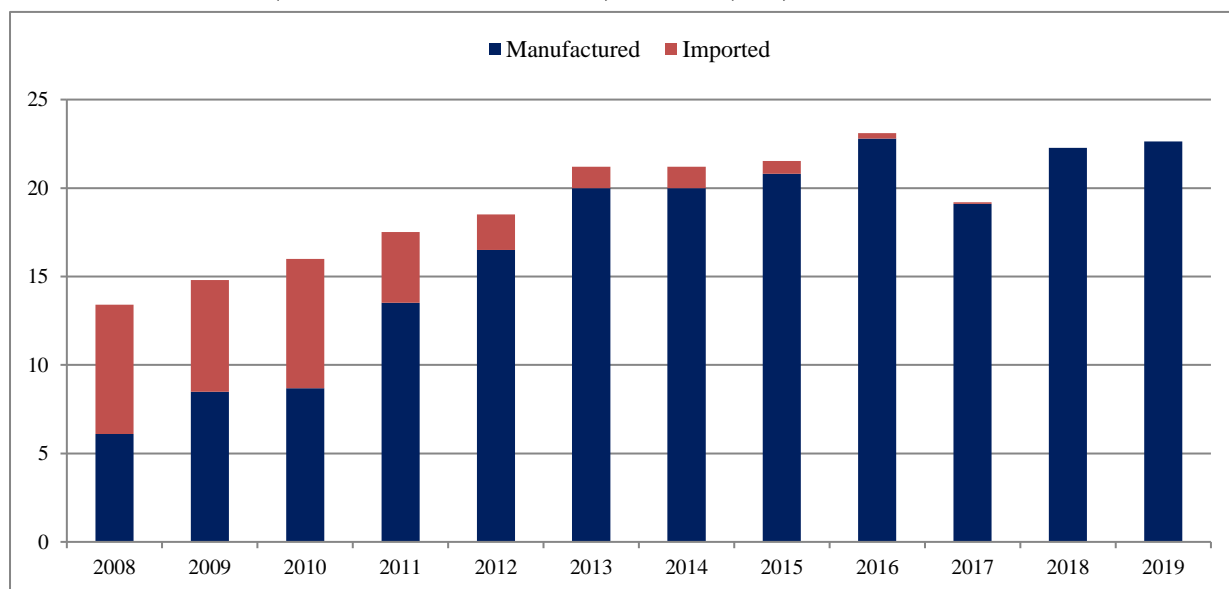
13.5 KEY MARKETS IN SUB-SAHARAN AFRICA

13.5.1 NIGERIA

Nigeria is the largest market for cement in Sub-Saharan Africa and a highly attractive production centre, having significant limestone deposit close to demand centres and a good economic prospects that will enable its population of closely two hundred million people to increase their consumption of cement in the coming decades. Nigeria consumed approximately 21.07Mta in 2018, according to GCR 13. This is estimated to be 13.1% higher than the previous year's volumes, given the major decline that occurred in 2017. As depicted in the chart below, Nigeria was historically a major importer of cement until key industry players, notably Dangote Cement, increased installed capacity in 2012.

2017 marked the last year of imports, given the reputation Nigeria has for being one of the best world export markets for the international cement industry. In 2018, Nigeria recorded exports of 0.97Mta, an improvement from the 0.3Mta recorded in 2016. Dangote has also recorded a major increase in exports with the recently opened marine export facilities in Lagos and Port Harcourt. As at the nine months ended September 30, 2020, Dangote had exported 174KT of clinkers to West and Central Africa from the Lagos terminal with the maiden export occurring at the end of June 2020. In late 2019, Nigeria closed its land borders over concerns about illegal exports of price-controlled gasoline and illegal imports of food stocks such as rice and poultry and to boost local production. The Federal Government reopened the country's land borders in December 2020.

NIGERIAN CEMENT SALES (MANUFACTURED AND IMPORTED) 2008-2019 (MTA)



Source: *International Cement Review /Global Cement Report 13th Edition, December 2019*

13.5.1.1 CEMENT MANUFACTURING IN NIGERIA

Nigeria has experienced significant growth in its installed capacity over the past two decades, transforming the industry from an importer to a net exporter. Prior to 1981, Nigeria had only eight cement plants with total capacity of 3.7Mta. Between 1981 and 2000, no new cement plants were commissioned.

In 2002, the government introduced the Backward Integration Policy (“BIP”), a protective policy that banned the importation of bulk cement, following the ban on bagged cement in 2001. The introduction of BIP, led to the construction of more cement plants, as producers acquired and expanded previous government owned plants, as well as new greenfield cement plants.

Between 2002 and 2019, installed capacity grew from a base of 3.67Mta to 48.7Mta across ten cement plants. As at 2020, the total installed capacity stands at approximately 50.9Mta, as detailed below. This growth has been driven primarily by Dangote Cement and Lafarge Africa whose current capacity stands at 32.3Mta (64% of total capacity) and 10.5Mta (21% of total capacity) respectively.

With 21Mta of production in 2018, this implies capacity utilisation of about 43%.⁷

Nigeria’s cement industry is largely oligopolistic in nature, with three companies controlling more than 98% of the market. According to GCR 13, the largest player in the market is Dangote Cement, accounting for 64% of installed capacity. Lafarge Africa accounts for 21% of installed capacity, while BUA accounts for 19% of installed capacity.

⁷ To be updated with more recent information

NIGERIAN CEMENT PRODUCTION CAPACITY, 2020 (MILLION TONNES PER ANNUM)

Company	Site	Capacity (Mta)	% of total
Dangote	Obajana	16.3	32.0%
	Ibese	12.0	23.6%
	Gboko	4.0	7.9%
Lafarge Africa	Unicem	5.0	9.8%
	Ewekoro/Sagamu	4.5	8.8%
	Ashaka	1.0	2.0%
BUA	Okpella	3.0	5.9%
	Obu	3.0	5.9%
	Kalambaina	1.5	2.9%
Purecem	Sokoto	0.5	1.0%
	Itori	0.1	0.2%
TOTAL		50.9	100%

Source: International Cement Review /Global Cement Report 13th Edition, December 2019 and Dangote Cement

In terms of planned expansion projects and new integrated plants, Dangote Cement in 2020 expanded the Obajana plant by 3Mta (subsequent to the expansion by a further 3Mta in late 2014); and established a new plant at Okpella, Edo state with 3Mta capacity. Other cement manufacturers have also announced new projects and planned expansions that are expected to increase capacity in Nigeria.

13.5.1.2 MARKET ATTRACTIVENESS

Nigeria is an attractive place to manufacture cement for the following reasons:

- It has a large and growing population and urbanisation is increasing (at 50% as at December 2019), thus driving the need for housing and higher-rise buildings.
- Prosperity is increasing, as is access to financing for housing and infrastructure.
- Per-capita consumption is low, at about 97kg, with strong potential to increase (just c.19% of global average per-capita consumption).
- Nigeria has abundant limestone resources close to major demand centres.
- It has gas and/or coal near to sites of cement production, which is a fuel-intensive process.
- The BIP stimulated the cement industry by providing five-year tax holidays for new cement production lines, exemptions from VAT and import taxes on equipment. However, the eligibility of the cement industry for these incentives under the Pioneer Status Incentive (PSI) scheme ceased in August 2020.
- The Federal Government has indicated a strong commitment to capital expenditure and infrastructure in its 2021 Budget and the NESP, which was approved in June 2020, to serve as a transition from the Economic Recovery & Growth Plan and the successor plan currently in development, as well as provide a plan for economic recovery post the COVID-19 pandemic.
- Nigeria has a shortage of approximately 17 million homes, according to the 2016 International Bank for Reconstruction and Development/World Bank report, with cement being a key ingredient of blocks used to make them (the clay brick industry is not well developed in Nigeria).

- Importation of bulk cement is banned as part of the BIP.
- Limestone is largely absent from neighboring countries such as Ghana, Cameroon and many countries in the Economic Community of West African States (“ECOWAS”), making them obligatory importers of cement or clinker.
- Exports to neighbouring countries are free of duties within the ECOWAS and profits from exports, in accordance with the CITA, are exempted from tax within Nigeria. In addition, exporters receive Export Expansion Grants ranging between 5% to 15% of the annual export value.

13.5.1.3 ABUNDANT RAW MATERIALS

Nigeria has most of the raw materials required for cement production in commercial quantities. Limestone, the major raw material used in the manufacture of cement is found in many states in Nigeria, with extensive deposits in Sokoto, Gombe, Benue, Kogi, Edo, Oyo, Ogun and Cross River states. These deposits support cement plants in the country, with a notable cluster of manufacturing in Ogun State where Dangote Cement, Lafarge Africa and PureCem have plants in close proximity. Overall, the resource base of the known limestone deposits is about 2.3 trillion Mta with 568 million Mta of proven reserves. It takes approximately 1.5-1.6 tonnes of limestone to make a tonne of clinker.

Other essential materials include laterite, shale and clay, which are mixed with limestone before heating in the kiln to form clinker. Cement factories are usually located in places where these materials are found and close to sources of limestone. For example, Dangote Cement’s four factories in the three locations in Nigeria are self-sufficient in the basic raw materials needed for cement production.

Gypsum is an important input for the manufacture and production of cement, accounting for about 4% of the total raw materials required. It is added to clinker and other extenders at the final stage of production, as the cement powder is ground for packing. Gypsum is essential to control the rate at which cement hardens after water is introduced. Without it, cement would set quite rapidly after hydration and this would make it difficult to use cement to create concrete that needs to be mixed, transported and poured before setting. At present, Nigeria’s cement manufacturers rely on imported gypsum, as the gypsum mining industry is not particularly well developed in the country.

13.5.1.4 NIGERIA CEMENT MARKET DRIVERS

MASS HOUSING PROGRAMME

The Federal Government has stated that the Mass Housing Programme will deliver up to 300,000 homes every year. Under this programme, young professionals and artisans will organise themselves into small and medium scale co-operative businesses within the construction industry, to develop these houses, based on a set of standardized designs. This programme will also prioritize the use of local labour and materials.

According to GCR 13, housing accounts for as high as 95% of all construction. Beyond large-scale house building projects, much of Nigeria’s cement demand in recent years has been sustained by small-scale building and individual housebuilders, accounting for about 50% of the market. Because Nigeria lacks a large-scale clay brick industry, cement is widely used in block making, where the cement gives strength to concrete blocks made by the millions in what is essentially an artisan industry.

PUBLIC WORKS AND ROAD CONSTRUCTION PROGRAMME

One of the major infrastructure challenges that Nigeria faces today is lack of good-quality roads. The road network in Nigeria is still considered to be grossly inadequate.

The Federal Government, through the NESP, has unveiled plans for the largest public works and road construction programme in the history of Nigeria. The project will involve recruiting a minimum of 1,000 young Nigerians per local government, which will amount to 774,000 direct jobs. There will also be extensive focus on the construction and repair of major and rural roads using locally available materials,

such as limestone, cement and granite. The roads component will include the acceleration and expansion of scope of the Road Infrastructure Tax Credit Scheme (RITCS).

Virtually all the roads in Nigeria were made using asphalt and bitumen and road maintenance uses the same materials and techniques. However, given the poor state of Nigeria's roads, there is increasing recognition by the Federal Government that concrete roads can provide a more durable, lower-maintenance alternative to asphalt roads. Nigeria's cement manufacturers and their trade association, the Cement Manufacturers' Association of Nigeria, have encouraged the Federal Government to embrace concrete roads. Dangote Cement has built a number of demonstrator roads using concrete, notably on the approach to its Ibese plant in Ogun State. In addition, Dangote Cement is collaborating with Flour Mills Nigeria Plc. to rebuild the Apapa-Oshodi expressway terminating at Ojota using concrete. The road is being constructed under a public private partnership arrangement.

In 2020, a number of state governments undertook capital raising activities in order to raise funds for the establishment, development and/or rehabilitation of various infrastructure projects in their respective states. In 2021, the Federal Government of Nigeria intends to focus on the completion of as many ongoing infrastructure projects as possible.

13.5.1.6 OUTLOOK FOR NIGERIAN CEMENT CONSUMPTION

Despite Nigeria outranking almost all Sub-Saharan countries in terms of Gross National Income per capita, the cement consumption per capita is much lower. Cement consumption has remained low, despite the huge latent demand for housing and infrastructure.

Demand rose by 5.7% in 2016, while the country was in recession. This was driven, to a large extent, by price cuts implemented by Dangote Cement in 2015, thereby stimulating demand in the first eight months of 2016. Demand was subsequently dampened by the price increases outlined above. In 2017, a slowdown in the economy resulted in an 18% drop in cement demand, which subsequently rebounded in 2018 to 21Mta. At the end of 2019, cement demand was up 2% on the 2018 21Mta estimate, with continued growth forecast to 2020.

The increase in 2019 cement demand was driven by GDP and population growth; two factors which continued to witness significant growth despite the uncertainties that came with COVID-19 in 2020. Dangote Cement's sales volume in Nigeria increased by 10.2% year-on-year at the end of Q3 2020. According to GCR 13, ample limestone reserves have led to sustained growth in capacity for many years. A number of new integrated plants or expansion projects that have been announced by BUA Cement, International Cement, NigerCem, AshakaCem and Southport Cement, are expected to increase industry capacity to over 70Mta upon completion.

KEY CEMENT STATISTICS

Nigeria (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	22.60	18.60	21.31	22.89	25.60
Production	22.60	19.20	22.00	23.15	24.95
Export	0.30	0.70	0.97	0.60	0.15
Import	0.30	0.10	0.00	0.00	0.00
GDP growth %	-1.6%	0.8%	1.9%	2.2% *	-4.3%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

13.5.2 South Africa

South Africa's economy entered into a recession in 2018, after it recorded a decline of 2.7% and 0.5% in the first and second quarters respectively. However, the economy showed signs of recovery thereafter and the recovery posted in subsequent quarters (2.6% in Q3 and 1.4% in Q4), turned the overall growth for the

year positive. According to GDP figures, the construction industry experienced its worst year in two decades in 2018, with production down by 1.2%, representing the biggest annual fall since 1999.

At the end of 2018, domestic cement production in South Africa stood at an estimated 13.0Mta according to the GCR 13. This shows a slow but steady increase on the 11.9Mta produced by South Africa in 2012. South African building firms have struggled with weak demand that reflects the state of South Africa's economy and muted GDP growth. According to the AfDB, following an economic contraction of 1.4% in Q4 2019, the outlook of economic growth remains uncertain in view of factors related to electricity supply and financial crisis within major state owned enterprises. In 2019, South Africa witnessed a real GDP growth of 0.2% - the lowest rate in a decade.

There was a sharp decline in construction output in South Africa in Q2 2020 amid the COVID-19 pandemic. According to Statistics South Africa, the construction industry experienced its eighth consecutive quarter of economic decline, slumping further by 76.6% on an annualized basis. Therefore, there was negative growth in the cement market due to the status of the economy.

13.5.2.1 MANUFACTURING

South Africa's cement industry is dominated by seven producers with a combined total of about 16.8Mta capacity, according to the Company. According to the Company, local manufacturer PPC tops the table with 6.0Mta of capacity, followed by Afrisam (3.0Mta), Lafarge (2.2Mta) and Dangote Cement South Africa (2.8Mta). NPC Cimpor and Mamba Cement have capacities of 1.8Mta and 1.0Mta respectively. South Africa has several aging production facilities, with kilns at PPC, AfriSam Cement and LafargeHolcim having an average age of thirty-two years. This reduces their efficiency and increases maintenance costs. Older kilns need to be retired and others modernized if the industry is to maintain capacity.

13.5.2.2 OUTLOOK FOR CEMENT CONSUMPTION IN SOUTH-AFRICA

South Africa's cement market will experience little growth in the short term, according to estimates in the GCR 13, given the downgraded economic growth forecasts, although cement sales are expected to outpace the economy slightly, driven by:

- Continued public sector investments in infrastructure;
- Rapid urbanization, with approximately 66% urban dwellers;
- Initiatives to encourage private sector spending on infrastructure;
- A rapidly growing middle-class population; and
- Rising income levels.

DCP SA 9M 2020 sales were up 7% year on year, mainly due to a surge in home improvements post the COVID-19 pandemic lockdown.

KEY CEMENT STATISTICS

South Africa (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	13.04	12.95	12.10	12.00	13.20
Production	13.59	13.17	12.52	12.40	13.45
Export	0.94	0.78	0.75	0.60	0.55
Import	0.39	0.56	0.93	1.00	0.30
GDP growth	0.4%	1.4%	0.8%	0.2%*	-8.0%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote
IMF Regional Economic Outlook, October 2020

*actual GDP growth

13.5.3 Cameroon

The economy of Cameroon has grown strongly over the past few years, driven by the oil and gas industries as well as mineral extraction. However, a slowdown in these industries dampened economic activity in 2016, recording 4.6% GDP growth and this declined to 3.5% in 2017, before it rose to 4.0% in 2018. The Cameroon economy is expected to have achieved 4.0% growth in 2019, supporting good demand for cement, driven by housing and infrastructure projects. The resumption of stadiums, roads, hotels, and other construction projects for the preparation of 2022 African Cup of Nations is also expected to support demand.⁸

With a population of 25.6m and urbanisation of 56%, according to GCR 13, housing (especially lower-cost housing) is an important driver of cement demand in the country. The government is also investing in power infrastructure and work has begun on a US\$1.2 billion hydroelectric plant in Nachtigal, scheduled to go live in 2021. Further investment funded by a loan from the International Bank for Reconstruction & Development will be devoted to improving Cameroon's electricity grid.

13.5.3.1 CEMENT INDUSTRY IN CAMEROON

With insufficient limestone to support large-scale cement manufacturing, Cameroon has historically been a major importer of cement, typically imported in bulk form. In 2014, the Government announced that it would suspend imports of bulk and bagged cement, in order to protect the local industry and jobs, effective from January 2016, providing an immediate need for import substitution.

The cement industry has expanded rapidly in recent years, with the top three largest cement producers being Cimenteries du Cameroon (LafargeHolcim), Dangote Cement and Mira Cement at 2.0Mta, 1.5Mta and 0.6Mta capacity respectively. Cameroon witnessed an estimated total market sale of 2.6Mt of cement for 9M 2020 with the Company accounting for 1Mt of sales for the same period. This represents an 18% increase in sales by DCP compared to the same period in 2019. Dangote Cement is estimated to have had a 39% market share for the period. Cameroon is also expected to serve as a base for exports to Chad, Central African Republic and Gabon.

13.5.3.2 OUTLOOK FOR CEMENT CONSUMPTION IN CAMEROON

According to GCR 13, Cameroon is in considerable need of infrastructure and more social housing, with cement demand forecasted to increase by 5.3% to 3Mta in 2019 and 3.2Mta in 2020. The government's social housing plans are inadequate in addressing the country's housing shortage. In March 2018, the housing minister reported that 800 houses of the 1000 low-cost houses announced by the government in 2014 are still under construction, hence it is expected that the ongoing construction will promote demand.

Continuing expenditure on infrastructure and housing is likely to support growth in cement demand for the foreseeable future. The ban on imported bulk cement will, however, shift the balance towards clinker grinding, with clinker coming from countries such as Spain, Taiwan and Nigeria.

KEY CEMENT STATISTICS

Cameroon (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	2.50	2.70	3.15	2.88	3.44
Production	2.34	2.56	2.82	3.00	3.20
Export	0.02	0.06	0.03	0.03	0.03
Import	1.99	1.97	2.23	2.25	2.26
GDP Growth	4.6%	3.5%	4.1%	3.9%*	-2.8%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

⁸ The tournament was scheduled to hold in 2021 but was postponed to January 2022, due to the COVID-19 pandemic.

13.5.4 Republic of Congo

The Republic of Congo has abundant natural resources that can support a thriving economy and new oilfields will support further growth in the country in the coming years. In addition, Congo's non-oil sector is expanding, providing essential diversification away from resources that may be affected by global macro-economic trends.

Economic growth and increased urbanisation have supported a construction boom for homes, infrastructure and public buildings, which has led to a fast-growing cement market. Per-capita consumption is recorded at 150kg, according to GCR 13.

13.5.4.1 CEMENT INDUSTRY IN THE REPUBLIC OF CONGO

The cement industry is small in the Republic of Congo and as at the end of June 2017, four manufacturers (SONOCC, Forspak, Diamond Cement and CIMAFA) had a combined total of 1.7Mta. Dangote Cement's new 1.5Mta plant at Mfila almost doubled capacity when it began operations in September 2017. The increase in total capacity to 3.2Mta, as well as the ban of cement imports in 2017 have been primary drivers in the cessation of cement importation in the Republic of Congo.

As detailed in the table below, the GCR 13 forecasts muted growth in total consumption, but this will involve a significant shift from imports to local production. It is expected that surplus production will be exported to the neighbouring country of the Democratic Republic of Congo.

KEY CEMENT STATISTICS

Congo (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	1.20	0.75	0.70	0.82	0.79
Production	0.80	0.80	0.80	1.00	1.09
Export	0.00	0.05	0.10	0.20	0.30
Import	0.40	0	0	0	0
GDP growth	-10.7%	-4.4%	-6.4%	-0.6%	-7.0%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement

IMF Regional Economic Outlook, October 2020

*actual GDP growth

Dangote Cement's 1.5Mta integrated plant in Mfila sold 243Kt of cement for the full year 2019, up 11.5% compared to the full year 2018. The market share for the fourth quarter of 2019 stood at 33%. This figure increased to 38% for 9M 2020. Congo witnessed an estimated total market sale of 707Kt of cement 9M 2020. The Company accounted for 269Kt of cement sold within the said period, representing a 55% increase compared to 9M 2019.

13.5.5 Ethiopia

Ethiopia is one of Sub-Saharan Africa's fastest-growing economies and its second most populous nation. The first decade of the millennium saw Ethiopia's economy achieving double digit growth every year and, in 2015, GDP growth reached 10.4%, before declining to an estimated 8% in 2016 as a result of the drought which severely affected the country, given its heavy reliance on agriculture. Despite this, the economy posted a recovery in 2018 and 2019 with a growth of 7.7%.

The Ethiopian government aims to transform the country into a middle-income economy by 2025, focusing on growth in agriculture and exports, industry and services, based on its Growth and Transformation Plan II ("GTP II"), which covers 2015 to 2020. Central to the GTP II is large-scale public investment in infrastructure, principally in the power sector, with the aim of increasing capacity tenfold to 20GW by 2022, including the completion of the 6GW Grand Ethiopian Renaissance Dam. The GTP II also aims to extend Ethiopia's road network from 98,000km to 180,000km and improve rail links with 5,000km of new lines.

In the housing sector, Ethiopia has enjoyed a construction boom, with state investment in large housing developments being supported by private investment in these and other real estate projects. The Ministry of Urban Development, Housing and Construction aimed to build 2.4 million houses between 2015 and 2020.

As a result of the country's strong economic growth, cement consumption in Ethiopia has been growing immensely, rising from 3.9Mta in 2010 to an estimated 8.3Mta in 2016 and 9.1Mta in 2018. However, per-capita consumption remains low at 84kg.

13.5.5.1 CEMENT INDUSTRY IN ETHIOPIA

Dangote Cement reports sets the composition of the country's cement capacity at nearly 14.0Mta, with majority of the market controlled by Dangote Cement (2.45Mta), Derba Midroc (2.3Mta), Mugher Cement (2.2Mta), Messebo Cement (2.1Mta) and Habesha Cement (1.4Mta). Beyond these, many other cement manufacturers in Ethiopia are small-scale and use a vertical kiln technology that sets them at a disadvantage to the larger manufacturers in terms of cost and quality.

13.5.5.2 OUTLOOK FOR ETHIOPIAN CEMENT CONSUMPTION

GCR 13 forecasts continuing good growth in Ethiopia, from an estimated 8.3Mta in 2016 to nearly 9.1Mta in 2018. Given the level of surplus capacity in Ethiopia, there is increasing potential for exports to countries including South Sudan, Kenya, Uganda, Somalia and Djibouti.

KEY CEMENT STATISTICS

Ethiopia (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	8.34	8.81	7.20	7.88	7.80
Production	8.54	9.08	9.49	10.12	10.87
Export	0.34	0.26	0.39	0.41	0.45
Import	0.00	0.00	0.00	0.00	0.00
GDP growth	8.0%	10.2%	7.7%	9.0%*	1.9%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

In 2019, Dangote Cement was estimated to have a market share of about 25.8% in Ethiopia. This shows a decline from 27.0% to 25.8% when compared to the 2018 figures. The performance is attributed largely to the shortages of limestone due to technical challenges and power rationing. The market share increased considerably for 9M 2020 and stood at 29% for the period.

13.5.6 Ghana

Ghana experienced relatively consistent economic growth and political stability until the slow-down in 2014, caused by falling commodity prices and a depreciation of the Cedi. Ghana continues to have major development needs due to poor basic infrastructure and a severe housing shortage. However, recovery in economic growth should positively impact the construction industry. The economy is well diversified, with agriculture accounting for 20% of output and resource extraction (including oil) contributing 10%. Cocoa, oil and gold make up 75% of exports.

Cement consumption in 2018 was around 6.4Mta, up from approximately 5.7Mta in 2016. This represents a per-capita consumption of 205kg, which is high for Sub-Saharan Africa and significantly higher than the 97kg consumption per person in Nigeria.

Concrete block manufacturers, small construction firms and individuals represent more than 30% of the market, with industrial consumers accounting for 20% of demand. Public works and infrastructure account for the balance of cement consumption in Ghana.

13.5.6.1 CEMENT INDUSTRY IN GHANA

Ghana has very little native limestone and is therefore obliged to import most of its requirements as bulk cement or clinker for local grinding. Dangote Cement reports show capacity totaling 11.6Mta, including Ghacem (4.4Mta, grinding), Diamond Cement (3.2Mta, grinding), Dangote Cement (1.5Mta), CIMAF (1.2Mta, grinding), CBI (0.5Mta, grinding) and Xin An Safe Cement (0.23Mta, grinding). According to the GCR 13, cement imports rose from 1.69Mta in 2016 to 1.96Mta in 2017 before falling to 1.36Mta in 2018. Clinker imports also rose from 2.89Mta in 2016 to 3.66Mta in 2017 and remained stable in 2018.

Given that the main cost of cement in Ghana is the cost of the imported clinker, the local price has been very much influenced by the exchange rate. However, according to the GCR 13, the price of cement in Ghana remains low as a result of improving economic conditions and Dangote's aggressive pricing policies which led to a price war among Ghana's cement companies.

13.5.6.2 OUTLOOK FOR CEMENT CONSUMPTION IN GHANA

The outlook for cement demand is positive in the coming years, driven by strong GDP growth to support the expanding oil and gas industries, as well as new housing projects. Consumption is forecasted to reach 7.1Mta in 2020. According to GCR 13, the cement industry has an excess capacity which could take many years to be absorbed and this will keep pricing low.

KEY CEMENT STATISTICS

Ghana (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	6.00	5.90	5.30	5.66	7.10
Production	4.31	3.94	4.99	5.99	6.41
Export	0.08	0.10	0.10	0.10	0.10
Import	4.58	5.62	5.02	4.89	5.18
GDP growth	3.4%	8.1%	6.3%	6.5%*	0.9%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

Dangote Cement Ghana sold over 500Kt of cement for the full year 2019, down 34% compared to the full year 2018 owing to strategic intent to focus on profitable markets. The market share for the 9M ended September 30, 2020 stood at 6%.

13.5.7 Senegal

The Senegalese economy is among the fastest growing in the region, with a growth of more than 6% expected to continue in the near term. The recent discovery of significant offshore oil reserves will add to economic growth when production begins in the early 2020s, though it is anticipated that supporting infrastructure will help to generate demand for cement in the meantime.

Key drivers of the cement industry in Senegal include urban developments to cater for a growing population as well as significant infrastructure development in the power, transport and educational sectors. The construction industry has also been helped by the introduction of a simplified procedure for obtaining planning permits in 2014. The market continues to grow, supported by a growing middle class and the decentralisation initiative taken by the Government, enabling several new cities and zones to be built.

13.5.7.1 CEMENT INDUSTRY IN SENEGAL

Unlike many of its neighbours, Senegal has abundant limestone and is therefore a regional production centre, serving both domestic and export markets, notably Mali, which imported nearly 1.9Mta in 2016.

Dangote Cement reports indicate a total market capacity of approximately 8.2Mta in Senegal. The leading manufacturers are Sococim, with a cement capacity of about 3.5Mta, Ciments du Sahel with a capacity of 3.2Mta and Dangote Cement with a cement capacity of 1.5Mta. According to GCR 13, Domestic consumption was estimated at nearly 3.3Mta in 2016, but nearly 6.2Mta of production generated an

additional 2.9Mta in exports. On a per-capita basis, Senegal consumed 247kg in 2017 and 261kg in 2018, which is high for the West Africa region, and higher than Nigeria's 97kg consumption per person. Dangote Cement's sales from the 1.5Mta plant in Pout increased by 8.4% to more than 1.4Mt in the full year 2019, with the plant's output continuing to exceed its rated capacity. Market share improved to 23% in 2019 from 19% in 2018; and remained at 23% for the 9M 2020.

13.5.7.2 OUTLOOK FOR CEMENT CONSUMPTION IN SENEGAL

Local demand is estimated to have increased to more than 4.25Mta in 2018. According to Dangote Cement reports, per capita consumption stood at approximately 247kg/person in 2019 with total consumption at 4.06Mta.

KEY CEMENT STATISTICS

Senegal (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	3.70	3.90	3.90	4.06	4.80
Production	6.33	6.43	6.78	6.90	6.60
Export	2.87	2.53	2.73	2.70	2.20
Import	0.24	0.33	0.52	0.50	0.40
GDP growth	6.4%	7.4%	6.4%	5.3%*	-0.7%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

13.5.8 Sierra Leone

The economy of Sierra Leone, which had grown quickly over many years because of mining, is now recovering from the serious downturn caused by the Ebola crisis and its impact on the mining industry. The economy contracted by more than 20% in 2016, according to the IMF, with overall output levels expected to take a few years to recover.

13.5.8.1 CEMENT INDUSTRY IN SIERRA LEONE

Following the drop in demand to 0.45Mta in 2015, on the back of the Ebola crisis, cement consumption rebounded to 0.78Mta in 2017. However, there has been minimal construction activity since the Ebola epidemic struck in March 2014, particularly road construction, which was one of the key drivers of cement demand in the country. Economic activity has increased slightly following the end of the Ebola crisis and the provision of a relief package by the IMF. However, consumption remains low. The government has removed import duties on bagged cement in order to support increased building activity.

According to Dangote Cement reports, HeidelbergCement-owned Sierra Leone Cement (trading as Leocem) has a grinding and bagging facility with a capacity of 0.6Mta in Freetown. Dangote Cement currently has an import and bagging plant with 0.6Mta capacity. For the 9M ended 2020, Dangote Cement had a market share of 30%.

KEY CEMENT STATISTICS

Sierra Leone (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	0.66	0.78	0.55	0.57	0.75
Production	0.28	0.31	0.31	0.35	0.39
Export	0.00	0.00	0.00	0.00	0.00
Import	0.59	0.70	0.5329	0.58	0.65
GDP growth	6.4%	3.8%	3.5%	5.4%*	-3.1%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

13.5.9 Tanzania

Tanzania's economy has continued to record significant growth rates over the past fifteen years, driven by rising exports, primarily gold, and an increasing number of tourists. The country's prolonged period of economic growth and political stability has contributed to a healthy cement demand over the recent years.

Projects underway in Tanzania include the expansion of road networks and other transport infrastructure. A notable project is the 2,561km railway linking Dar es Salaam, the capital, to inland neighbours including the Democratic Republic of Congo, Rwanda, Burundi and Uganda, which is expected to be completed by 2024. Additional railway projects will serve mining industries in the north and south of the country.

The recent discovery of huge reserves of natural gas (50trnft³) will provide further economic expansion, as gas fields come onstream over the next few years. The gas fields will be served by new pipelines, including a 542km pipe from Mtwara to Dar es Salaam, and the gas will be used to power electricity generation at new gas-fired power stations near the capital. With these new stations online, national capacity will be 3,000MW, although the government hopes to increase generating power to 10,000MW in the next few years, with associated benefits for industry and housing that will undoubtedly be reflected in GDP growth. Tanzania also experiences an estimated deficit of 3 million housing units, with the government announcing its intention to construct 30,000 affordable houses across the country. This is in line with the plans to improve infrastructure, including roads, schools and health centres.

13.5.8.2 CEMENT INDUSTRY IN TANZANIA

Cement demand in the country has grown steadily from 2.7Mta in 2012 to an estimated 4.8Mta in 2016, with cement production rising 12.7% to 5.02Mta in 2018, according to the GCR 13. This represents just 78kg consumption per person, suggesting that with, even with good economic growth, consumption would need to increase substantially to reach levels seen in countries such as Senegal (247kg) and Ghana (205kg).

In terms of production, there are five producers with more than 1Mta capacity. Dangote Cement is the largest manufacturer by capacity, with its 3.0Mta integrated plant in Mtwara, in the south of Tanzania, which opened in February 2016.

Other producers include Tanzania Portland Cement Co Limited (TPCC) at 1.90Mta, Huaxin Cement with 1.6Mta capacity, Tanga Cement Co. Limited with 1.25Mta and Mbeya with 1.1Mta.

According to Dangote Cement reports, total installed cement capacity in Tanzania currently stands at 10.1Mta. Given the recent capacity building by cement companies, imports are expected to cease, with a potential for increased export for surplus capacity. Key export markets include Burundi, Rwanda, and the Democratic Republic of Congo. However, this is hindered by high cost of transport and excess capacity in some of the competing countries such as Kenya and Uganda.

13.5.8.3 OUTLOOK FOR CEMENT CONSUMPTION IN TANZANIA

Strong GDP growth, as well as Tanzania's newly discovered gas reserves and its proximity to six landlocked countries, to which it is building transport links, will support growth in cement consumption for the foreseeable future.

KEY CEMENT STATISTICS

Tanzania (Mta)	2016A	2017A	2018A	2020F	2020F
Consumption	4.40	4.49	5.76	6.475.33	5.59
Production	4.40	4.45	5.02	5.43	5.79
Export	0.22	0.19	0.09	0.13	0.22
Import	0.52	0.25	0.29	0.15	1.15
GDP growth	6.9%	6.8%	7.0%	7.0%*	1.9%

Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020

*actual GDP growth

For the period ended September 30, 2020, Dangote Cement's market in Tanzania share stood at 19%.

13.5.9 Zambia

Zambia's economy has experienced a slowdown from the strong growth of previous years. After a decade averaging 6.7% growth, falling commodity prices, power shortages and the devaluation of the Kwacha were significant factors in GDP growth falling from 7.6% in 2012 to 3.0% in 2016, before a mild recovery of 3.4% in 2017 and an estimated 4.0% in 2018. GDP growth slowed to an estimated 2% in 2019, down from 4.0% in 2018.

Zambia has witnessed significant construction growth fueled by demand from mining, shopping centers, infrastructure development, residential buildings and offices. It is estimated that Zambia has a deficit of about 1 million housing units, thus will require 110,000 units per year to clear the backlog over the next ten years. The government is also committed to infrastructure developments, particularly road networks as well as the five-year strategic plan of the National Airports Corporation to upgrade and expand the airports to meet international standards. The government have started significant projects, such as the international airports of Lusaka and Ndola, dams and road infrastructures.

13.5.9.1 CEMENT INDUSTRY IN ZAMBIA

Cement demand has continued to grow on the back of the infrastructure drive, with consumption growing from 1.6Mta in 2017 to 2.1Mta in 2018, representing a per-capita consumption of 98kg in 2017 to 119kg in 2018, according to GCR 13.

According to the Company, Zambia has five cement producers with a total capacity of 4.9Mta. The country has large deposits of high quality limestone near Lusaka, the capital, and in the Copperbelt region, where Dangote Cement operates its 1.5Mta plant at Ndola. This is the largest cement plant in the country. Lafarge Cement Zambia operates two plants totaling 1.5Mta, which are near Lusaka and Ndola. Sinoma Mpande Limestone also has a capacity of 1.0Mta. Smaller producers of cement include Zambezi Portland Cement with a capacity of 0.53Mta, Great Wall with a capacity of 0.3Mta and Scirocco Enterprises, with a capacity of 0.10Mta. Given the country's capacity and its proximity to the border of the Democratic Republic of Congo, Zambia exported above 0.52Mta of cement in 2018, according to the GCR 13. Dangote Cement controls an estimated 29% market share for the 9M 2020 period.

13.5.9.2 OUTLOOK FOR CEMENT CONSUMPTION IN ZAMBIA

The Zambian government have announced measures to improve debt sustainability and bolster investor confidence, which include an indefinite postponement of new infrastructure projects, and this is expected to subdue cement demands. However, the private sector continues to remain strong and may drive demand.

KEY CEMENT STATISTICS

Zambia (Mta)	2016A	2017A	2018E	2019F	2020F
Consumption	1.43	1.60	1.80	2.06	2.30
Production	1.82	1.98	2.60	2.89	3.04
Export	0.40	0.39	0.52	0.70	0.75
Import	0.01	0.00	0.02	0.01	0.01
GDP growth	3.8%	3.5%	4.0%	1.4%*	-4.8%

*Source: International Cement Review, Global Cement Report 13th Edition, December 2019 and Dangote Cement
IMF Regional Economic Outlook, October 2020*

**actual GDP growth*

14. DANGOTE CEMENT PLC

14.1 BUSINESS DESCRIPTION

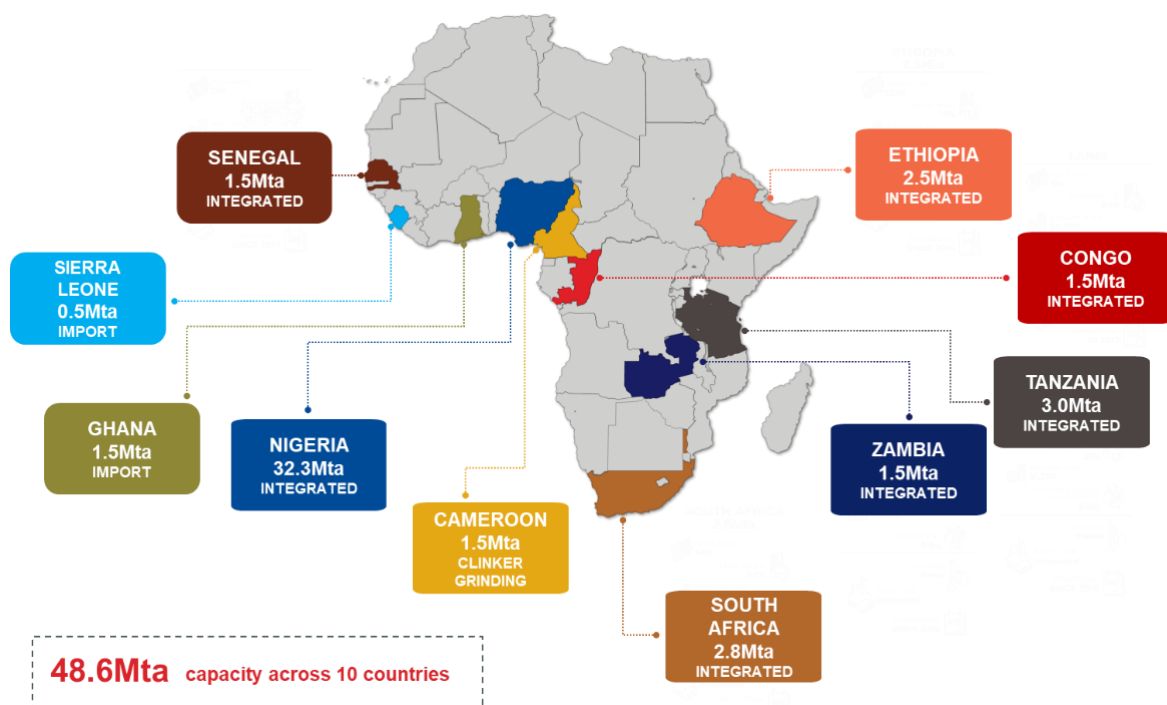
Dangote Cement PLC was incorporated as a public limited liability company on 4th November 1992 as Obajana Cement PLC. The Company changed its name from Obajana Cement PLC to Dangote Cement PLC on 14th July 2010. The Company commenced operations in January 2007. The Company's shares were listed on NGX on 26th October, 2010, and in August 2015, it became one of the first three companies to be listed on the Premium Board of NGX.

Dangote Cement PLC operates a fully integrated “quarry-to-customer” business with capacity of approximately 48.6Mta as of 31 December 2020. The Company's business activities comprise manufacturing, sale and distribution of cement. The production activities of the Company in Nigeria are undertaken at plants at Obajana in Kogi State, Ibese in Ogun State and Gboko in Benue State. The Company has also expanded into nine other African countries, with factories, clinker grinding or import facilities in Cameroon, the Republic of Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia.



14.2 OPERATING OVERVIEW

Dangote Cement has production capacity that spans across ten countries in Sub-Saharan Africa. The Company has integrated factories in seven countries, a clinker grinding plant in Cameroon and import and distribution facilities for bulk cement in Ghana and Sierra Leone. Together, these operations make Dangote Cement the largest cement producer in Sub-Saharan Africa. The Company's cement operations across Africa are detailed in the illustration below:



Source: DCP

14.2.1 PRODUCTS

The Company's primary business activity is the manufacture and marketing of cement products. In Nigeria, Dangote Cement's main market, the Company mostly sells CEM II-al cement at 42.5-strength. This type of cement is stronger than 32.5-strength cements, which are suitable for low-rise buildings and other applications that do not require significant strength. The 42.5-strength cement is suitable for a wide range of applications including block making, high-rise buildings and some infrastructure. The Company also manufactures CEM I type cement at strength grade 52.5 for heavy load-bearing infrastructure such as bridges, dams and high-rise buildings. The Company's focus areas are higher efficiency in limestone, laterite and other minerals beneficiation, reducing emission levels (in terms of dust, noise and other forms of pollution) across its value chain, optimised limestone and other material mix, amongst others.

In 2018, the Company launched two new products into the Nigerian market: Falcon and BlocMaster. Falcon is a 32.5-grade cement that addresses needs at the lower end of the market, where strength is less of a requirement. As such, it is ideal for applications such as single-storey houses, walls, mortaring and driveways. BlocMaster is a premium 42.5R cement, setting rapidly to provide excellent early strength after one day, and superior strength after 28 days. It is ideal for block makers, enabling them to turn their moulds quicker than with other products.

In other African countries, Dangote Cement produces market-leading products suited to local needs and in strength classes as required. Dangote Cement has an increased range of product positioning it strongly to meet the growing and changing demand for building materials in Sub-Saharan Africa.

14.2.2 NIGERIAN OPERATIONS

Dangote Cement is the leading supplier of cement in Nigeria, operating a total of 32.3 Mta capacity as at 31 December 2020, at the following locations in Nigeria:

- **Obajana Plant**
 - 16.3Mta capacity.
 - Sited in Kogi state, south of and near to confluence of Niger and Benue.
 - Kilns can run on gas, coal, Petcoke and alternative fuels.
 - On-site gas turbine and diesel power plants supplying >150MW.
 - Own limestone quarries with more than 600Mt of limestone and other essential raw materials.
- **Ibese Plant**
 - 12Mta capacity across four 3.0Mta lines in Ogun State.
 - 2nd largest cement plant in Africa.
 - Kilns can run on gas, coal, Petcoke and alternative fuels.
 - On-site gas turbine generators with diesel back-ups, >130MW.
 - Own quarries with more than 1,150Mt of limestone and other essential raw materials.
- **Gboko Plant**
 - 4Mta, Coal/LPFO-fueled plant in Benue State, with two production lines.
 - Located in Benue State.
 - On-site diesel generators.
 - Construction work ongoing for a 30MW Coal power plant.
 - Own quarries with 133Mt limestone and other essential raw materials.

These locations, as well as key distribution depots, are shown in the map below. As is evident, Dangote Cement is able to reach anywhere in Nigeria with its well-placed factories and depots, which are supported by its fleet of trucks. The Company also introduced "Depot Distribution Trucks" to aid distribution around depots and to customers.

In view of the COVID-19 pandemic, Dangote Cement proactively deployed recommended measures to protect the health and well-being of its employees, customers, suppliers and communities; and implemented several protocols in all its operations across Africa. The Company is closely monitoring all

markets according to the guidance provided by the authorities in each country and follows guidelines from the World Health Organisation (WHO). While most Dangote Cement's businesses remain fully operational and continue to supply customers; in a limited number of markets (such as South Africa), the Company has been required to close operations in order to comply with Government regulations during limited periods in 2020 and 2021. The Company instituted a Business Continuity Framework, and an Emergency Preparedness and Response Plan to ensure that its operations and our supply chains are not hindered.

DANGOTE CEMENT'S KEY LOCATIONS IN NIGERIA

In 2019, Nigeria's cement market grew slightly and the Company estimates that total market consumption was up 8.5% on the 21.1Mt estimated in 2018. The Nigerian market was impacted negatively by the disruptions related to the 2019 election cycles, heavy rains and the reductions in land export volumes. Dangote Cement's Nigerian operations remained flat at 14.1Mt in 2019, including export sales of 0.45Mt. Sales in Nigeria were nearly 13.7Mt in 2019, compared to 13.4Mt in 2018. This implies a 2% growth mirroring the estimated GDP growth for the year. Revenues for the Nigerian operations decreased by 1.3% to ₦610.2 billion, due to the higher level of discounting in key markets. For the period ended 30th September 2020, Dangote Cement had achieved cement sales of 11.9Mt.

Commercial activity generally in the first and second quarters of 2020 were adversely affected by the COVID-19 pandemic. Increasing real-estate and the National Consumer Promo (Bag of Goodies Season 2), amongst others, led to growth in the Nigerian cement market in the third quarter of 2020. Dangote Cement's business was adversely impacted by the COVID-19 pandemic, which saw the Company derive lower sales volumes in April 2020 compared to the same period in the previous year. Notwithstanding the turbulent year and the impact of adverse market conditions on various jurisdictions, Dangote Cement's revenue for the first quarter through March increased by 3.8% to approximately ₦249.2 billion (\$647 million) while net income was barely affected (at ₦60.6 billion from ₦60.3 billion).

For the period ended 30th September 2020, the Company recorded revenue of ₦535 billion from Nigeria and ₦213 billion from its Pan-African operations. The "Bag of Goodies" promotion, launched by the Company in July, drove strong increases in Nigerian volumes in the third quarter of 2019.

This innovative marketing effort enabled the Company to maintain its market share of 60% in 2019 despite the 4.5Mt new capacity which came into the market during the year. In addition, the Bag of Goodies Season 2, reduced rains and increasing real-estate activities drove the Company's Q3 growth in the Nigerian cement market. Despite the COVID-19 pandemic sales volume of cement and clinker increased by 39.9% as at three months ended 30th September 2020 whilst revenue increased by 45.5% compared to the same period as at 30th September 2019.

14.2.3 PAN-AFRICAN OPERATIONS

Dangote Cement's Pan-African operations include integrated factories, clinker-grinding plants or import facilities in Cameroon, Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia.

In 2016, 2017 and 2018, Pan-African operations achieved cement sales of 8.6Mt, 9.4Mt and 9.4Mt respectively. In 2019, Pan-African operations achieved 9.45Mt cement sales. Furthermore, as of the period ended 30th September 2020, Pan-African operations for Dangote Cement had achieved 7.5Mt cement sales. From a macro-economic perspective, Sub-Saharan African region was hit by the twin shock of the COVID-19 pandemic and commodity market decline in 2020.

The Company's Pan-African operations sold 9.44Mt of cement in 2019, up 0.8% on the 9.37Mt sold in 2018, and 7.4Mt of cement for the period ended 30th September 2020. The total Pan-African volume represents over 40.1% of Group volumes. Pan-African revenues of ₦232.6 billion were 9% higher than 2019 results (₦213.2 billion) as of the period ended 30th September 2020. The region's EBITDA contribution of ₦52.1 billion (before central costs and eliminations), represented about 16.5% of Group

EBITDA, at a regional margin of 22.4% as of September 30, 2020, compared to a margin of 17.7% as of September 30, 2019.

In 2020, the Company's Pan-African operations increased following relaxation of COVID-19 restriction measures. As at three months ended 30th September 2020, sales volume of cement and clinker from Pan-African operation increased by 3.7% compared to the same period as at 30th September 2019, whilst revenue for the same period increased by 9.1%.

14.2.3.1 Cameroon

As previously noted, Cameroon lacks sufficient native limestone to support cement production and is therefore an obligatory importer of cement. Dangote Cement commenced business in Cameroon in March 2015 with a 1.5Mta clinker-grinding facility in Douala, served by its own jetty to offload imported clinker. In 2020, the Company has started to serve Cameroon with clinker exported from its factories in Nigeria.

Dangote Cement Cameroon has a fleet of more than 200 trucks for cement distribution in Cameroon when cement is not collected at the plant by its customers.

Key drivers for cement demand in Cameroon are infrastructure projects with focus on port development, power generation, new roads and dams. . Cameroon's total market sales stood at about 2.5Mt in 2019. Dangote Cement Cameroon had an estimated 2.6Mt total market sales for 9M 2020, with an increased sale of 18% compared to 9M 2019. Its market share as at the 9 month ended September 30, 2020, was about 39%. Dangote cement also exported 6 clinker vessels to Cameroon in the third quarter of 2020.

14.2.3.2 Republic of Congo

Dangote Cement's 1.5Mt plant in Mfila, Congo, became the largest and most modern production facility in the country following its commissioning in September 2017. Given the ability to produce and distribute high-quality cement across the country, as well as to the neighbouring Democratic Republic of Congo, the Company expects a high potential for export sales from this plant. The plant uses coal for cement production and takes its power from the national grid.

Dangote Cement sold 269Kt of cement as at the 9 months period ended 30th September 2020, a 55% increase compared to the same period in 2019. Further, it had 38% market share for the period and despite the COVID-19 pandemic, it recorded its highest ever month of cement sales in September 2020 since the commissioning of the plant in 2017.

Key drivers for cement consumption include ongoing construction activities across the residential, commercial and infrastructure sectors. Prior to Dangote Cement's entry, the country had limited production capacity from sub-scale plants and demand for cement was mostly satisfied through importation.

14.2.3.3 Ethiopia

Dangote Cement's 2.5Mt cement plant in Muger opened in May 2015 and has achieved a strong presence in the market, being just 90km from the capital, Addis Ababa, and linked by good road networks. The plant uses imported coal to fire its kilns and takes electrical power from Ethiopia's well-developed grid, thereby avoiding the need to import additional fuel for power generation.

As of December 31, 2020, the plant remained Ethiopia's largest and most modern cement plant, giving it significant advantages in a country where many producers are sub-scale and use outdated vertical kilns than cannot produce high-quality cement at low cost. In addition, Dangote has nearly 400 trucks for distribution of cement into key markets such as Addis Ababa.

Cement sales of nearly 2.0Mt in 2016 were well ahead of the 1.0Mt sold during seven months of operation in 2015, despite significant disruption to sales caused by drought, civil unrest and attacks on foreign-owned factories. According to estimates 24% market share was gained in 2016, despite the entry of a new manufacturer in the last quarter of 2016 with a 1.4Mt plant located not far from Dangote Cement's factory.

In the first half of 2017, the Ethiopian factory sold 1.1Mt tonnes of cement, up 12.6% on the 969,000 tonnes sold in H1 2016. This represented a market share of 26%.

Dangote Cement had an estimated 5.6Mt total market sales for the period ended September 30, 2020 with an increased sale of 13% compared to the same period in 2019. It had 29% market share for the period.

14.2.3.4 Ghana

The Company was the first foreign entrant into the Ghana cement market through its subsidiary, Greenview International Limited, and it consolidated the operations of Greenview International Limited into the Group's account for the first time in 2012. Dangote Cement has an import and distribution facility in Tema, Ghana, which can handle up to 1.5Mt of cement per year

In 2016, Dangote Cement Ghana sold 1.1Mt of cement, an increase of 73.9% on sales volumes in 2015. This led to an increased market share from an estimated 19% at the beginning of 2016, to 23% in December 2016.

Dangote Cement Ghana sold over 500Kt of cement for the full year 2019, down 34% compared to the full year 2018. It had an estimated 5.0Mt total market sales for the period ended 30th September 2020 and sold 307Kt of cement, a 21% decrease compared to the same period in 2019. It had a market share of 6% for the period ended 30th September 2020.

14.2.3.5 Senegal

Dangote Cement's 1.5Mta integrated factory in Pout, Senegal opened in December 2014 and immediately established itself as a major new entrant into a market dominated by two well-entrenched incumbents. This rapid success was achieved by selling superior 42.5-grade cement at a competitive price as against the manufacturers' 32.5-grade cement.

By the end of 2016, Dangote became the number two producer, selling slightly more than 1.0Mt of cement in a market of 4.0Mt, which represents a market share of 25%. Sales volumes increased by nearly 9% in 2016. In the first half of 2017, Senegal sold 738,000 tonnes, representing a 26% increase on sales in H1 2016. This represents capacity utilisation of almost 100% at the plant. Dangote Cement estimates this improved its market share to 37% in the second quarter of 2017. The introduction of a new 32.5R-grade cement to compete in the lower-strength market segment was a strong factor in increasing sales.

As of September 30, 2020, Dangote Cement achieved a total of 1.2Mt of cement sale (reflecting an increase by 7% as of the same date in the preceding year). This effectively amounts to 22% of the market share in Senegal for the period. The Company expects to increase export sales to markets in Mali and other neighbouring countries.

14.2.3.6 Sierra Leone

Dangote Cement's 0.7Mt import and distribution facility in Freetown, Sierra Leone, received its first shipment of bulk cement and began selling to customers in January 2017. In the first half of 2017, the operation made a steady start, selling 53,000 tonnes of cement, and sales are expected to increase as the year progresses and Dangote Cement increases market awareness and share.

Given the country's low consumption at present, Dangote Cement's import facility is capable of satisfying the demand for the entire country.

14.2.3.7 South Africa

Dangote Cement's South African operation is locally known as Sephaku Cement. It is a joint venture in which Dangote Cement holds 64% and JSE-listed Sephaku Holdings holds the remainder.

The operation of the company is split between two facilities as follows: (i) near Lichtenburg, to the west of Johannesburg, is the Aganang integrated cement factory, complete with its own mines; (ii) to the west

of Johannesburg, at Delmas, is a clinker-grinding station that is supplied with clinker from Aganang. Between them the two facilities have the capacity to produce 2.8Mt of cement a year. The Delmas grinding facility uses fly ash as an extender, rather than limestone, and the fly ash is supplied by the nearby Kendall power station. Both facilities opened in 2014 and quickly gained market share in a country where product and service levels were perceived by customers to have declined.

Dangote Cement South Africa increased sales by 3.8% during the year 2016, despite the entry of a new manufacturer in January 2016⁹. The bagged market performed better than the bulk market because of a slowdown in large construction projects. Sales were particularly strong in the key rural inland markets where the Company has a strong footprint of large and small retailers. Demand around the major cities was lower due to a lack of confidence in the formal sector. In the first half of 2017, sales volumes fell by 4.9% as a result of a weakened economy and the entry of a new competitor, Mamba Cement. However, the South African operation continued to improve efficiencies at both the Aganang and Delmas plants, as well as focusing on improving logistics and sales. In 2019, annual sales volume decreased by 9.4% year-on-year mainly due to low demand and increased competition from importers and blenders. The Dangote Cement “Falcon” brand supported volumes in highly contested markets during the second half of 2019, and the South African government introduced a carbon tax on 1st June 2019 for all manufacturing industries. The Company experienced negative growth in the cement market in South Africa at 9-month period ended September 30, 2020 due to the depressed economy. Sales during this period were up 7% (year-on-year) mainly due to a surge in home improvements post the COVID-19 lockdowns in the country. The demand for cement in South Africa continued to grow, resulting in growth of between 25% and 30% in Q3 2020, year-on-year.

Dangote Cement’s strongest markets include Limpopo province, Kwa-Zulu Natal, Mpumalanga and North West Province, which are predominantly rural.

14.2.4 Tanzania

Cement sales in Tanzania have primarily been driven by growth in the housing sector and government spending on infrastructure, especially road projects, new railways and airports.

In February 2016, Tanzania’s cement market was transformed by the entry of Dangote Cement’s 3.0Mta factory in Mtwara, on the south coast of Tanzania.

The plant is coal fired and was opened with temporary diesel turbines providing electrical power at significantly higher costs than expected. The Company has put in place a gas pipeline and power plant (1 turbine has been commissioned as of the date of this Shelf Prospectus whilst 2nd turbine is close to being commissioned) including dual firing. As of September 30, 2020, the DCP had achieved 4.2Mt total market sales, (with sales of 856Kt for the 9-months ended September 2020 down by 7% compared to the same date in 2019). The Company however achieved its highest ever orders and dispatches in September 2020. During the aforementioned period, the Company recorded a 19% market share.

14.2.4.1 Zambia

Dangote Cement’s 1.5Mta plant at Ndola is the country’s largest factory, based in the Copperbelt region near the border with the Democratic Republic of Congo. The plant, which opened in 2015, has the advantage of being the country’s most modern and efficient. The Company recorded approximately 1.9Mt total market sales for the period ended September 30, 2020 (with sales of 548Kt for the period, down by 30% compared to the same date in 2019). The Company, as of September 30, 2020, recorded a 29% market share. As of September 30, 2020, Zambia’s cement market decreased by 18% due to a depressed macro-economic environment.

14.3 GROWTH OPPORTUNITIES

⁹ Dangote Cement South Africa does not publish sales figures because of local competition regulations.

The Company strengthened its market leadership in 2019 and strongly believes that its strategy will enable it to continue to grow and consolidate its strong position in Sub-Saharan Africa. According to the United Nations, the region's population will grow to more than two billion people by 2050, with the urbanised population growing by 800 million over the same period. Providing housing, infrastructure and workplaces for them will be like building Europe and America afresh within Africa. The Company believes that it is adequately positioned to leverage such growth opportunities, through its existing operations. The Company's 1.5Mt grinding plant in Cote d'Ivoire is expected to be completed in 2021.

The Company employs an 'export-to-import' strategy which affords it to serve West and Central Africa from its Nigerian factories, exporting by sea; making the region cement-independent. Nigeria can serve a potential market of about 15 countries (approximately 350 million people). Nigeria also has a relative abundance of quality limestone, especially in key southern regions within proximity to demand centers and export facilities. The absence of limestone in numerous parts of West Africa, especially coastal states, causes countries in the regions to import bulk cement or its intermediate product, clinker, usually from Asia and Europe. The foregoing presents an economic advantage that the Company leverages on. From the maiden shipment of clinker from Nigeria to Senegal in June 2020, the Company has exported a total of 7 (Seven) clinker vessels from Nigeria to West and Central Africa to date. In addition, clinker export from Tanzania to neighboring countries and Indian Ocean customers is being explored actively. Some of the benefits of the strategy include:

1. **Higher Capacity Utilisation in Nigerian operation:** Increased production due to exports will increase capacity utilisation in the Nigerian operation and in turn reduce fixed costs per tonnes. This will ultimately translate into higher efficiency and additional earnings for the Nigerian operation.
2. **ECOWAS and African Continental Free Trade Area benefits:** This strategy will contribute to the improvement of intra-regional trade within the ECOWAS region. There is also the advantage of duty-free exports within ECOWAS. By the African Continental Free Trade Agreement (AfCFTA), governments commit to removing tariffs on 90% of goods produced within Africa. Thus, companies will be able to manufacture goods locally and transport them outside Nigeria, without having to pay any duty. By eliminating the erstwhile tariffs, the Company can reduce its cost price for production of cement and other goods in Nigeria, thereby making them even more competitive across markets.
3. **Foreign Exchange:** Foreign exchange revenue for the Nigerian operation will assist to offset foreign exchange risks.
4. **Lower Clinker Cost for Pan-African Operation:** Due to the proximity to Nigeria, as against Asia and Europe, clinker landing cost will be cheaper.

14.4 COMPETITIVE ADVANTAGES

Dangote Cement believes it has a number of competitive advantages when producing cement in Sub-Saharan Africa, which enables it to produce higher-quality products at lower costs, thereby generating superior returns. These include, but are not limited to:

- Its financial strength and size enables it to procure several plants at attractive prices and on attractive payment terms. The Company can also procure other goods, such as trucks, fuel, etc., on the same basis.
- Its plants are based on standard designs using the same equipment, and innovative construction and pre-fabrication techniques to reduce building costs. This improves the overall return on each plant.
- Its plants are larger than the global average size, which is about 1Mta, thereby generating significant economies of scale, particularly in the kilns, which require heat to create clinker from limestone.
- Many cement factories in Sub-Saharan Africa are old and use technologies such as vertical kilns or wet production processes, which are expensive, high maintenance and do not allow creation of high-

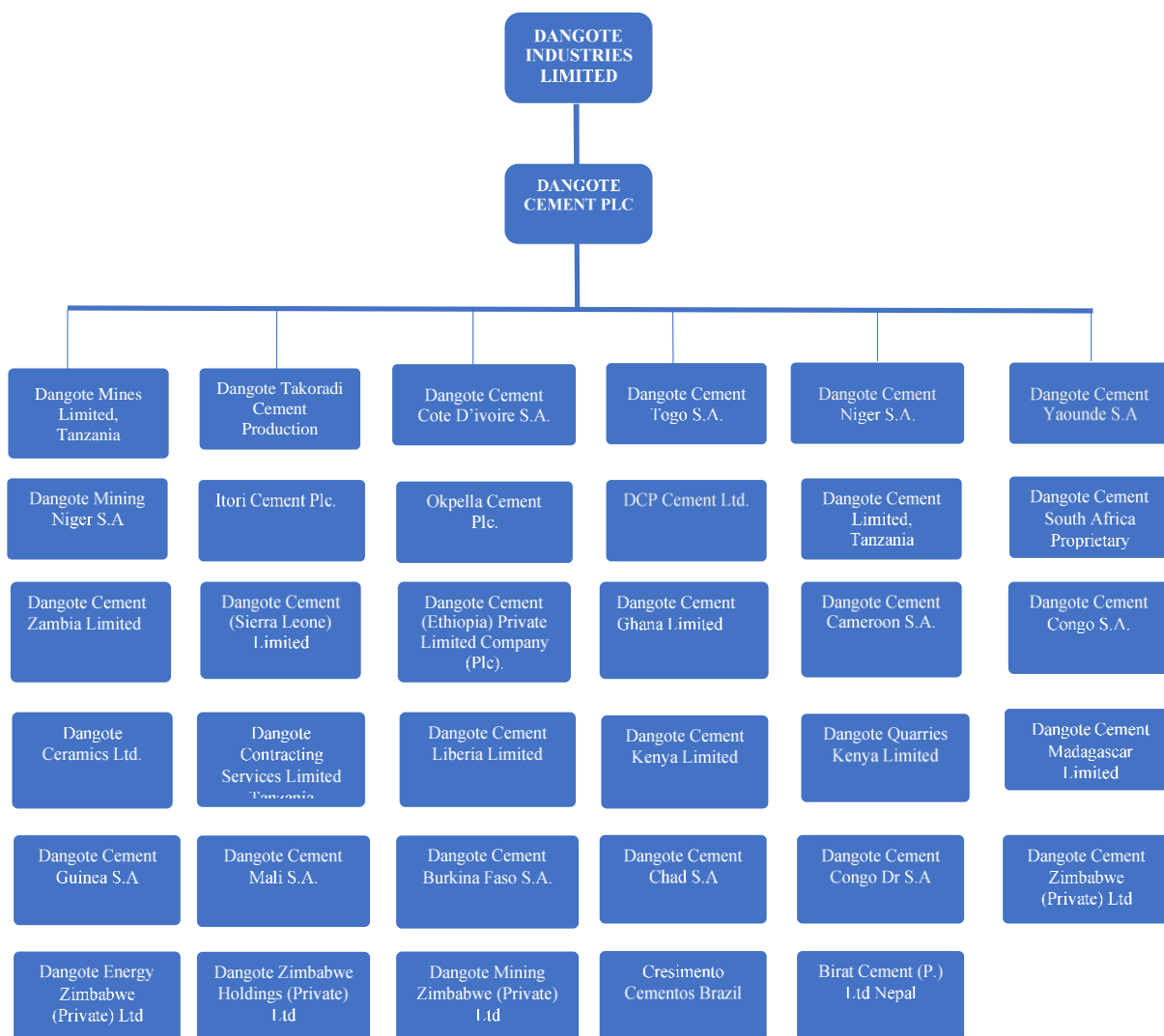
quality cement. Dangote Cement's plants use the most modern equipment, drawn from Europe and China, enabling them to produce the highest-quality cement at lower cost, given their superior efficiency and lower energy use per tonne of cement.

- Dangote Cement selects markets with attractive conditions including access to raw materials and low-cost fuel, potential for economic and population growth, favourable investment incentives, fragmented and outdated competition.
- New factories are supplied by new quarries on the same site, meaning limestone extraction is optimised and less expensive, when compared to quarries operating for 10 to 30 years, as is typical of many competitors in the region.
- Dangote Cement has access to cheap fuel sources in Nigeria, notably gas and more recently, coal that is either sourced from third parties in Nigeria or from mines operated by its parent, Dangote Industries. Furthermore, sourcing coal in Nigeria insulates a major cost line (arising from the cost of purchasing imported fuels, which is significantly impacted by the volatility of the USD to Naira exchange rate). Greater control of its fuel supply chain and the use of coal will also reduce the impact of disruptions to the gas supplies at Obajana and Ibese, which have suffered in recent years. The Company has also initiated ambitious alternative fuel deployment programmes in Nigeria and across its Pan-African operations.
- The Company operates a higher degree of business integration, which is suited to the challenges of doing business in Africa where power supply may be unreliable or non-existent, fuel supply may be disrupted and third-party logistics may be unreliable or undeveloped.
- Dangote Cement has a strong focus on product quality and uses advanced quality control systems to ensure consistency and excellence in the quality of its products, which are of global standards. Its ability to make 42.5R cement is a significant advantage in markets where other producers can only produce 32.5-grade cement at similar or even higher cost.
- Dangote Cement's large size enables it to significantly impact the pricing of cement in Nigeria, Sub-Saharan Africa's largest market for cement.
- Dangote Cement has distribution capabilities across Africa that are superior to many competitors.

14.5 GROUP STRUCTURE

Dangote Cement PLC is a subsidiary of Dangote Industries Limited, one of the most-diversified business conglomerates in Africa. The Company has 4 (four) subsidiaries in Nigeria and more than thirty other subsidiaries in Africa and Asia.

DANGOTE CEMENT PLC - GROUP STRUCTURE



14.5.1 NIGERIAN SUBSIDIARIES

The following are the Company's Nigerian subsidiaries:

Dangote Ceramics Limited

Dangote Ceramics Limited ("DCR") is a subsidiary of Dangote Cement and was incorporated in Nigeria on February 2011 with the objective of manufacturing ceramic products.

DCP Cement Limited

DCP Cement Limited ("DCL") is a subsidiary of Dangote Cement and was incorporated in Nigeria with the objective of undertaking cement production and manufacturing of other related materials.

Itori Cement PLC

Itori Cement PLC ("Itori") is a subsidiary of Dangote Cement. Itori was incorporated on 4th April 2016 with the objective of building and operating cement plants and related facilities/equipment.

Okpella Cement PLC

Okpella Cement PLC ("Okpella") is a subsidiary of Dangote Cement and was incorporated on 4th April 2016 with the objective of building and operating cement plants and related facilities/equipment.

14.5.2 OTHER SUBSIDIARIES

The following are the Company's other subsidiaries through which the Company currently undertakes its pan-African operations. Some of the subsidiaries in some of the jurisdictions have not yet commenced operations:

1. Dangote Mines Limited, Tanzania;
2. Dangote Takoradi Cement Production Limited;
3. Dangote Cement Cote D'ivoire S.A. ;
4. Dangote Cement Togo S.A.;
5. Dangote Cement Niger S.A.;
6. Dangote Cement Yaounde S.A.;
7. Dangote Mining Niger S.A.;
8. Dangote Cement Limited, Tanzania;
9. Dangote Cement South Africa Proprietary Limited;
10. Dangote Cement Zambia Limited;
11. Dangote Cement (Sierra Leone) Limited;
12. Dangote Cement (Ethiopia) Private Limited Company (Plc);
13. Dangote Cement Ghana Limited;
14. Dangote Cement Cameroon S.A.;
15. Dangote Cement Congo S.A. ;
16. Dangote Contracting Services Limited Tanzania;
17. Dangote Cement Liberia Limited;
18. Dangote Cement Kenya Limited;
19. Dangote Quarries Kenya Limited;
20. Dangote Cement Madagascar Limited;
21. Dangote Cement Guinea S.A.;
22. Dangote Cement Mali S.A.;
23. Dangote Cement Burkina Faso S.A.;
24. Dangote Cement Chad S.A.;
25. Dangote Cement Congo Dr S.A.;
26. Dangote Cement Zimbabwe (Private) Ltd;
27. Dangote Energy Zimbabwe (Private) Ltd;
28. Dangote Zimbabwe Holdings (Private) Ltd;
29. Dangote Mining Zimbabwe (Private) Ltd;

30. Cresimento Cimentos Brazil; and
31. Birat Cement (P.) Ltd Nepal.

Other companies within the Dangote Group are as follows:

1. Dangote Cement Gabon S.A.¹⁰
2. Dangote Quarries (Zambia) Limited Ndola¹¹
3. Dangote Cement Cameroon S.A.¹²
4. Dangote Cement (India) Pvt. Ltd¹³
5. OCP Haulage Company Limited
6. Dangote Industries Benin S.A.¹⁴; and
7. Onigbolo Cement Company Cimente Diamant (Benin Republic).¹⁵

14.5.3 DIRECTORS PROFILES

Alhaji Aliko Dangote, GCON – Chairman Appointed 4th November, 2002

Alhaji Aliko Dangote is the founder of the Dangote Group of Companies, over which he presides as President and Chief Executive. He has been the Chairman of Dangote Cement since its formation and is also the Chairman of other listed companies owned by Dangote Industries Limited.

He studied Business Studies at and graduated from the Al-Azhar University, Cairo. He also obtained Honorary Doctorate degrees from Coventry University in the United Kingdom and the University of Ibadan in Nigeria in 2016. He started business in 1978 by trading in commodities, before entering into full-scale manufacturing. He is well known for his philanthropic involvement in local and international initiatives to improve healthcare.

Mr. Michel Puchercos – Group Managing Director/Chief Executive Officer Appointed 1st February, 2020

Michel has more than twenty (20) years' experience in the cement industry, having served in various capacities at Lafarge including as the President & Chief Executive Officer of Lafarge Halla Cement from January 2009 to March 2016, Director of Strategy and Systems at Lafarge Gypsum from September 1998 till March 2003 and also as Chief Executive Officer of Bamburi Cement, Kenya, Hima Cement, Uganda and Chairman, Mbeya Cement, Tanzania from June 2005 till December 2008. He served as the Group Managing Director and Country CEO of Lafarge Africa Plc, a company listed on Premium Board of Nigerian Exchange Limited, from April 2016 till December 2019.

He is a graduate of the Ecole Polytechnique (1976) and the Ecole Nationale du Génie Rural, des Eaux et des Forêts (1981).

Mr. Ernest Ebi, MFR – Independent Non-Executive Director Appointed 30th January, 2014

Mr. Ernest Ebi has over 40 years of banking experience from various leadership positions in Nigeria, including Chairman, UNIC Insurance PLC, Executive Director, Corporate Banking of African Continental Bank PLC and Deputy Managing Director and Chief Operating Officer of Diamond Bank Limited (prior to its re-registration as a public limited liability company). From June 1999 to October 2009, he was the Deputy Governor at the CBN, responsible for overseeing Nigeria's international economic relations, trade

¹⁰ The procedure for the transfer of shares in this entity from Dangote Industries Limited to the Company is ongoing.

¹¹ The Company is a minority shareholder in this entity.

¹² The procedure for the transfer of shares in this entity from Dangote Industries Limited to the Company is ongoing.

¹³ This is a non-operating entity currently in the process of being wound up.

¹⁴ The procedure for the transfer of shares in this entity from Dangote Industries Limited to the Company is ongoing.

¹⁵ Dangote Industries Limited is a minority shareholder in this entity.

and exchange activities and the formulation of policies to manage Nigeria's external reserves. He holds a Bachelor's degree in Business Administration (BBA) in Marketing and an MBA both of which he obtained at Howard University, Washington DC in 1978 and 1979 respectively. In November 2016 he was appointed Chairman of Fidelity Bank PLC.

Mr. Emmanuel Ikazoboh – Independent Non-Executive Director
Appointed 30th January, 2014

Mr. Emmanuel Ikazoboh has more than 25 years' experience in senior management roles in Nigeria, Côte d'Ivoire, Cameroon and South Africa. He was the Managing Partner for Francophone offices in Cote d'Ivoire and Cameroon and later became the Managing Partner/ CEO of Deloitte West and Central Africa, until 2009. He obtained an MBA in Financial Management and Marketing from Manchester University Business School in 1979. He is a Certified Accountant in the United Kingdom and a fellow of the Chartered Association of Certified Accountants, Institute of Chartered Accountants of Nigeria.

He was appointed by the SEC as an Interim Administrator, to carry out capital market reforms of NGX and the CSCS. He serves on several Boards as Chairman or Non-Executive Director.

Mrs. Dorothy Ufot, SAN – Independent Non- Executive Director
Appointed 19th April, 2016

Mrs. Dorothy Ufot has more than 26 years' experience in commercial litigation at trial and appellate levels, having been admitted to the Nigerian Bar in 1989 and then admitted to the Inner Bar as a Senior Advocate of Nigeria (SAN) in April 2009. She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London, in 2003. She obtained Bachelor's Degrees in Political Science in 1983 and Law in 1988 from the University of Calabar, Nigeria and the University of Lagos respectively. She also obtained a Master's Degree in Law in 1996 and an Advanced Diploma in Commercial Law Practice from the University of Lagos in 1998.

She is an internationally recognised expert in commercial dispute arbitration, and was appointed member of the International Chamber of Commerce ("ICC")'s International Court of Arbitration, Paris, in 2006. She became one of eight Global Vice-Presidents of the ICC Commission on Arbitration, in 2014.

Mrs. Cherie Blair CBE, QC – Independent Non-Executive Director
Appointed 20th April, 2018

Mrs. Cherie Blair CBE, QC, is a leading international lawyer, arbitrator and mediator, a former judge and a committed campaigner for women's rights. She is the Founder of the Cherie Blair Foundation for Women, and the Founder and Chair of Omnia Strategy LLP, an international law firm. She is Chancellor of the Asian University for Women, Chancellor Emeritus of the Liverpool John Moores University and has served in this capacity since 2011. She is also the President of the Loomba Foundation, Honorary Vice President of Barnardo's and Patron of Scope, as well as a number of other charities. She was appointed as an Independent Director on the Board of Groupe Renault from 2015 to 2019. She was awarded a CBE in 2013 for services to women's issues and to charity in the UK and overseas.

She studied law at the London School of Economics and graduated with first class honours in 1975. She was called to the Bar of England and Wales in 1976; and was appointed Queen's Counsel in 1995.

Sir Michael Davis – Independent Non-Executive Director
Appointed 20th April, 2018

Sir Michael Davis is Chairman of Macsteel, a global trading and shipping company. From 2001 to 2013 he was Chief Executive of Xstrata, one of the world's largest global diversified mining and metal companies. Prior to joining Xstrata he was Executive Director and Chief Financial Officer of Billiton Plc. He has extensive capital markets and corporate transaction experience. During his career, he has raised

more than \$40B from global capital markets and successfully completed more than \$120B of corporate transactions including the listing of Billiton on the London Stock Exchange, the merger of BHP and Billiton into the largest diversified mining company in the world and the successful merger of Xstrata and Glencore.

Sir Michael obtained a Bachelor of Commerce (Honours) degree from Rhodes University in 1979 and an Honorary Doctorate from Bar Ilan University in 2012.

Mr. Arvind Pathak – Deputy Group Managing Director
Appointed 29th October, 2019

Arvind, until his latest appointment, was the Chief Operating Officer of Dangote Cement Plc from January 2018 to October 2019, with more than 36 years' experience in the cement industry. Prior to joining Dangote Cement Plc, he worked at Reliance Cement as Chief Executive Officer from 2008 to 2015. He was previously the Regional CEO in ACC Limited, having worked most of his tenure in operations and maintenance of plants, as well as leading important greenfield projects. He obtained a degree in Electrical Engineering in 1980 and a postgraduate degree in Industrial Engineering and Management in 1982. He has also been trained in a number of international management colleges.

Mr. Viswanathan Shankar – Non-Executive Director
Appointed 10th December, 2017

Mr. Shankar is the Co-founder and Chief Executive Officer of Gateway Partners, a private equity firm focused on investing in the dynamic growth markets of Africa, Middle East and Asia. He previously served as CEO – Europe, Middle East, Africa and Americas, and member of the global board of Standard Chartered Plc and prior to that, he served as Head of Investment Banking for Asia Pacific at Bank of America. His past appointments in non-executive roles include the boards of the Inland Revenue Authority Singapore; Enterprise Singapore; Majid Al Futtain Holdings and Vice Chair of the Future of Banking Global Agenda Council of the World Economic Forum. Shankar is also currently a non-executive director of Gateway Delta Development Holdings, Mauritius and Fund for Export Development in Africa, Egypt. He was awarded the Public Service Medal by the government of Singapore in 2014.

Mr. Shankar obtained a bachelor's degree in physics from Loyola College, Madras in 1977 and a Masters' degree in Business Administration in 1979 from the Indian Institute of Management, Bangalore.

Mr. Olakunle Alake – Non-Executive Director
Appointed 22nd July, 2005

Mr. Olakunle Alake is the Group Managing Director of Dangote Industries Limited. He was appointed to the Board of Dangote Industries Limited as Executive Director in 2001. He holds a Bachelor's degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife and is a Fellow of the Institute of Chartered Accountants of Nigeria. He joined Dangote Industries Limited in 1990, after six years at PricewaterhouseCoopers. He has held several management positions in Dangote Industries Limited, including Financial Controller and Head of Strategic Services.

Alhaji. Sani Dangote – Non-Executive Director
Appointed 22nd July, 2005

Alhaji. Sani Dangote is a businessman with more than 30 years' experience in key sectors of the Nigerian economy including manufacturing, agriculture and oil services. He is the Vice President of Dangote Group and sits on the Board of several other companies. He is also the Deputy Chairman of African Gum Arabic Producers Association, a Fellow of the Nigeria Institute of Shipping and President of the Fertiliser Producers & Suppliers Association. In 2012, he completed the Owner/President Management Programme at the Harvard Business School in the United States of America.

Mr. Abdu Dantata – Non-Executive Director
Appointed 22nd July, 2005

Mr. Abdu Dantata is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited. He is also the Chairman of Agad Nigeria Limited, a trading and transportation company operating throughout Nigeria. He is a fellow of the Nigerian Institute of Shipping. He obtained an Executive Programme Certificate in Sales and Marketing from the Kellogg Senior Management School at Northwestern University, Chicago.

Mr. Devakumar V.G. Edwin – Non-Executive Director
Appointed 22nd July, 2005

Mr. Devakumar Edwin was previously the Chief Executive Officer of Dangote Cement, until he resigned as Group CEO on 31st January 2015. Following 14 years spent in industrial management in India, he joined Dangote Industries Limited in 1992 and has since held several managerial positions within the Group. He is a Chartered Engineer, holding Graduate and Master's degrees in Engineering from the Madras University, India and holds a Post-Graduate Diploma in Management from IITM, Holland, all obtained in 1978, 1980 and 1986 respectively.

Mr. Douraid Zaghouni – Non-Executive Director
Appointed 29th April, 2015

Mr. Douraid Zaghouni is the Chief Operating Officer of the Investment Corporation of Dubai (ICD). In this role, he supports the Chief Executive Officer's Office in corporate strategy development and is responsible for the efficient operational management of the organisation with the aim of optimising business performance. Prior to joining ICD, he was with Xerox for more than twenty-five years. During his long and distinguished international business career he held a number of senior general management, sales and marketing roles in both Europe and North America. He has served as the Chairman of the Board of several Xerox companies and also sits on the Board of International Hotel Investments. He holds a Degree in Civil Engineering from Ecole Nationale des Travaux Publics de l'Etat in France in 1983 and obtained a certification as a Graduate in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales Business School, Paris in 1985.

Ms. Berlina Moroole – Non-Executive Director
Appointed 23rd July, 2020

Ms. Moroole is currently the Chief Risk Officer for Rand Mutual Assurance. Prior to joining Rand Mutual Assurance, she held several senior management roles at different companies, including Chief Internal Audit, Risk and Sustainability Officer of Motus Holding Limited, Group Chief Risk Officer, Group Executive for Group Internal Audit Services, Acting Group Executive for Human Capital at Liberty Holding Limited and a trustee member for Liberty Community Trust. She served as a Partner at Deloitte up till 2009.

She is an independent non-executive board member and member of the audit and risk committee for Emira Property Fund Limited, was previously an independent non-executive board member, chairperson for both the audit committee and social ethics committee and a member of the risk committee at Assupol Holding and Life; Advisory Audit Committee member for the United Nations Population Fund (UNFPA) and the Board member for the Legal Audit South Africa. Berlina obtained a Bachelor of Commerce Degree from University of North West in South Africa (previously known as University of Bophuthatswana) in 1994, Honours Bachelor of Accounting Science from University of South Africa in 2000 and Berlina Qualified as a Chartered Accountant (SA) in 2007. She is a member of the South African Institute of Chartered Accountants (SAICA) and The Institute of Directors in South Africa (IoDSA).

14.5.4 EXECUTIVE MANAGEMENT

Mr. Michel Puchercos – Group Managing Director/Chief Executive Officer

Please see profile above.

Arvind Pathak - Deputy Group Managing Director

Please see profile above

Mr. Guillaume Moyon – Acting Group Chief Financial Officer

Guillaume joined the Company in February 2019 as Group CFO (Operations) and was appointed Acting Group CFO in March 2019. He is in charge of Finance and IT and has more than 20 years' experience in multi-national industrial and services companies notably operating in emerging and frontier markets. His career cuts across Finance, Risk Management, Internal Control, Audit, IT and Procurement working in senior positions in Manufacturing, Engineering, Oil and Gas, Nuclear Energy, Mining and Consulting sectors notably with the Areva Group, the Ola Energy Group and KPMG.

He obtained a Master's Degree in Accounting, Finance and Tax from the Université de Bordeaux in 1997. He is a Certified Internal Auditor and a Chartered Accountant; and obtained an MBA degree from Columbia Business School, Columbia University in 2011.

Mr. Kashinath Bhairappa – Director of Projects

Mr. Kashinath Bhairappa joined Dangote Cement in February 2001 as a General Manager and was subsequently elevated to Deputy Director of Projects, responsible for looking after Dangote Cement's projects. He previously worked with different cement manufacturers in India, including BK Birla Group (Cement), Ambuja Cements and Grasim Industries Limited at different levels in project management and execution. He obtained a Bachelor's Degree in Mechanical Engineering from Karnataka University, Karnataka State in 1973.

Mr. Adeyemi Fajobi – Nigeria, National Sales Director

Mr. Fajobi joined Dangote Cement in September 2011 as Regional Sales Director and was subsequently deployed to head depot operations. He took over the biggest market/region, Lagos, in Nigeria in 2015 from where he was elevated to National Sales Director, responsible for looking after Dangote Cement's sales in Nigeria. He has worked in several companies such as PWC, KPMG, BJ Services, Globacom and Westcom on different roles and assignment. He obtained a First Class BA in Mathematics from Obafemi Awolowo University, Ile Ife, Osun State in 1992 and an MBA from Aston Business School, Birmingham, UK.

Mr. Juan-Carlos Rincon – Nigeria, National Director, Logistics (Head of Transport)

Mr. Juan-Carlos Rincon joined Dangote Cement in 2012 and has 24 years' experience in the cement industry, having worked in multinational cement groups such as Diamante, Cemex, Asamer, and the Austrian engineering consultancy firm Austroplan. He brings to the Group a high degree of managerial knowledge and international experience gained from working in the global cement industry at sites in different countries. He has held senior management positions in different parts of the world, including time as Chief Executive Officer of the Libyan Cement Company, as President of Dalmatia Cement in Croatia, and as Regional Human Resources Director for Cemex in South-East Asia. He obtained a Bachelor's Degree in Law in 1991 and a Post-Graduate Law Degree in Labour Law and Industrial Relations in 1992. He also obtained a Post-Graduate Law Degree in Administrative Law in 1993.

Mr. Knut Ulvmoen, MFR – Supply Chain Director

Mr. Knut Ulvmoen joined Dangote Industries Limited in 1996 as Finance Director. He previously had extensive finance experience in companies including Revisor-Centret, Norcem, Bulkcem and Scancem. As Group Managing Director of Dangote Group, from 2002 to 2007, he was instrumental in Dangote Cement's transition from importing cement to becoming Nigeria's leading manufacturer. As part of this expansion, he was a key figure in the acquisition of Benue Cement Company and in the development of plans to build the Obajana Cement factory in Kogi State. In addition to his work in cement, he was also involved in the development of Dangote Industries Limited's flour and sugar operations. He holds a Master's in Business Administration from the Norwegian School of Economics, Oslo, which he obtained in 1970.

Dr. Musa Rabiú – Group Chief HR Officer

Dr. Musa Rabiú, who is a strategic management professional with over 30 years' experience acquired while working for a number of leading companies in the country including the Nigerian National Petroleum Corporation (NNPC). He also worked for Shell Petroleum Development Company, between 1990 and 2008, in various capacities including Regional Learning and Leadership Development Adviser, Head of Corporate Learning and Development; Corporate Remuneration and Benefits Adviser; and Personnel Planner and Corporate HR Policy Adviser.

Dr. Rabiú holds a BSc and MSc. in Economics from Ahmadu Bello University, Zaria, and a Doctor of Business Administration (DBA) from Leeds Beckett University. He is a fellow of CIPM and also a member of several leading professional bodies including the Nigerian Economic Society; Chartered Institute of Personnel Development in the UK and the Human Resource Planning Society (HRPS) in the USA.

Mr. Mahmud Kazaure – Group Chief Legal Counsel & Company Secretary

Mr. Mahmud Kazaure joined Dangote Cement in 2011 and has broad legal experience including commercial law, international business and civil litigation as well as contractual and legislative drafting. He is licensed to practice law in Nigeria, in the States of Maryland and New York in the United States of America, and also before the Supreme Court of the United States. He obtained a Bachelor of Laws Degree from Ahmadu Bello University, Zaria, in 1986 and was called to the Nigerian Bar in 1987. He also obtained a Master of Comparative Jurisprudence Degree from Howard University School of Law, Washington DC in 1994.

Mr. Edward Imoedemhe - Deputy Company Secretary

Edward Imoedemhe is the Deputy Company Secretary/Legal Adviser of DCP. He joined the Dangote Group of companies in May 2013 and has since brought his experience to bear in various roles in the group legal department, including in regulatory and compliance, corporate and company secretarial services, litigation and dispute resolutions, contracts management and commercial, business development and incorporation amongst others. He has over 22 years' post-call experience with a Master's Degree in Maritime and Commercial Law which he obtained in 2013. He served as Head Legal & Secretariat in a telecoms firm from 2006 to 2013 and Company Secretary/Legal Adviser in an Oil & Gas/Shipping firm among others, before joining DCP.

Mr. Oliver Obu – Group Financial Controller Designate

Mr. Oliver Obu joined Dangote Industries Limited as a management trainee in January 2012, specialising in finance. After substantial in-house training he was subsequently assigned to Dangote Cement in January 2015 as the Head of Internal Reporting & Planning. He is a key member of the Company's finance team, shaping its internal reporting & planning framework and working on the development of financial models for numerous projects embarked upon by the Group. In addition, he plays a key role in corporate finance activities in Dangote Cement. Oliver holds a Bachelor's Degree in Economics and Statistics from the

University of Benin and an MBA from the Lagos Business School, Nigeria. He is member of the Association of Chartered Certified Accountants (ACCA), United Kingdom.

Mrs. Temilade Aduroja - Head, Investor Relations

Mrs. Aduroja is an experienced equity research professional with expertise in Africa Infrastructure and Oil & Gas sectors; and a finance professional with over ten years' experience and a demonstrated history of working in the investment banking industry. She was rated 3rd and 2nd respectively in 2018 and 2019 Finance Mail Sub-Saharan Africa Analyst of the year.

She is skilled in Capital Markets, Portfolio Management, Corporate Finance and Investments, amongst others. She gained previous work experience at Standard Chartered Bank, Price Waterhouse Coopers, Renaissance Capital, and joined Dangote Cement in 2020 from Standard Bank Group where she was the Senior Africa Infrastructure and Oil & Gas Equity Analyst.

She obtained a Bachelors' Degree in Physics And Computer Science from the University of Ghana, Legon in 2010 and is a Chartered Financial Analyst (CFA) Level 3 candidate with the CFA Institute.

14.5.5 MEMBERS OF THE STATUTORY AND BOARD AUDIT COMMITTEES

Statutory Audit Committee Members	Mr. Robert Ade Odiachi (Chairman) Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Mr. Olakunle Alake Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Mr. Emmanuel Ikazoboh Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Mr. Nicholas Nyamali Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Mr. Sheriff M. Yussuf Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Mr. Ernest Ebi, MFR Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
Board Audit, Compliance and Risk Committee Members	Ernest Ebi, MFR (Chairman) Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Cherie Blair (QC) (Member) Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos
	Dorothy Udeme-Ufot, SAN (Member) Address: Union Marble House, 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos

Emmanuel Ikazoboh (Member)

Address: Union Marble House, 1, Alfred Rewane Road,
Falomo, Ikoyi, Lagos

15. CORPORATE GOVERNANCE

15.1 OVERVIEW

As the highest capitalized company in Nigeria and one of only eight companies to be listed on the Premium Board of The NSE, the Company is committed to implementing a high standard of corporate governance through structures, policies and processes that are consistent with global best practices and which ensure that the Company complies with all relevant laws and regulations in Nigeria and the other countries in which the Company operates. This practice is in consonance with our belief that good corporate governance is directly aligned to the achievement of business objectives, maintaining the confidence of investors and a means of sustaining viability of the business in the long term.

Board Composition

The Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the Shareholders. The role and responsibilities of the Board of the Company are contained in the Board's charter. The Board's charter also sets out guidelines on Board composition, meeting procedures and management of the Board's affairs. The Company has also put in place the following policies:

- (i) Anti-Bribery and Corruption Policy;
- (ii) Board Appointment Policy;
- (iii) Board Development Policy;
- (iv) Board Evaluation Policy;
- (v) Board Remuneration Policy;
- (vi) Board Tenure Policy;
- (vii) Communication Governance Policy;
- (viii) Complaints Management Policy;
- (ix) Board Conflict of Interest and Related Party Transactions Policy;
- (x) Board Code of Conduct Policy;
- (xi) Executive Management Remuneration Framework;
- (xii) Dangote Safety Golden Rules;
- (xiii) Group HSSE Standards: Incident Reporting and Investigation, Performance Reporting and Risk Management;
- (xiv) Insider Trading Policy;
- (xv) Succession Planning Policy;
- (xvi) Whistle blowing Policy;
- (xvii) Group Executive Committee Charter;
- (xviii) Subsidiary Governance Framework;
- (xix) Board Reporting Framework; and
- (xx) Annual Agenda Cycle.

15.2 THE BOARD AND ITS COMMITTEES

15.2.1 ROLE OF THE BOARD

The Board is responsible for the efficient execution of corporate strategy based upon sound principles of corporate governance and for ensuring the overall success of the business. The Board ensures leadership through effective oversight and review. The Board comprises of fifteen people with skills in manufacturing, finance, engineering, business and law. These include the Chairman, five Independent Non-Executive Directors, seven Non-Executive Directors and two Executive Directors. the position of the Chairman and the Group Chief Executive Officer are held by separate persons.

The Board has assessed the independence of its Independent Directors against the criteria set out in the SEC Code of Corporate Governance for Public Companies (now replaced by the SEC Corporate Governance Guideline) and the Nigerian Code of Corporate Governance 2018 (the “**Corporate Governance Codes**”) and has concluded that they are all independent in character and judgement. The

Board meets regularly to set broad policies for the Company's business and operations and it ensures that a professional relationship is maintained with the Company's Auditors in order to promote transparency in financial and non-financial reporting.

Specific role and responsibilities of the Board include to:

- Account for the Company's activities, strategy, risk management and financial performance as well as the Company's system of corporate governance.
- Set the strategic objectives for the Company, determine investment policies, agree on performance criteria and delegate to management the detailed planning and implementation of those objectives in accordance with the appropriate risk parameters.
- Monitor compliance with policies and achievement against objectives by holding management accountable for its activities through monthly and quarterly performance reporting and forecast updates.
- Receive regular presentations enabling the Board to explore specific issues and developments in greater detail.

The Board governs the Company through the operation of numerous board committees accompanied by monitoring and reporting systems. Each board committee has specific terms of reference issued by the Board.

15.2.2 BOARD COMMITTEES

The Board presently has four committees as follows:

15.2.2.1 AUDIT, COMPLIANCE AND RISK MANAGEMENT COMMITTEE

The Audit, Compliance and Risk Management Committee is charged with the oversight of internal control, compliance and risk management and working with the respective internal functions. The main responsibilities of the Audit, Compliance and Risk Management Committee include:

- Oversight of the activities of the Group internal audit function, including the appointment and evaluation of the Group Head of Internal Audit, approval of the internal audit plan, review of internal audit reports and safeguarding the independence of the Internal Audit system.
- Review the scope, nature and effectiveness of the internal audit system and recommend proposed changes to the Board.
- Ensuring that proper liaison and co-operation exists between the statutory auditors and the Group internal audit function.
- Recommend to the Board for approval, the Company's risk appetite and risk framework and policies.
- Oversee the execution of risk management including identification, analysis and risk mitigation, within the scope of the risk appetite (approved by the Board).
- Review, with the Company's Legal Counsel, any legal matter that could significantly impact the Company's operations and financial statements.
- Oversee the Company's compliance program and adherence to the code of business ethics.
- Establish a whistle blowing mechanism and monitor implementation.

15.2.2.2 FINANCE AND INVESTMENT COMMITTEE

The Finance and Investment Committee has oversight of all matters relating to financial reporting and disclosure, financial policies and financial strategy, potential corporate actions such as fund raising or mergers and acquisition, as well as resourcing and staffing. The Committee is mainly charged with the following responsibilities:

- To advise the Board on matters pertaining to the Company's capital structure and the corporate finance strategy of the Company, including the issuance of equity and debt securities, general financing plans, debt ratings, share repurchase philosophy and strategy, share redemption and purchasing activities, and the Company's dividend policy.
- To review, in consultation with the independent auditors, all financial statement presentations as well as the integrity of the Company's financial reporting processes and controls.
- To review and recommend to the Board on matters pertaining to Group treasury operations, investment strategies, banking and cash management arrangements and financial risk management.
- To review thoroughly and make recommendations to the Board on matters pertaining to major investments, mergers, acquisitions, divestitures, joint ventures or similar transactions and the policies and processes of the Company related thereto.
- To review critical accounting policies and practices to be used by the Company, as well as any major issues arising thereof.

15.2.2.3 TECHNICAL AND SUSTAINABILITY COMMITTEE

The Technical and Sustainability Committee assumes oversight of the technical aspect of the Company's operations, including production, health, safety and environmental matters, as well as sustainability matters. The Committee assists the Board in fulfilling its oversight responsibilities regarding the following:

- Review project feasibility to determine and consider viability of planned expansion projects in Nigeria and elsewhere.
- Review the technical scope of plant projects including risk assessment and the quality of management plan and make recommendations to the Board as to needs or issues arising.
- Review the status of projects according to agreed scope, schedule, project milestones and key performance indicators, and where there are delays or variations, probe management to understand root causes and mitigate against such in the future.
- Review safety, health and environmental performance and improvement plans.
- Review operational, staffing and commissioning readiness plans.
- Monitor the production budget, standards, raw material supplies, energy and key performance indicators per plant.
- Review asset/plant care policy and performance (preventative/breakdown, unit and plant reliability/availability and costs).
- Ensure effective technical, research and development programmes to enable continuing innovation and improvement across the Group.

- Oversee the development and implementation of Corporate Social Responsibility and community programs in plant and business locations where the Company operates in Nigeria and throughout the rest of Africa.

15.2.2.4 REMUNERATION, GOVERNANCE AND NOMINATION COMMITTEE

The Committee assists and advises the Board on matters related to the remuneration of the Directors and Senior Management, such that the Company is able to attract and retain the best talent. The Committee conducts an extensive search for prospective candidates with appropriate skills and qualifications for specified directorship. The responsibilities of the Committee include:

- Establish the criteria for Board and Board Committee memberships, review candidates' qualifications and any potential conflicts of interest, assess the contribution of current directors in connection with their re-nomination and make recommendations to the Board.
- Prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate.
- Evaluate the skills, knowledge and experience required of the Board.
- Make recommendations on experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters.
- Make recommendations on the amount and structure of the remuneration of the Chairman and Non-Executive Directors of the Board to ensure that remuneration is fair and competitive.
- Ensure that the Group's Remuneration Policy and structure is fair and enough to attract and retain high-caliber staff to the Group.
- Review and agree, at the beginning of the year, the Key Performance Indicators (KPIs) for the Group CEO and senior executives.
- Assess performance of the Group CEO against the agreed KPIs and provide feedback thereon
- Ensure that succession policies and plans exist for the positions of Chairman, Chief Executive Officer, Executive Directors and the Managing Directors of subsidiary companies.
- Periodically recommend the preparation and adoption of the Board governance policies in line with regulatory compliance and best practice.
- Periodically review existing policies in line with changes in the regulatory and governance environment and make recommendations to the Board for amendments thereto

15.2.2.5 RESEARCH AND INNOVATION

Dangote Cement is solely responsible for its research and development and intends to continuously research into ways to expand its product portfolio, improve efficiency in operations and market opportunities on an economically sustainable basis, to enhance its profitability and maximize returns and value for its shareholders, investors and stakeholders.

With rapid urbanisation and population growth in Africa, the Company realises that meeting housing and infrastructure needs will be a challenge and is constantly looking for new product solutions that will respond to these construction challenges.

15.2.2.6 APPROACH TO SUSTAINABILITY

The Company's approach to sustainability is built on the premise that sustainability must be owned and practiced at every level of our organization, most especially at the highest levels of institutional governance. The company believes that measuring and reporting its activity transparently and consistently is a crucial component to constantly improving on its role and impact in transforming its ecosystem. To achieve this, Dangote Cement continually invests in extensive stakeholder consultations, also internally, and have developed its own customized framework towards sustainability.

Dangote Cement's 7 Sustainability Pillars: cultural, economic, institutional, financial, environmental, operational and social called "The Dangote Way" provide the appropriate framework in which the company has embedded its corporate values and strategic objectives. Dangote Cement Plc (DCP) prioritizes its environmental, social, economic and governance responsibilities and understands that these ultimately translate to business sustainability.

The Company's 2019 Sustainability Report is written in accordance with the Global Reporting Initiative (GRI) Standards, which is the standard adopted by over 70% of the world's businesses in their sustainability reporting. In line with GRI requirements, Dangote Cement carried out extensive stakeholder engagements and materiality assessments in 2019, to determine issues of major concern and interest for our key stakeholders, including host communities, employees and investors.

The Company also carried out detailed socioeconomic impact assessment, to ascertain the footprints of its business operations in host markets. This was done using globally certified input/output and Societal Cost of Carbon modeling. The outcome of this extensive study was revalidated by PricewaterhouseCoopers.

To validate the integrity of data and information disclosed, Deloitte conducted an External Assurance on its 2019 Sustainability Report in line with non-financial reporting assurance principles. In addition, the Global Reporting Initiative (GRI) reviewed the company's compliance with its Standards and issued a certification stamp that was published as part of our 2019 Report.

7 Sustainability Pillars and Scorecard for 2019

The Company's approach to Sustainability operationalization is defined by its 7 Dangote Sustainability Pillars, which are, Institutional, Financial, Operational, Cultural, Economic, Social and Environmental Pillars.

- i. ***Institutional Pillar:*** This focuses on the Company's strategies for driving corporate governance best practices, regulatory compliance and effective sustainability leadership. In 2019, DCP set up a Board Sustainability Committee to mainstream sustainability across its entire operations, demonstrating a strong commitment to building a world class, sustainable business. Also, as part of its institutional sustainability objective, Dangote Cement successfully integrated Financial and Sustainability reporting in the year under review, a reflection of our compliance with the Balanced Scorecard Principle of Sustainability that expects businesses to focus not just on their financial but also, environmental, social and governance performance.
- ii. ***Financial Pillar:*** This defines the Company's principles for driving sustainable profit, growth and excellent return on investment for the Company's investors and shareholders.
- iii. ***Operational Pillar:*** It defines the Company's focus on operational and resource efficiency and commitment to promoting local content and patronizing local suppliers and vendors for sustainable economic growth. In 2019, DCP spent ₦284.8 billion on local procurements, representing 66% of total procurements, up from 57% in 2018. DCP's 2019 Socioeconomic impact study shows that patronage of local vendors generated 21,237 jobs and ₦66 billion in household income across our supply chain.

- iv. **Cultural Pillar:** It defines the Company's strategy for building a workplace of sustainability champions, and stimulating active employee involvement in our sustainability journey, while also empowering and motivating our workforce for sustainable productivity. In 2018, the Company instituted an Annual Sustainability Week, driven by employee volunteering and designed to mobilize staff to create value for host communities using their personal skills and competences. The 2019 Sustainability Week recorded significant impact, with 1,676 employees volunteering 11,504 hours on 63 initiatives across 12 DCP operations in nine African countries.
- v. **Economic Pillar:** This defines the Company's principles for driving self-sufficiency and sustainable economic growth in the countries where we operate. DCP supports socioeconomic wellbeing in Africa by creating job opportunities, which in turn drives income generation for households. According to our socioeconomic impact assessment, in 2019 the Company created 54,000 jobs in four markets, supporting the actualization of SDG 1 (No Poverty) and 8 (Decent Work & Economic Growth).
- vi. **Social Pillar:** This pillar focuses on effective engagement of internal and external stakeholders; support for the health & safety and wellbeing of employees, host communities and the larger society; and effective measurement of, and improvement on our socioeconomic impact. In 2019, the Company spent ₦1.108 billion on various impactful social investments in host communities, with nearly half of this going into educational empowerment (SDG-4) and infrastructure development (SDG-9).
- vii. **Environmental Pillar:** This Pillar outlines the Company's principles and standards for managing ecological footprints and contributing towards the global fight against climate change. It also defines how the Company leverages the circular economy business model in mitigating the risks and optimizing the opportunities in climate change. In 2019, several of the Company's Plants innovatively utilized wastes (tyres, packaging bags, etc.) to generate alternative fuel, thereby reducing wastes, fossil fuel consumption, operational costs and CO2 emissions.

The Company instituted the Dangote Sustainability Week during which period it mobilises employees to create value through initiatives and programs that support social, economic, and environmental well-being in host communities and markets. The Company is currently developing standards for measuring and tracking supplier's ESG performance and will prioritise entities that are committed to environmental protection, good labour standards, promoting human rights, fostering equal opportunities, eliminating corruption and anti-competitive behaviour, and ensuring occupational health and safety in the workplace. Part of the Company's goal is to begin to evaluate our major suppliers and vendors using environmental and social criteria.

16. EXTRACT FROM THE ISSUER'S RATING REPORT

GCR

GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

Dangote Cement Plc

Nigeria Corporate Analysis

December 2020

Rating class	Rating scale	Rating	Rating outlook	Expiry date
Long term	National	AA+(NG)		
Short term	National	A1+(NG)	Stable	November 2021
N100bn Series 1 Fixed Rate Bond	National	AA+(NG)		

Financial data:

(USD'm Comparative)¹

	31/12/18	31/12/19
N/USD (avg.)	305.6	306.4
N/USD (close)	306.5	306.5
Total assets	5,509.0	5,669.5
Total debt	1,128.4	1,200.4
Total capital	3,199.5	2,917.7
Cash & equiv.	544.5	404.3
Turnover	2,949.0	2,910.2
EBITDA	1,412.1	1,287.6
NPAT	1,277.2	654.4
Op. cash flow	1,111.1	1,298.1
Market cap. *	USD8.9bn/NGN3.4trn	
	Nigeria:	65.7%
	Cameroon:	39%
Market share*	Senegal:	22%
	Ethiopia:	29%
	Zambia:	29%

¹ Central Bank of Nigeria exchange rates.

*As at 10/12/2020 @ N379/USD.

*Estimated percentage share of September 2020 cement sales in selected territories.

Rating history:

Initial rating (September 2016)

Long term: AA+(NG)

Short term: A1+(NG)

Rating outlook: Stable

Last rating (January 2020)

Long term: AA+(NG)

Short term: A1+(NG)

Rating outlook: Stable

Related methodologies/research:

Global master criteria for rating corporate entities, updated February 2018

Glossary of terms/ratios, February 2018

Dangote Cement Plc ("DCP" or "the Group") Issuer rating reports, 2016-19

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Summary rating rationale

- The ratings of Dangote Cement Plc reflect its market position as Africa's leading cement manufacturer, counterbalanced by the Group's single market concentration, with Nigeria accounting for 89% of group EBITDA and 64% of capacity at 9M FY20.
- The Group also presents annual capacity of 48.6 million tonnes installed across 10 countries, demonstrated internal efficiencies, and is the largest corporate on The Nigerian Stock Exchange ("NSE"), with sound access to capital.
- Notwithstanding rising competitive pressure and the resultant margin compression, DCP has sustained a sound earnings base. Looking ahead, GCR expects short-term pressure on EBITDA, as uncertainty arising from the COVID-19 crisis is expected to curtail construction activity in both the private and public sectors across key jurisdictions. That said, DCP's performance is expected to rebound within 18-24 months, on the back of strong base domestic demand
- In GCR's view, the attainment of the Group's medium-term targets will also depend on improved economic conditions and improving earnings contribution for the rest of Africa.
- The Group continues to report strong cash flows which are expected to comfortably cover the rising debt service in the medium-term.
- In view of the ample leverage headroom, management has historically sustained a relatively high dividend pay-out ratio and increased interest-bearing debt (9M FY20: N450.8bn; FY19: N367.9bn) to fund the sizeable ongoing capex requirement.
- That said, GCR expects the Group to continue to demonstrate strong financial flexibility with debt to EBITDA (including operating leases) expected to range between 55% - 65% over the outlook period, and net interest cover projected between 10x and 15x.
- In addition to the strong cash generation, its liquidity is underpinned by longstanding relationships with a range domestic and international banks, with c.N150bn in unutilised committed bank facilities at November 2020, as well as strong implied access to funding from the capital markets.
- As the Series 1 Fixed Rate Bonds are senior unsecured obligations of DCP (the Issuer), the Bonds bear the same rating as the Issuer, and any change to the rating assigned to the Issuer will directly affect the Bonds rating.

Factors that could trigger rating action may include

Positive change: A ratings uplift could be achieved if DCP returns to a net ungeared position combined with strong free operating cash flows and improved profitability from the rest of the Group's African operations.

Negative change: Downward ratings pressure could arise from protracted earnings pressure from COVID-19 restrictions. Looking further ahead, an aggressive dividend policy that adversely impacts GCR's view of liquidity or reduced financial flexibility due to materially higher than anticipated leverage could result in a downgrade.

17. USE OF PROCEEDS

The net proceeds from each issue of the Instruments shall be in compliance with the rules and regulation applicable to such Instruments, and specified in the relevant Pricing Supplement. The proceeds from the Green Bonds will be used to fund green projects as approved by the SEC whilst the proceeds from the Sukuk will be used to fund Shari'ah compliant projects in accordance with Shari'ah principles and concepts approved by the SEC

The applicable Pricing Supplement for each Series and/or Tranche under the Programme will specify the details of the use of proceeds of the particular Series. The costs and expenses of or relating to the issue are payable by the Company and will be deducted from the gross issue proceeds.

18. RISK FACTORS

Investors should consider all of the information in this Shelf Prospectus including the following risk factors before deciding to invest in the Instruments. Investors may also consider seeking professional advice before investing. If the risks described below materialize, the Company's business, results of operations, financial condition and/or prospects could be materially affected. Furthermore, the risks described below are not exhaustive.

The risks outlined in this section may change from time to time; the Company disclaims any responsibility for advising prospective investors of such risks as they exist at the date of this Shelf Prospectus. Additional risks not currently known may also have a material adverse effect on the business, financial condition and results of operations of the Company. Neither the Company nor any of the Issuing Houses or any of the advisers involved with the issuance of any of the Instruments are in a position to express a view on the likelihood of any risk occurring and investors are advised to consider the following risk factors and any that may be set out in any applicable Pricing Supplement carefully, prior to purchasing the Instruments.

The factors listed under a single heading may not provide a comprehensive view of all risks relevant to the subject to which the heading relates. In addition, the risk factors described below are not ordered by reference to materiality or importance to the Company's business, financial condition, results of operations and prospects.

18.1 COUNTRY RISK

There are risks related to political instability, security, religious differences, ethnicity and regionalism in Nigeria and across Africa

Although Nigeria has recorded significant improvements in the fight against insecurity and insurgency, it continues to experience considerable unrest, security challenges, attacks and kidnappings, particularly in the northern and south-southern states. It is believed that the attacks in the northern states have been carried out by Islamist militia groups based in the north .

Political and socio-economic stability in Nigeria has historically been affected by political and religious conflicts, terrorism, and social and religious tensions. Although the frequency of such activities reduced in 2020, activities of violence and attacks continue to pose a threat to Nigeria's political stability. In addition, continued sectarian conflicts in the middle belt region of the country continue to pose a threat to Nigeria's political stability.

Continued criminal activity, unrest and political and religious conflicts in the country may lead to lower oil revenues and production, deter investments in parts of the country and lead to increased political instability. The occurrence of any of these events may have material adverse effects on public safety, the regional and national economy; and impact the Company and Group's operations and profitability.

In Cameroon, the 'Anglophone' crisis has been ongoing for several years. According to the Bertelsmann Stiftung's Transformation Index (BTI) 2020 Country Report, over 400,000 people have been displaced, 30,000 have become refugees in Nigeria, while over 1400 deaths have been recorded. In the same vein, clashes between Ethiopia's military and local security forces in the northern region of Tigray poses significant threat to the country's national security. Unless resolved, these conflicts may adversely affect the affected countries political and economic stability, which may in turn, affect the Group's business, results of operations and financial condition.

Recession of domestic economy may result in a decline in projections and projected growth

Oil price volatility has affected major oil producing economies and thus significantly affected the budgets of Africa's top oil producers. Oil production which is the mainstay of the Nigerian economy has remained unpredictable, primarily as a result of the impact from the fluctuation of global prices of oil and the

domestic sabotage of oil-related facilities. This volatility has been further exacerbated in recent months as a result of a decline in demand from key markets, due to the COVID-19 pandemic. The impact of volatile oil prices on the Nigerian economy is evident in dwindling external revenues and foreign reserves.

In addition, many countries are actively seeking to develop alternative sources of energy in order to reduce their dependency on oil as a source of energy. In this regard, any long-term shift away from fossil fuels will adversely impact Nigeria's oil revenue.

According to the Q3'2020 GDP numbers, as published by the NBS the Nigerian economy fell into a recession in the quarter, with a GDP growth rate of -3.62%. This followed a fall of -6.10% in Q2'2020. The Company is exposed to the risks of a prolonged economic recession in Nigeria, which could adversely affect the demand for its products. The market in which the Company operates is closely linked to general economic conditions in Nigeria. A prolonged economic downturn will put further constraints on business expenditure, investments and lending, which in turn would reduce activities in the private sector, especially in infrastructure development, which is likely to impact the Company's revenues.

Slowdown in economic growth in several African countries may result in a decline in projections and projected growth

While the Company's pan-African business represents 30% of the Group revenue as at H1'2020, the slowdown in economic activity across the region may dampen the Company's performance. The growth projections are indicated below.

- Nigeria: As highlighted above, data from the NBS evidenced a GDP growth rate of -3.62% in Q3 2020, following from a -6.14% drop in Q2 2020. According to the NBS, this was largely a result of the residual effects of the reduced economic activity in Q2 2020 (in response to the COVID-19 pandemic) and the restrictions to movement and other measures introduced by the Federal Government of Nigeria between. The Federal Government of Nigeria announced a two week lockdown on 30 March 2020 in Lagos State, Ogun State, and Abuja. On 27 April 2020, the lockdown was extended by two weeks and Kano was included in the list of affected States. Easing began in early May and was phased out up to the end of August 2020.
- South Africa: *Statistics South Africa* reported that the South African economy expanded by 13.5% in Q3'2020 (+66% annualized growth), following -16.6% drop in Q2 2020 (annualized -51% decline). The improvement in the third quarter was driven by the gradual lifting of lockdown restrictions. Going forward, the COVID-19 as well as the decline in local demand and uncertainty in the export market continue to pose a threat to economic growth.
- Sierra Leone: According to the Government of Sierra Leone's COVID-19 Quick Action Economic Response Programme Report, the country's GDP was projected to grow by 4.2% in 2020. Growth projections have since been revised to 3.8% and is expected to turn negative, with the actual percentage dependent on the severity of the impact of the Pandemic on the economy.
- Tanzania: The Tanzanian economy has been affected by international travel restrictions, given the importance of hospitality and tourism to the country's economic growth, with tourism accounting for c.15% of GDP and c.35% of export receipts (IMF Country Report on United Republic Of Tanzania (June 2020)). The country witnessed an economic growth rate of 6.96% and 6.97% in 2018 and 2019, respectively.
- Zambia: Expected to enter a recession for the first time in 22 years due to the impact of the Pandemic, volatile copper prices and electricity shortages. The local currency also remains under pressure, with the Central Bank of Zambia reporting that the Kwacha depreciated by 32% in 2020. The country's debt profile has also deteriorated, with the Government failing to make a \$42.5 million Eurobond repayment that was due in November 2020.

Unforeseen national emergencies

The emergence of the COVID-19 pandemic in December 2019 put a strain on the global economy. Sub-Saharan Africa continues to endure the impact of the Pandemic, as containment measures constrain economic activity. Governments across the region were forced to restrict movement and enforced lockdown measures at the peak of the COVID-19 pandemic. The worst hit countries are the oil exporting and tourist focused markets, though the impact has been severe on all economies. There remain significant uncertainties about the long-term impact of the Pandemic.

The IMF's forecast for economic growth for the countries in which Dangote Cement operates are as follows:

Country	FY2020E (%)	FY2021E (%)	FY2022E (%)
Cameroon	-2.77	3.44	4.30
Congo	-6.90	-0.82	1.95
Ethiopia	1.95	-0.02	8.92
Ghana	0.93	4.20	4.14
Nigeria	-4.28	1.70	2.52
South Africa	-0.69	5.25	6.01
Senegal	-3.09	2.74	4.24
Sierra Leone	-8.00	3.00	1.54
Tanzania	1.90	3.60	6.12
Zambia	-4.83	0.58	1.05

Source: IMF's World Economic Outlook Database

Exchange rate risk

There may be a need to procure foreign currency for the purpose of facilitating some of the Company's projects in terms of manpower and equipment or other cost required for the execution of such projects.

The CBN has historically sought to maintain the exchange rate between the Naira and the United States Dollar within a narrow band with periodic adjustments. However, in recent times, the Naira has depreciated significantly against the USD.

Fluctuations in the value of the Naira and other African currencies can make the cost of projects more expensive than currently projected, thus impacting negatively on the Company's ability to complete the projects within the estimated budget and timeline. Consequently, the Company may not generate the revenues anticipated from the projects.

Actual and perceived risks of corruption may adversely affect Nigeria's economy and its political stability

Corruption remains a significant issue in Nigeria, with Nigeria ranked 146 out of 180 in Transparency International's 2019 Corruption Perceptions Index and 131 out of 190 in the World Bank's Doing Business 2019 report. Nigeria has implemented and is pursuing major initiatives to prevent corruption and unlawful enrichment, and the Federal Government has been engaged in significant anti-corruption measures, including high profile arrests and investigations across different sectors and tiers of government. The Federal Government has also established a corruption advisory council and there is currently a proposition to establish a special court to handle corruption cases.

Corruption has many implications for a country, including increasing the risk of political instability, distorting decision-making processes and adversely affecting its international reputation. Failure to address these issues, continued corruption in the public sector and any future allegations of or perceived risk of corruption in Nigeria, could have an adverse effect on the political stability of Nigeria and on the economy,

including levels of foreign investment. This in turn may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Nigeria experiences electricity shortages and power outages

In spite of the abundant energy resources in Nigeria and significant government reform efforts and investments in the power sector in recent years, lack of sufficient and reliable electricity supply remains a serious impediment to Nigeria's economic growth and development. Although Nigeria has witnessed incremental improvements in the sector, failure to adequately address the significant lingering deficiencies in power generation, transmission and distribution infrastructure and related concerns within the power sector could lead to lower GDP and hamper the development of the economy. Slow growth in the economy may lessen consumer propensity to spend, which could materially adversely affect the Company's business, financial condition, results of operations and prospects. Similarly, South Africa's state-owned power utility company, Eskom has been under significant pressure due to an array of financial and operational issues including servicing its outstanding debt of c.R464 billion due to declining sales, energy availability factors and huge receivables on the company's balance sheet. In the third quarter of 2020, Eskom implemented load-shedding for 19 days.

18.2 RISKS RELATED TO THE CEMENT INDUSTRY

There are risks relating to the factors of supply and demand

The cement industry, like other sectors, is vulnerable to the dynamics of demand and supply, propelled primarily by factors such as sector production, aggressive competition, surplus capacity and supply chain interferences. These factors are capable of adversely affecting the prices that the Company can set for its products and ultimately impact the Company's profit margins.

There are risks relating to environmental regulations

The operations of the Company are governed by environmental laws and regulations of the respective countries in which it operates, and it may be subject to fines and penalties in the event of any violations of the relevant environmental laws and regulations or the occurrence of any adverse environmental effect arising from the Company's operations. In Nigeria, the Company is obligated to obtain certification from the Federal Ministry of Environment upon successful completion of an environmental assessment. The Company is also subject to the regulatory oversight of the Standards Organization of Nigeria as well as the National Environmental Standards and Regulation Enforcement Agency with respect to compliance with environmental standards. The Federal Ministry of Environment is the authority responsible for the enforcement of environmental laws, and has the authority in certain circumstances to halt the Company's activities on a permanent or temporary basis where the Company fails to comply with instruction for rectification or suspension of operations that are causing damage to the environment.

While the Company continues to pay keen attention to environment, safety, health and quality issues, there is no guarantee that it will always be in compliance with all relevant environmental laws and regulations of the respective countries in which it operates, especially in the light of potential and unpredictable changes to environmental requirements, varying interpretation of environmental laws and regulations by the courts and legislators, or upon discovery of environmental conditions that were previously unknown. Additional environmental requirements relating to the location of the Company's operations may be imposed by relevant governments, especially if stricter environmental standards are adopted.

There is a risk of increased exposure in terms of additional costs to the Company on the occurrence of any of these events. The consequent increase in environmental liabilities may entail significant capital expenses and may potentially lead to the imposition of restrictions on the Company's operations, adversely impacting the Company's business, operating results and financial performance.

18.3 BUSINESS RISKS

There are risks relating to the Company's distribution network

The Company operates one of the largest fleets in Sub-Saharan Africa and controls much of its own distribution. It procures a large number of trucks and manages them with GPS-based systems that ensure higher standards of fleet management. While this enables it to achieve significant cost savings and avert delays, the Company is exposed to the risk of possible disruption which may adversely affect the Company's production and delivery capabilities on a temporary basis. These include accidents, strike action and political instability.

The occurrence of any disruption to its distribution network may impact the Company's business, results of operation and financial position.

There are risks relating to supply rates and consistency of supply of the Company's Raw Materials

The profitability of the Company's operations depends in large part on its ability to procure raw materials at favourable prices. The prices of these raw materials may increase from time to time. In the event of such increases, the failure of the Company to transmit such additional costs to its customers or entirely offset same may affect the profitability of the business.

In addition, there is a risk of business losses arising from disruptions to the supply of raw materials. This may be due to disruption in production or delays in the supply of raw materials; shortages or operational problems caused by contracted suppliers; or if suppliers are otherwise unable or unwilling to supply required raw materials or fuels. The delay that would occur in the interim, before the Company sources alternate suppliers, may result in significant interruption of the Company's operations.

Finally, fuel (gas, coal and Low pour fuel oil ("LPFO")) is a significant component of cement production and represents a major production cost. Therefore, a continuous significant increase in the cost of fuel, as we have seen in the second half of 2020 (the National Bureau of Statistic's Petrol Price Watch for November 2020 showed a consistent rise in the average price of PMS from NGN128.88 in June 2020 to NGN167.27 per litre in November 2020), could have a material adverse effect on the Company's prospects, results of operations and overall financial position.

There are risks relating to power supply

Although the Company has been able to convert its large Nigerian lines to run on coal as well as gas, the subsisting dependence on gas is likely to expose it to certain risks in the event of disruption in gas supply. Steady supply of energy is required to run cement plants and minimize production downtimes. Vandalism of pipelines in Nigeria, if not decisively managed may decrease the supply of gas to the Company's cement plants, leading to some pressure on cement production. In addition to sourcing coal from its parent company, DCP has extensively invested in alternative energy sources in order to ensure protection against disruptions to gas supply, eliminate reliance on LPFO and significantly reduce its foreign currency expenses. Notwithstanding these competitive advantages, the Company is still faced with the risks pertaining to the breakdown or malfunction of alternative power supply channels. There are no assurances that the Company will be able to adequately protect against risks resulting from disruption of power supply.

There are risks relating to operational hazards

The Company operates large-scale cement plants that are subject to significant operational risks generally associated with industrial companies, including human resource mismanagement, information technology issues, litigation against the Group, compliance risk, reporting risk, health & safety malpractices, quality control risk, technical failures, theft and fraud, industrial accidents, unusual or unexpected climatic conditions and environmental hazards. The Company and its operations may also suffer as a result of other

general unforeseeable events outside its control, such as natural disasters which adversely affect the Company.

Such hazards or events could cause significant damage to the Company's facilities or occasion harm to its workforce, major disruption to the production process, and the Company's ability to deliver its products, and/or result in significant losses or liabilities being incurred by the Company, any of which may have a material adverse effect on the Company's business, prospects, results of operations, and financial position.

There are risks relating to the Company's licenses and permits

The Company requires various permits, licenses and approvals in relation to its business. Some of such licenses, permits and approvals are valid for limited periods, and have to be periodically renewed. Furthermore, the official permits, licenses and approvals contain conditions and requirements that the Company is required to fulfill. If the Company fails to renew such permits, licenses or approvals, or if any of them is suspended or terminated, or if their conditions and requirements are adversely amended, this could result in the Company suspending some of its operations. This may cause disruption to production or the incurring of additional costs, which may consequently have an adverse impact on the Company's business, future prospects and financial position.

There are risks relating to growth and expansion

The potential business growth, expansion and development projections of the Company are made on the basis of indices consisting primarily of forecasts, patterns and estimates. There is no assurance that such indices are correct or would follow the exact pattern of forecasts. In the event that any of the forecasts or estimates turn out to be inaccurate, then it may adversely affect the Company's business, financial position, operating results and future prospects.

Furthermore, the future of the Company will depend in part on its ability to manage its growth in a sustainable manner. The Company's management will need to expand operations to achieve the necessary growth, while retaining and supporting its existing customers, attracting new ones, recruiting, training, retaining personnel, managing their affairs in an effective manner and maintaining financial controls. Failure to achieve forecasted growth in a sustainable manner may affect the Company's business, financial position and market share.

There are risks relating to the impact of the COVID-19 pandemic on business operations

The economic impact of the COVID-19 pandemic, substantial decline in consumer spending and movement restrictions in major urban centres potentially poses a major disruption risk to the Company's business operations and could weigh heavily on its manufacturing, export and distribution activities. While most African Governments have introduced several reforms to further improve the business environment and mitigate the impact of the COVID-19 pandemic, the risks remain and will do so until economic activity normalizes across the Company's operating regions.

The implications of the COVID-19 pandemic, from a business standpoint, differ from country to country. The Company has activated its business continuity management process and is proactively monitoring key aspects of its operations, in order to prevent and mitigate the adverse effect of the COVID-19 pandemic. While most businesses were fully operational throughout the year, in a limited number of markets, such as South Africa, the Company was required to cease operations in order to comply with Government regulations. However, the Company's recent financial performance has shown resilience, with a strong performance driven by the strength of the Pan African businesses. However, with a second wave of the COVID -19 pandemic being experienced in most countries, there is no telling that the Company may not witness further business disruptions on account of future lockdowns that may be declared in any of the countries where the Company operates.

18.4 RISKS RELATED TO THE INSTRUMENTS

Risks relating to possible fluctuations in market price of the Instruments

A number of factors may cause significant volatility in the market prices of the Instruments. These may include adverse business developments, changes in the regulatory landscape in which the Company operates, actual or expected variations in the Company's operating results, changes in financial estimates by securities analysts and the actual or expected sale or purchase of a large number of Instruments.

Credit Risk

Instruments issued under the Programme may be issued without any external credit enhancement. In such cases, investors, in undertaking the investment, would be relying solely on the creditworthiness of the Company for the repayment of his or her investment. As such, any subsequent change(s) in the actual or perceived creditworthiness of the Company may adversely affect the value of the Instruments and the likelihood of repayment.

Credit ratings may not reflect all risks

The Instruments may be assigned ratings by two rating agencies. The ratings may not reflect all the risks to which the prospective investor may be exposed in purchasing the Instruments. The credit ratings are not therefore a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agencies at any time.

The Instruments may be subject to optional redemption by the Company

An optional redemption feature in the Instruments may negatively affect their market value. During any period when the Company may elect to redeem the Instruments, the market value of those Instruments generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Company may be expected to redeem Instruments when its cost of borrowing is lower than the interest rate on the Instruments. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Instruments being redeemed and may only be able to do so at a lower rate.

The Instruments may be redeemed prior to maturity following a change in the tax laws of Nigeria

If (i) as a result of any change in, or amendment to, the laws or regulations of Nigeria, or any change in the application or official interpretation of the laws or regulations of Nigeria, which change or amendment becomes effective on or after the Issue Date, the Company would be required to pay additional amounts on account of any taxes of such jurisdiction in respect of subsequent payments under such Instruments and (ii) the requirement to pay such taxes cannot be avoided by the Company taking reasonable measures available to it, the Company may redeem all outstanding Instruments in accordance with the Conditions.

Modification and waivers

The relevant Trust Deed contain provisions for convening meetings of the Holders to consider any matters relating to the Instruments including the sanctioning by Extraordinary Resolution (as defined in the relevant Trust Deed) of a modification of the Instruments or any of the provisions of the relevant Trust Deed. These provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting or sign a relevant resolution in writing.

The conditions of the Instruments also provide that the Trustees may, without the consent of Holders: (i) agree to any modification of the relevant Trust Deed or the Instruments which in the opinion of the Trustees are not materially prejudicial to the interest of the Holders; (ii) determine without the consent of the Holders that any Event of Default or Potential Event of Default (each as defined in the relevant Trust

Deed) shall not be treated as such (subject to the relevant conditions set out in the relevant Trust Deed being complied with).

Referencing to an index may subject the Instruments to additional risks

The Company may issue the Instruments with Principal repayment, Periodic Distribution Amounts or Coupon payments determined by reference to an index (or formula), to changes in the prices of the securities or commodities or other Relevant Factors. Potential investors should be aware that in such circumstances:

- they may receive no interest (as applicable);
- they may lose all or a substantial portion of their Principal;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices; and
- timing of changes in a Relevant Factor may affect the actual yield to investors, even if the actual level is consistent with their expectations i.e. in general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Legal Considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its independent legal advisers to determine whether and to what extent (i) the Instruments are a legally permissible investment for it, (ii) the Instruments can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Instruments. Financial institutions should consult their independent legal advisers or the appropriate regulators to determine the appropriate treatment of Instruments under any applicable risk-based capital or similar rules.

Liquidity risk for the Instruments

Although the listing of the Instruments on The NGX and/or the FMDQ (as applicable) increases the possibility of trading activity, there may not be very active two-way quote trading in the Instruments once issued. The liquidity of the Instruments may be limited and investors may not be able to trade the Instruments actively or realise a yield comparable to that of similar instruments, if any, in developed secondary markets. Although there are a number of initiatives aimed at developing and deepening the Nigerian debt capital market and promoting a liquid, vibrant and tradable bond market, the impact of these initiatives on the trading of the Instruments cannot be assessed immediately. The trading market for debt securities may be volatile and may be adversely impacted by many events. The market for debt instruments or securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may also have an adverse effect on the price of the Instruments.

Tax risk

Adverse changes in applicable tax legislations and regulations may operate to diminish the value of taxable or tax-exempt interest income accruing to the prospective investors. The nature of such possible changes in tax laws cannot be predicted immediately, but may ultimately make the Instruments less profitable for investors.

Inflation risk

According to the NBS, in July 2020, inflation increased to 12.82% year-on-year compared to 12.56% recorded in June 2020. Furthermore, for the 12-month period ending January 2020, the percentage change in the average Consumer Price Index (CPI) for the previous 12-month period was 11.5%. Although tighter monetary policies may help to curb inflation, there can be no assurance that inflation will not continue to remain at current levels or that the inflation rate will not rise in the future.

The effects of inflation may reduce the purchasing power of an investor's cash flows and may lead to higher market rates, which in turn lead to lower bond prices. Where the Instruments are not inflation-indexed and there is no specific structure to remove the effects of inflation, investors may be exposed to the possibility of diminished purchasing power and contracted cash flow hinged on numerous other market forces.

Changes in interest rate may affect the price of the Instruments

Where Instruments are offered at a fixed-coupon rate, their prices are inversely vulnerable to fluctuations in market rates – moving in opposite directions. Where market rates rise, prices of fixed rate securities fall and when market rates drop, the prices increase. Accordingly, the extent of the fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of the prevailing market rates. Increased market rates which frequently accompany inflation and/or a growing economy are also likely to have a negative effect on the price of the Instruments.

The Instruments may, in the event of a change in market conditions which result in an adverse change in market rates, be unattractive to investors, with the prevailing rates being more attractive than the coupon on the issued Instruments.

Foreign Exchange Market Liquidity Risk for Foreign Investors in the Instruments

Availability of foreign exchange in the Nigerian foreign exchange market is affected by various factors including global oil prices, Nigeria's external reserves, foreign portfolio and direct investments into Nigeria, as well as the CBN's policies and regulations. Foreign investors who buy any of the Instruments may be adversely affected by changes in any of these factors at the time where they intend to sell the Instruments, and this could adversely impact their ability to repatriate their funds out of Nigeria.

Foreign exchange controls in Nigeria are largely codified in the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act, (Chapter F34) LFN 2004 ("**FEMM Act**"), which requires an investor that brought foreign capital into Nigeria for investment in equities or debt instruments to obtain a document called the certificate of capital importation ("**CCI**"). A CCI will be issued to the investor by the Nigerian bank through which the foreign capital was brought into Nigeria, after the foreign capital has been converted into Naira. This conversion is required to take place within 24 hours of the foreign capital being brought into Nigeria, subject to the investor providing the appropriate documents to the Nigerian bank.

A CCI serves as evidence that the foreign capital was brought into Nigeria for the purpose of investment and enables the investor to access the Investors' & Exporters' FX Window (or any window/market that replaces same) ("**I&E FX Window**") to repatriate the return on the investment or capital upon divestment or redemption of securities. CCIs are issued in electronic form on the Electronic-CCI platform administered by the CBN.

Investors that wish to bring in foreign capital to Nigeria for investment in the Instrument are required to obtain CCIs from an authorised dealer (as designated by the CBN) in respect of the capital brought into Nigeria for investment and converted into Naira. Where an investor does not have a CCI, such an investor will be unable to access the I&E FX Window for the purpose of repatriation of capital or returns on capital out of Nigeria. There can be no assurance that foreign exchange control restrictions will not be introduced in the future or that foreign exchange will be readily available at the time of repatriation.

Further, an investment in the Instruments by an investor whose principal currency is not Naira exposes the investor to foreign currency exchange rate risk. Any depreciation of Naira in relation to such foreign currency will reduce the value of the investment in the Instruments or any returns in foreign currency terms.

Additional Risks relating to Sukuks

The Risk peculiar to the Sukuk will also be impacted by the structure of the Sukuk. Additional risk factors may be provided in the relevant Pricing Supplement.

The Certificates are limited recourse obligations of the Issuer Trustee

The Certificates are not debt obligations of the Issuer Trustee, instead, each Certificate represents an undivided ownership interest in the Trust Assets relating to that Series. Recourse to the Issuer Trustee is limited to the Trust Assets of the relevant Series or Tranche and the proceeds of the Trust Assets of the relevant Series or Tranche are the sole source of payments on the Certificates of that Series. Upon the occurrence of a Dissolution Event, the sole rights of the Issuer Trustee and/or the Delegate Trustee (acting on behalf of the Certificateholders of the relevant Series or Tranche of Certificates) will be against the Issuer to perform its obligations under the Transaction Documents. Certificateholders will have no recourse to any assets of the Issuer Trustee (other than the Trust Assets), the Delegate Trustee, or (to the extent that it fulfils all of its obligations under the Transaction Documents) the Issuer in respect of any shortfall in the expected amounts due on the Certificates. Certificateholders will also not be able to petition for, institute or join any other person in, instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Issuer Trustee, the Delegate Trustee, the Issuer or any of their respective directors, officers, employees or agents as a consequence of any shortfall or otherwise.

The Issuer will be obliged to make certain payments under the Transaction Documents directly to the Delegate Trustee or the Issuer Trustee, and the Delegate Trustee will have direct recourse against the Issuer to recover such payments due under the Transaction Documents. After enforcing or realising the rights in respect of the Trust Assets in respect of a Series or Tranche of Certificates and distributing the net proceeds of such Trust Assets in accordance with the relevant Transaction Documents, the obligations of the Delegate Trustee in respect of that Series or Tranche of Certificates shall be satisfied, neither the Delegate Trustee nor any Certificateholder may take any further steps against the Issuer Trustee or the Issuer to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Delegate Trustee or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets other than as contemplated in the Transaction Documents. The sole right against the Issuer shall be to enforce its obligation under the Transaction Documents.

Shari'ah non-compliance risk in the case of a Sukuk issuance

While the Sukuk is to remain Shari'ah compliant at all times until maturity, there are however different views in Islamic commercial jurisprudence which could mean that the Sukuk may be considered Shari'ah compliant to some and not others. The Sukuk will be structured by Shariah advisers with expertise in Islamic finance, under the guidance of their Shari'ah board in conformity with regulatory guidelines.

The structure adopted for the Sukuk will be in compliance with international standards prescribed by bodies such as the Council of the Islamic Fiqh Academy of the Organization of Islamic Conference (OIC), Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Islamic Financial Services Board (IFSB) and the Institute of Islamic Liquidity Management (IILM).

None of the Issuer, the Issuer Trustee, the Issuing Houses, other professional advisers on the transaction, or the Delegate Trustee makes any representation as to the Shari'a compliance of any Series or Tranche and potential investors are reminded that, as with any Shari'a views, differences in opinion are possible. Potential investors should obtain their own independent Shari'a advice as to whether the Transaction Documents and any issue of Certificates will meet their individual standards of compliance and should also make their own determination as to the future tradability of the Certificates on any secondary market. Questions as to the Shari'a permissibility of the Transaction Documents or the tradability of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

Changes in regulations may affect the Sukuk

Sukuk are governed by the laws of the Federal Republic of Nigeria and applicable Islamic law of commercial transactions, and are issued based on the existing legal framework as at the date of this Shelf Prospectus. The Company has, to the extent necessary, obtained regulatory clarification from relevant fiscal and monetary authorities as regards the status of the Sukuk. However, there are no precedents on how the laws would be applied by the courts.

It is equally possible that there would be future changes in Nigerian law, administrative practices or judicial decisions; the impact of which may not be quantifiable or predetermined at present. Nevertheless, Nigerian securities laws have been stable in the last decade and a material change that may affect the Sukuk appears unlikely.

Rate of Return Risk

Although the Sukuk typically has a fixed rate of return, changes in conventional interest rates may adversely affect the price of the Sukuk on the relevant exchanges. In a high interest rate environment, investors seeking a yield higher than the fixed rate on the Sukuk will offer a lower price on the relevant stock or securities exchange. Consequently, the yield on the Sukuk may fall below the rate unless the Sukuk is held until maturity.

A secondary market may not develop or be maintained for the Certificates

The Certificates of any Series or Tranche may have no established trading market when issued, and one may never develop. If a market for the Certificates does develop, it may not be very liquid. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Additional Risks relating to Green Bonds

Green Evaluation risk in the case of a Green Bond issuance

The proceeds from the issuance of a Green Bond would be exclusively applied to finance or refinance in part or in full new and/or existing projects that align with the requirements of the SEC Rules and Green Bond Principles specified by NGX. However, investors' expectations regarding investing in a Green Bond may differ from the stated use of proceeds. The Company will in accordance with the requirements of the SEC, appoint an independent party to conduct a green evaluation and provide an opinion on the environmental benefit generated by the issuance in line with green market standards. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold the Green Bonds. Any such opinion or certification is only current as at the date that opinion is issued. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Green Bonds will meet any or all investor expectations regarding such "green", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Green Bonds.

If the Green Bonds are at any time listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another.

Each prospective investor in the Green Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its investment in the Green Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it.

There is a risk of difficulty in benchmarking the Green Bonds

The limited issuance of Green Bonds by the Federal Government and other corporate entities in Nigeria may result in the Green Bonds not being properly priced in the market. As of the date of this Shelf Prospectus, the only Green Bonds in the market are those issued by the Federal Government, Access Bank Plc and NSP-SPV Powercorp PLC (a subsidiary of North South Power Company Limited). This restricts the assessment of the Green Bonds on a peer performance basis, which may be factored into pricing and affect the value of the Green Bonds.

There is the risk that verification/certification of bonds as a Green Bond may be withdrawn

Green Bonds are required under the SEC Rules to be certified in order to be admitted for listing or trading on any stock or securities exchange. In the event that the certification or verification is withdrawn or suspended subsequent to the issuance of the Green Bonds, this will have a material adverse effect on the value of the Green Bonds and/or adverse consequences for investors.

19. FINANCIAL SUMMARY

The financial information set out in this Shelf Prospectus has been extracted from the audited annual financial statements of the Company and is available at the specified office of the Company. This section should be read and construed in conjunction with the audited interim financial statement(s) published subsequently for the financial years prior to the issuance of Instruments under the relevant Pricing Supplement. The Financial Statements of the Company for the years ended December 31, 2015 to December 31, 2019 are hereby incorporated by reference and are available for inspection. Kindly refer to page 148 “Documents Available for Inspection” section of this Shelf Prospectus.

19.1 Extract from Independent Report of the Reporting Accountants covering the 5-year period from December 31, 2015 – December 31, 2019:



9 March 2021

Independent assurance report to:

The Board of Directors
Dangote Cement Plc
Union Marble House
1 Alfred Rewane Road
Ikoyi
Lagos

and

The Directors
Abba Capital Markets Nigeria Limited
1 Murtala Muhammed Drive
Ikoyi
Lagos

The Directors
Standard Chartered Capital and Advisory Nigeria Limited
142 Ahmadu Bello Way
Victoria Island
Lagos

Dear Sirs

We have reviewed the accompanying consolidated statements of financial position for the years ended 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019, the consolidated statements of profit or loss, consolidated statements of comprehensive income, the consolidated statements of changes in equity, the consolidated statements of cash flows for the years ended, and the related explanatory notes (together “the financial information”). The financial information is based on the audited financial statements of Dangote Cement Plc and its subsidiaries (the “Group”).

Directors Responsibility

The Directors are responsible for the preparation and fair presentation of the financial statements on which the financial information is based, in accordance with the basis of accounting described in the financial information and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for the contents of the prospectus in which this report is included.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised) which requires us to conclude whether anything has come to our attention that causes us to believe that the financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The review primarily consists of making inquiries of management and others as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

PricewaterhouseCoopers Chartered Accountants
Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not present fairly, in all material respects the state of the financial position of the group as at the date stated and of its profit or loss and cash flows for the years then ended, in accordance with the Group's accounting policies.

Basis of Accounting

Without modifying our conclusion, we draw attention to the Statement of significant accounting policies included in the financial information which describes the basis of accounting. The financial information is prepared for inclusion in the prospectus to be issued in connection with the proposed capital raising transaction by Dangote Cement Plc. As a result, the financial information may not be suitable for another purpose.

Yours faithfully



For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Ede Erhie
FRC/2013/ICAN/ 00000001143



9 March 2021

Dangote Cement Plc
Financial information: 2015 - 2019
Consolidated statement of profit or loss

		31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
	Note	N'million	N'million	N'million	N'million	N'million
Revenue	2	891,671	901,213	805,582	615,103	491,725
Production cost of sales	3	(379,989)	(383,311)	(351,290)	(323,816)	(201,808)
Gross profit		511,682	517,902	454,292	291,287	289,917
General and administrative expenses	4	(54,124)	(52,501)	(45,380)	(36,669)	(32,546)
Selling and distribution expenses	5	(160,645)	(136,925)	(109,917)	(82,667)	(53,500)
Other income	6	2,980	10,222	5,213	10,542	3,951
Profit from operating activities		299,893	338,698	304,208	182,493	207,822
Finance income	7	7,610	11,323	35,926	43,817	13,949
Finance costs	7	(57,673)	(49,778)	(52,711)	(45,381)	(33,477)
Share of profits from associates	13	649	553	2,167	-	-
Profit before income tax		250,479	300,806	289,590	180,929	188,294
Income tax	8	(49,958)	89,519	(85,342)	(38,071)	(6,971)
Profit for the year		200,521	390,325	204,248	142,858	181,323
Of which, attributable to:						
Owners of the parent		200,935	388,983	198,585	149,536	184,994
Non-controlling interests		(414)	1,342	5,663	(6,678)	(3,671)
		200,521	390,325	204,248	142,858	181,323
Earnings per share						
Basic (kobo)	9	11.79	22.83	11.65	8.78	10.86
Diluted (kobo)	9	11.79	22.83	11.65	8.78	10.86

Dangote Cement Plc
Financial information: 2015 - 2019
Consolidated statement of comprehensive income

	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
	N'million	N'million	N'million	N'million	N'million
Profit for the year	200,521	390,325	204,248	142,858	181,323
Other comprehensive loss					
Non-cash exchange differences on translating net investments in foreign operations	(16,412)	(6,147)	(3,572)	100,701	(25,254)
Remeasurement of defined benefit plan	-	-	-	-	(991)
Other comprehensive (loss)/ income	(16,412)	(6,147)	(3,572)	100,701	(26,245)
Total comprehensive income	184,109	384,178	200,676	243,559	155,078
Total comprehensive income attributable to:					
Owners of the company	184,304	386,147	195,062	250,866	165,474
Non-controlling interests	(195)	(1,969)	5,614	(7,307)	(10,396)
	184,109	384,178	200,676	243,559	155,078

Dangote Cement Plc
Financial information: 2015 - 2019
Consolidated statement of financial position

		31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
	Note	N'million	N'million	N'million	N'million	N'million
Assets						
Property, plant and equipment	10	1,206,749	1,171,864	1,192,140	1,155,711	917,212
Intangible assets	11	3,663	5,969	6,355	4,145	2,610
Right of use assets	12	11,956	-	-	-	-
Investments in associate	13	4,961	4,312	3,749	1,582	1,582
Deferred tax asset	8	44,768	40,622	30,625	51,306	17,575
Non-current prepayments for property, plant and equipment	14	51,233	36,383	16,101	13,196	9,094
Non-current finance lease receivables	19	11,285	6,475	6,614	-	-
Inventories	15	114,806	106,998	94,594	82,903	53,118
Trade and other receivables	16	30,001	44,468	30,155	26,279	11,544
Current prepayments and other current assets	14	127,042	101,883	115,496	78,280	60,526
Current finance lease receivables	19	4,266	2,380	1,608	-	-
Current income tax receivables	8	6,718	6,213	59	9	-
Cash and bank balances	17(a)	123,903	166,896	168,387	115,693	40,792
Total assets		1,741,351	1,694,463	1,665,883	1,529,104	1,114,053
Equity and liabilities						
Equity						
Share capital	20	8,520	8,520	8,520	8,520	8,520
Share premium	20	42,430	42,430	42,430	42,430	42,430
Capital contribution	20	2,877	2,877	2,877	2,877	2,877
Currency translation reserve		55,974	72,005	75,441	78,964	(22,366)
Employee benefit reserve		-	-	-	-	(1,007)
Retained earnings		776,839	848,695	639,462	605,662	592,450
Equity attributable to owners of the parent		885,640	975,127	768,730	738,453	622,904
Non-controlling interest		11,297	11,486	12,530	(12,925)	(6,235)
Total equity		897,937	986,613	781,360	725,528	616,669
Liabilities						
Deferred tax liabilities	8	93,841	83,350	116,898	103,162	53,451
Borrowings- non current	21	107,279	125,725	242,894	152,475	208,329
Provisions for liabilities and other charges	24	3,684	2,753	3,416	3,344	3,283
Non-current deferred revenue	22	369	516	839	1,072	975
Other long term payables	26	-	-	-	17,730	24,442
Trade and other payables	18	284,739	230,970	270,721	268,966	127,597
Lease liabilities	28	8,856	-	-	-	-
Income tax payable	8	49,932	9,223	63,901	18,220	3,503
Borrowings- current	21	260,631	220,128	144,783	220,300	47,275
Other current liabilities	23	34,083	35,185	41,071	18,307	24,537
Retirement benefit obligation		-	-	-	-	3,992
Total liabilities		843,414	707,850	884,523	803,576	497,384
Total equity and liabilities		1,741,351	1,694,463	1,665,883	1,529,104	1,114,053

Dangote Cement Plc
Financial information: 2015 - 2019
Consolidated statement of changes in equity

	Share capital N'million	Share premium N'million	Retained earnings N'million	Employee benefit reserve N'million	Currency translation reserve N'million	Capital contribution N'million	Attributable to the owners of the parent N'million	Non-controlling interest N'million	Total equity N'million
Balance as at 1 January 2015	8,520	42,430	537,751	(16)	(3,837)	2,877	587,725	4,161	591,886
Profit/ (loss) for the year	-	-	184,994	-	-	-	184,994	(3,571)	181,323
Other comprehensive loss for the year, net of tax	-	-	-	(991)	(18,529)	-	(19,520)	(6,725)	(26,245)
Total comprehensive income/ (loss) for the year	-	-	184,994	(991)	(18,529)	-	165,474	(10,396)	155,078
Dividend paid	-	-	(102,244)	-	-	-	(102,244)	-	(102,244)
Balance as at 31 December 2015	8,520	42,430	620,501	(1,007)	(22,366)	2,877	650,955	(6,235)	644,720
Balance as at 1 January 2016	8,520	42,430	620,501	(1,007)	(22,366)	2,877	650,955	(6,235)	644,720
Restatement (note 30)	-	-	(28,051)	-	-	-	(28,051)	-	(28,051)
Balance as at 31 December 2015 (Restated)	8,520	42,430	592,450	(1,007)	(22,366)	2,877	622,904	(6,235)	616,669
Profit/ (loss) for the year	-	-	149,536	-	-	-	149,536	(6,678)	142,858
Other comprehensive income/ (loss) for the year, net of tax	-	-	-	-	101,330	-	101,330	(629)	100,701
Total comprehensive income/ (loss) for the year	-	-	149,536	-	101,330	-	250,866	(7,307)	243,559
Dividend paid	-	-	(136,324)	-	-	-	(136,324)	-	(136,324)
Contribution by non-controlling interest shareholders	-	-	-	-	-	-	-	617	617
Transfer on amendment to the scheme	-	-	-	1,007	-	-	1,007	-	1,007
Balance as at 31 December 2016	8,520	42,430	605,662	-	78,964	2,877	738,453	(12,925)	725,528
Balance as at 1 January 2017	8,520	42,430	605,662	-	78,964	2,877	738,453	(12,925)	725,528
Restatement (note 30)	-	-	(71,817)	-	-	-	-	-	(71,817)
Balance as at 31 December 2016 (Restated)	8,520	42,430	605,662	-	78,964	2,877	738,453	(12,925)	725,528
Profit for the year	-	-	198,585	-	-	-	198,585	5,663	204,248
Other comprehensive loss for the year, net of tax	-	-	-	-	(3,423)	-	(3,523)	(49)	(3,572)
Total comprehensive income/ (loss) for the year	-	-	198,585	-	(3,423)	-	195,062	5,614	200,676
Dividend paid	-	-	(144,844)	-	-	-	(144,844)	-	(144,844)
Effect of changes in subsidiary shareholding	-	-	(19,941)	-	-	-	(19,941)	19,941	-
Balance as at 31 December 2017	8,520	42,430	639,462	-	75,444	2,877	768,730	12,630	781,360

Dangote Cement Plc
Financial information: 2015 - 2019
Consolidated statement of changes in equity

	Share capital N'million	Share premium N'million	Retained earnings N'million	Employee benefit reserve N'million	Currency translation reserve N'million	Capital contribution N'million	Attributable to the owners of the parent N'million	Non-controlling interest N'million	Total equity N'million
Balance as at 1 January 2018	8,520	42,430	639,462	-	75,444	2,877	768,730	12,630	781,360
Profit for the year	-	-	388,983	-	-	-	388,983	1,342	390,325
Other comprehensive loss for the year, net of tax	-	-	-	-	(2,836)	-	(2,836)	(3,311)	(6,147)
Total comprehensive income/ (loss) for the year	-	-	388,983	-	(2,836)	-	386,147	(1,969)	384,178
Dividend paid	-	-	(178,925)	-	-	-	(178,925)	-	(178,925)
Effect of changes in subsidiary shareholding	-	-	(825)	-	-	-	(825)	825	-
Balance as at 31 December 2018	8,520	42,430	848,695	-	72,605	2,877	975,127	11,486	986,613
Balance as at 1 January 2019	8,520	42,430	848,695	-	72,605	2,877	975,127	11,486	986,613
Profit for the year	-	-	200,935	-	-	-	200,935	(414)	200,521
Other comprehensive loss for the year, net of tax	-	-	-	-	(16,631)	-	(16,631)	219	(16,412)
Total comprehensive income/ (loss) for the year	-	-	200,935	-	(16,631)	-	184,304	(195)	184,109
Dividend paid	-	-	(272,648)	-	-	-	(272,648)	(137)	(272,785)
Effect of changes in subsidiary shareholding	-	-	(143)	-	-	-	(143)	143	-
Balance as at 31 December 2019	8,520	42,430	776,839	-	55,974	2,877	886,640	11,297	897,937

Dangote Cement Plc
Financial information: 2015 - 2019
Consolidated statement of cash flows

		31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Note		N'million	N'million	N'million	N'million	N'million
	Profit before income tax	250,479	300,806	289,590	180,929	188,294
	Adjustment for non cash items:					
	Depreciation and amortisation	95,463	96,203	83,939	74,750	54,626
	Write off and impairment of property, plant and equipment	71	360	287	471	1,624
	(Reversal of)/ provision for impairment loss on investment and receivables from related parties	-	-	-	(1,592)	(1,582)
7	Interest expenses	43,829	41,413	59,101	45,172	33,154
7	Interest income	(7,610)	(11,323)	(9,136)	(2,662)	(1,699)
	Unrealised exchange loss on borrowings	9,841	(1,970)	(34,744)	(50,394)	1252
13	Share of income from associates	(649)	(563)	(2,167)	-	-
	Amortisation of deferred revenue	(227)	(306)	(299)	56	(478)
	Other provision	931	(663)	72	61	(728)
25	Provision for employee benefits	-	-	-	(2,985)	931
	Loss on disposal of property, plant and equipment	130	459	58	59	1
		392,258	424,416	379,701	243,865	275,395
	Changes in working capital:					
	Change in inventories	(7,942)	(11,997)	(11,691)	(29,785)	(10,431)
	Change in trade and other receivables	14,467	(13,957)	(3,876)	(14,735)	(1,741)
	Change in trade and other payables	68,618	(18,860)	2,610	99,016	29,151
	Change in prepayments and other current assets	(27,159)	8,996	(33,622)	(12,450)	3,674
	Change in other current liabilities	(13,593)	(5,594)	15,222	(6,189)	5,793
	Receipts from customers for lease trucks	4,067	3,507	238	-	-
	Income tax paid	(4,601)	(11,163)	(3,213)	(1,128)	(2,234)
	Net cash generated from operating activities	426,115	375,348	345,375	278,594	299,517
	Interest received	6,460	9,974	9,136	2,662	1,699
	Purchase of intangible asset	(220)	(796)	(1,639)	(745)	(298)
	Changes in non current prepayment	10,593	(17,307)	(2,905)	(4,027)	70,397
	Additions to property, plant and equipment	(174,952)	(88,623)	(85,621)	(136,168)	(251,931)
	Net suppliers credit (repaid)/obtained	(12,683)	(25,115)	(19,427)	21,354	24,442
	Net cash used in investing activities	(170,802)	(121,867)	(100,456)	(116,921)	(155,691)
	Interest paid	(34,842)	(45,782)	(48,358)	(39,029)	(25,007)
	Non-controlling shareholders contribution	-	-	-	617	-
	Lease payment	(967)	-	-	-	-
	Dividend paid	(272,785)	(178,925)	(144,844)	(136,324)	(102,243)
	Loans received during the year	406,933	215,052	310,659	343,071	125,912
	Loans repaid	(393,443)	(247,399)	(308,068)	(262,240)	(116,184)
	Net cash used in financing activities	(295,104)	(257,054)	(190,611)	(93,905)	(117,522)
	Decrease/(increase) in cash and cash equivalents	(39,791)	(3,573)	54,308	67,765	26,304
	Effect of exchange rate changes	(7,144)	844	(1,954)	3,791	(4,863)
	Cash and cash equivalents at beginning of year	159,026	161,755	109,401	37,845	16,403
	Cash and cash equivalents at end of the year 17(a)	112,091	159,026	161,755	109,401	37,844

19.2 Q3 Management Accounts

Dangote Cement Plc
Condensed consolidated and separate statements of profit or loss
For the three months and nine months ended 30th September 2020

	Notes	3 months ended 30/09/2020 N'million	9 months ended 30/09/2020 N'million	Group 3 months ended 30/09/2019 N'million	9 months ended 30/09/2019 N'million	Year ended 31/12/2019 N'million	3 months ended 30/09/2020 N'million	9 months ended 30/09/2020 N'million	Company 3 months ended 30/09/2019 N'million	9 months ended 30/09/2019 N'million	Year ended 31/12/2019 N'million
Revenue	3	284,592	761,444	212,061	679,791	891,671	200,890	533,267	139,590	467,877	610,247
Production cost of sales	5	(115,120)	(317,540)	(96,843)	(290,015)	(379,989)	(60,673)	(161,725)	(46,785)	(140,414)	(181,009)
Gross profit		169,472	443,904	115,218	389,776	511,682	140,217	371,542	92,805	327,463	429,238
Administrative expenses	6	(13,901)	(39,952)	(13,382)	(38,360)	(54,124)	(8,292)	(23,082)	(7,103)	(19,721)	(27,400)
Selling and distribution expenses	7	(41,820)	(119,462)	(41,670)	(121,982)	(160,645)	(30,155)	(89,300)	(28,458)	(82,798)	(109,186)
Other income	8	698	3,438	820	2,048	2,980	553	2,918	573	1,082	1,247
Profit from operating activities		114,449	287,928	60,986	231,482	299,893	102,323	262,078	57,817	226,026	293,899
Finance income - Interest	9	3,343	8,569	1,373	5,984	7,610	9,590	30,122	8,732	27,867	36,713
Finance income - Others	9	4,761	9,761	-	-	-	1,393	43,819	3,715	7,330	10,845
Finance costs	9	(13,444)	(34,298)	(20,167)	(39,786)	(57,673)	(9,631)	(23,320)	(9,413)	(15,726)	(26,037)
Share of profit from associates		-	-	-	-	649	-	-	-	-	-
Profit before tax		109,109	271,960	42,192	197,680	250,479	103,675	312,699	60,851	245,497	315,420
Income tax expense	11.1	(26,567)	(63,275)	(7,082)	(43,330)	(49,958)	(24,605)	(58,882)	(5,522)	(40,605)	(54,071)
Profit for the period		82,542	208,685	35,110	154,350	200,521	79,070	253,817	55,329	204,892	261,349
Profit for the period attributable to:											
Owners of the Company	10	81,877	208,777	35,607	155,107	200,935	79,070	253,817	55,329	204,892	261,349
Non-controlling interests		665	(92)	(497)	(757)	(414)	-	-	-	-	-
		82,542	208,685	35,110	154,350	200,521	79,070	253,817	55,329	204,892	261,349
Earnings per share, basic and diluted (Naira)	10	4.80	12.25	2.09	9.10	11.79	4.64	14.89	3.25	12.02	15.34


Dangote Cement Plc
Condensed consolidated and separate statements of comprehensive Income
For the three months and nine months ended 30th September 2020

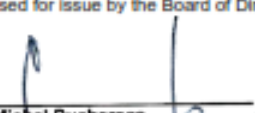
		3 months ended 30/09/2020 N'million	9 months ended 30/09/2020 N'million	Group 3 months ended 30/09/2019 N'million	9 months ended 30/09/2019 N'million	Year ended 31/12/2019 N'million	3 months ended 30/09/2020 N'million	9 months ended 30/09/2020 N'million	Company 3 months ended 30/09/2019 N'million	9 months ended 30/09/2019 N'million	Year ended 31/12/2019 N'million
Profit for the period		82,542	208,685	35,110	154,350	200,521	79,070	253,817	55,329	204,892	261,349
Other comprehensive Income, net of Income tax:											
<i>Items that may be reclassified subsequently to profit or loss:</i>											
Exchange differences on translating net investments in foreign operations (tax nil)		(3,034)	(15,099)	(9,709)	(11,733)	(16,412)	-	-	-	-	-
Other comprehensive (loss)/income for the period, net of Income tax		(3,034)	(15,099)	(9,709)	(11,733)	(16,412)	-	-	-	-	-
Total comprehensive Income for the period		78,908	192,986	25,341	142,617	184,109	79,070	253,817	55,329	204,892	261,349
Total comprehensive Income for the period attributable to:											
Owners of the Company		77,017	192,544	26,737	143,996	184,304	79,070	253,817	55,329	204,892	261,349
Non-controlling interests		1,091	442	(1,396)	(1,381)	(195)	-	-	-	-	-
		78,908	192,986	25,341	142,617	184,109	79,070	253,817	55,329	204,892	261,349

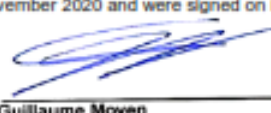
Dangote Cement Plc
Condensed consolidated and separate statements of financial position
As at 30th September 2020

		Group		Company	
	Notes	30/09/2020 N'million	31/12/2019 N'million	30/09/2020 N'million	31/12/2019 N'million
ASSETS					
Non-current assets					
Property, plant and equipment	12	1,259,906	1,206,749	553,178	545,634
Intangible assets	13	4,829	3,663	70	69
Right of use assets	14	11,760	11,956	999	994
Investments in subsidiaries	15.2	-	-	162,241	162,071
Investments in associate	15.3	4,961	4,961	1,562	1,562
Prepayments for property, plant and equipment	16	43,846	51,233	4,501	5,090
Deferred tax assets	11.4	22,915	44,768	-	14,356
Lease receivables	17	10,716	11,265	10,716	11,265
Receivables from Subsidiaries	18	-	-	760,695	663,113
Total non-current assets		1,359,055	1,334,615	1,494,182	1,404,994
Current assets					
Inventories	19	110,709	114,806	60,669	67,736
Trade and other receivables	20	40,647	30,001	20,690	11,606
Prepayments and other current assets	21	153,923	127,042	306,529	272,661
Lease receivables	17	5,754	4,266	5,754	4,266
Current income tax receivables	11.2	2,151	6,716	763	6,712
Cash and cash equivalents	22	176,653	123,903	99,836	55,767
Total current assets		469,837	406,736	494,441	418,990
TOTAL ASSETS		1,848,892	1,741,351	1,988,623	1,823,984
LIABILITIES					
Current liabilities					
Trade and other payables	23	340,696	264,739	177,097	129,647
Lease liability	29	1,091	1,409	-	-
Current income tax payable	11.3	54,253	49,932	53,354	49,127
Financial liabilities	24	305,464	260,631	231,332	200,666
Other current liabilities	26	55,111	34,083	51,026	30,735
Derivatives	24(c)	130	-	130	-
Total current liabilities		756,765	630,794	512,939	410,575
Non current liabilities					
Deferred tax liabilities	11.5	114,449	93,641	109,696	89,473
Financial liabilities	24	145,343	107,279	99,329	39,700
Lease liability	29	7,632	7,447	-	-
Deferred revenue	25	362	369	7	37
Long term provisions and other charges	28	5,666	3,664	3,232	1,950
Total non-current liabilities		273,652	212,620	212,266	131,160
Total liabilities		1,030,617	843,414	725,205	541,735
Net assets		818,275	897,937	1,263,418	1,282,249
EQUITY					
Share capital	30	8,520	8,520	8,520	8,520
Share premium	30	42,430	42,430	42,430	42,430
Capital contribution		2,677	2,677	2,626	2,626
Currency translation reserve		39,741	55,974	-	-
Retained earnings		712,966	776,839	1,209,640	1,226,471
Equity attributable to owners of the company		806,536	886,640	1,263,418	1,282,249
Non-controlling interest		11,739	11,297	-	-
Total equity		818,275	897,937	1,263,418	1,282,249
TOTAL EQUITY AND LIABILITIES		1,848,892	1,741,351	1,988,623	1,823,984

These financial statements were approved and authorised for issue by the Board of Directors on 5th November 2020 and were signed on its behalf by:


Oluwalanle Alake
Director
FRC/2013/ICAN/00000002214


Michel Pucheros
Group Chief Executive Officer/GMD
FRC/2017/ICAN/00000015919


Guillaume Moyen
Acting Group Chief Finance Officer
FRC/2019/001/000000020239

Dangote Cement Plc

**Condensed consolidated statement of changes in equity
For the nine months ended 30th September 2020**

	Group							
	Share capital N'million	Share premium N'million	Retained earnings N'million	Currency translation reserve N'million	Capital contribution N'million	Attributable to the owners of the parent N'million	Non -controlling interests N'million	Total equity N'million
Balance at 1st January 2019	8,520	42,430	848,695	72,605	2,877	975,127	11,486	986,613
Profit for the period	-	-	155,107	-	-	155,107	(757)	154,350
Other comprehensive income/(loss) for the period, net of income tax (tax nil)	-	-	-	(11,109)	-	(11,109)	(624)	(11,733)
Total comprehensive income for the period	-	-	155,107	(11,109)	-	143,998	(1,381)	142,617
Payment of dividends	-	-	(272,648)	-	-	(272,648)	-	(272,648)
Balance at 30th September 2019	8,520	42,430	731,154	61,496	2,877	846,477	10,105	856,582
Balance at 1st January 2020	8,520	42,430	776,839	55,974	2,877	886,640	11,297	897,937
Profit for the period	-	-	208,777	-	-	208,777	(92)	208,685
Other comprehensive income/(loss) for the period, net of income tax (tax nil)	-	-	-	(16,233)	-	(16,233)	534	(15,699)
Total comprehensive income for the period	-	-	208,777	(16,233)	-	192,544	442	192,986
Payment of dividends	-	-	(272,648)	-	-	(272,648)	-	(272,648)
Balance at 30th September 2020	8,520	42,430	712,968	39,741	2,877	806,536	11,739	818,275

Dangote Cement Plc

**Condensed separate statement of changes in equity
For the nine months ended 30th September 2020**

	Company				
	Share capital N'million	Share premium N'million	Capital contribution N'million	Retained earnings N'million	Total equity N'million
Balance at 1st January 2019	8,520	42,430	2,828	1,239,770	1,293,548
Profit for the period	-	-	-	204,892	204,892
Total comprehensive income for the period	-	-	-	204,892	204,892
Payment of dividends	-	-	-	(272,648)	(272,648)
Balance at 30th September 2019	8,520	42,430	2,828	1,172,014	1,225,792
Balance at 1st January 2020	8,520	42,430	2,828	1,228,471	1,282,249
Profit for the period	-	-	-	253,817	253,817
Total comprehensive income for the period	-	-	-	253,817	253,817
Payment of dividends	-	-	-	(272,648)	(272,648)
Balance at 30th September 2020	8,520	42,430	2,828	1,209,640	1,263,418

Dangote Cement Plc
Condensed consolidated and separate statements of cash flows
For the nine months ended 30th September 2020

Notes	Group			Company		
	9 months ended	9 months ended	Year ended	9 months ended	9 months ended	Year ended
	30/09/2020 M'million	30/09/2019 M'million	31/12/2019 M'million	30/09/2020 M'million	30/09/2019 M'million	31/12/2019 M'million
Cash flows from operating activities						
Profit before tax	271,960	197,660	250,479	312,699	245,497	315,420
Adjustments for:						
Depreciation and amortisation	67,067	71,741	95,463	40,624	39,908	53,454
Write off and impairment of property plant and equipment	5	-	71	5	-	37
Interest expense	33,906	26,527	43,629	22,926	15,490	25,701
Interest Income	(6,569)	(5,964)	(7,610)	(30,122)	(27,667)	(36,713)
Net exchange (gain)/loss on borrowings and non-operating assets	(10,144)	12,312	9,641	(43,041)	(6,043)	(12,176)
Change in derivatives	130	-	-	130	-	-
Share of Income from associate	-	-	(649)	-	-	-
Amortisation of deferred revenue	(94)	(193)	(227)	(97)	(156)	(199)
Long term provisions and other charges	2,162	495	931	1,262	291	640
Loss on disposal of property, plant and equipment	-	47	130	-	47	47
	356,463	304,625	392,256	304,406	267,167	346,209
Changes in working capital:						
Change in inventories	4,651	(2,761)	(7,942)	7,621	(4,309)	(7,916)
Change in trade and other receivables	(11,379)	15,596	14,467	(10,014)	(1,677)	(562)
Change in trade and other payables	47,907	(13,546)	66,616	39,200	5,047	37,465
Change in prepayments and other current assets	(27,213)	(16,813)	(27,159)	(24,336)	(6,777)	(22,600)
Change in other current liabilities	14,790	8,452	(13,593)	11,706	5,320	(19,272)
	365,219	296,555	426,649	320,567	262,771	333,324
Change in lease receivables	5,466	2,755	4,067	5,466	2,755	4,067
Income tax paid	(14,105)	(4,664)	(4,601)	(11,990)	(3,907)	(3,907)
Net cash generated from operating activities	376,602	294,426	426,115	322,085	261,619	333,484
Investing activities						
Interest received	6,707	5,143	6,460	3,607	2,550	2,612
Acquisition of intangible assets	(116)	(95)	(220)	(24)	(37)	(43)
Additional receivables from subsidiaries	-	-	-	(45,610)	(51,502)	(71,236)
Repayment by subsidiaries	-	-	-	9,330	6,405	13,230
Acquisition of investment	-	-	-	(25)	-	-
Acquisition of property, plant and equipment	(93,369)	(121,125)	(177,042)	(40,469)	(70,254)	(66,962)
Additions to property, plant and equipment	(107,364)	(110,957)	(174,952)	(46,366)	(64,501)	(63,050)
Change in prepayments for property, plant and equipment	7,265	3,049	10,593	1,169	(5,560)	(5,690)
Net suppliers' credit obtained/(repaid)	6,730	(13,217)	(12,663)	6,730	(193)	(242)
Net cash used in investing activities	(86,778)	(116,077)	(170,802)	(73,391)	(110,838)	(124,219)
Financing activities						
Interest paid	(37,494)	(25,611)	(34,642)	(27,019)	(13,096)	(17,460)
Lease payment	(1,325)	(631)	(967)	(552)	(149)	(149)
Dividend paid	(272,646)	(272,646)	(272,765)	(272,646)	(272,646)	(272,646)
Loans obtained	373,652	321,752	406,933	366,269	315,492	402,476
Loans repaid	(294,921)	(264,675)	(393,443)	(276,164)	(264,732)	(374,679)
Net cash used in financing activities	(232,536)	(262,013)	(295,164)	(212,134)	(235,133)	(262,458)
Increase/(decrease) in cash and cash equivalent	57,266	(63,664)	(39,791)	36,560	(64,352)	(53,193)
Effects of exchange rate changes	(6,496)	(5,070)	(7,144)	-	-	-
Cash and cash equivalents at beginning of year	112,091	159,026	159,026	55,767	106,960	106,960
Cash and cash equivalents at end of the period	162,881	70,292	112,091	92,347	24,628	55,767

20. TAX CONSIDERATIONS

The summary below does not purport to be comprehensive and does not constitute advice on tax to any actual or prospective investor in the Instruments issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers on the tax consequences attaching to a subscription or purchase of Instruments issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Instruments issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Instruments may vary. Any actual or prospective purchaser of the Instruments who intends to ascertain his/her tax position should seek independent professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Instruments bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Instruments in any manner for placing reliance upon the contents of this section.

Except as otherwise indicated, this summary only addresses Nigerian tax legislation, as in effect and in force at the date hereof, as interpreted and applied by the courts or tax authorities in Nigeria, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Under Nigerian law, income accruing in, derived from, brought into, or received in Nigeria in respect of dividends, interest, royalties, discounts, charges or annuities is subject to tax. Interest shall be deemed to be derived from Nigeria if (a) there is a liability to payment of the interest by a Nigerian company or a company in Nigeria regardless of where or in what form the payment is made, or (b) the interest accrues to a foreign company or person from a Nigerian company or a company in Nigeria regardless of whichever way the interest may have accrued. Consequently, interest payments on the Instruments derived from Nigeria and accruing to both Nigerian investors and non-Nigerian investors would ordinarily be subject to withholding tax in Nigeria at the applicable rate of 10% or 7.5% if the foreign company or person to whom the interest accrues is resident in a country with which Nigeria has a double taxation treaty (which has been ratified by the Nigerian National Assembly) and the Company would be required to withhold tax on such payments and remit same to the appropriate tax authorities.

However, under current legislation in Nigeria, an investment in the Bonds to be issued under the Programme is generally exempt from all forms of taxes. These include exemptions from CIT, VAT and PIT, by virtue of the CIT (Exemption of Bonds and Short Term Government Securities) Order 2011 (“**CIT Order**”), the VAT (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 (“**VAT Order**”) and the Personal Income Tax (Amendment) Act 2011. The CIT Order and VAT Order became effective on January 2, 2012 and are valid for a period of ten years from that date. The exemption under PITA is indefinite.

Where the maturity of any Bonds issued under the Programme exceeds January 1, 2022, the treatment of withholding of tax on the interest payments for periods beyond this date will be stated in the applicable Pricing Supplements.

In addition, the Bonds qualify for a waiver from Capital Gains Tax by virtue of the proposed ten-year tax waiver approved by the Federal Government in March 2010. However, the necessary legislative and administrative processes for the effectiveness of this waiver have not yet been completed. This implies that investors may benefit from the waiver from Capital Gains Tax only when the requisite exemption is gazetted and the necessary amendments made to the enabling law. The Capital Gains Tax Act, Chapter C1 LFN 2004 (as amended by the Finance Act) (“**CGT Act**”) provides that any gain paid, used or enjoyed in or in any manner or form transmitted or brought to Nigeria shall be treated as being derived from Nigeria for the purposes of the CGT Act. In the case of an individual who is in Nigeria for a temporary purpose only and does not have any view or intent to establish his residence in Nigeria, such gain will be subject to tax if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 days.

The Sukuk represents a non-interest variant of a debt instrument and should therefore benefit from the existing exemptions in the event that the benefits are still in force as at the date. Sukuks are issued under the Programme.

The draft Regulation for the Taxation of Institutions Offering Non-Interest Financial Services In Nigeria issued by the FIRS in 2012, contemplates that sukuks shall be treated as bonds for the purposes of tax. In the event that the final regulations are not issued prior to the issuance of Sukuk under the Programme, the Company will take steps to obtain a written clarification from the FIRS in this regard.

21. STATUTORY AND GENERAL INFORMATION

21.1 HISTORY AND KEY MILESTONES

The Company was incorporated as a public limited liability company on 4th November, 1992 as Obajana Cement PLC. The Company changed its name from Obajana Cement PLC to Dangote Cement PLC on 14th July, 2010 and merged with Benue Cement PLC in the same year. The Company's shares were listed on the Nigerian Exchange Limited on 26th October, 2010.

In 2012, the Company increased its capacity by 5Mta in Obajana, thereby making it the largest cement plant in Sub-Saharan Africa. In the same year, the Company opened a 6Mta plant in Ibese, Ogun State. In 2014, the Company opened Delmas and Aganang Plants in South Africa and also commenced installation of coal facilities at its Nigerian plants to mitigate costs and ensure fuel security.

In 2015, the Company expanded its operations and opened plants in Cameroon, Zambia, Senegal, Ethiopia and Tanzania. In the same year, the Company joined the Premium Board of The NSE. In 2017, the Company expanded its operations and opened plants in Sierra Leone and Congo and in the same year, the Company was assigned a first time Ba-3 local currency corporate family rating by Moody's Investors Service Inc., one-notch above the rating of the Federal Republic of Nigeria.

In 2020, the shareholders of the Company authorised the Company to undertake a share buy-back of up to 10% of its issued shares, on such terms and conditions and at such time as the Board deems fit, in accordance with the provisions of the CAMA and other relevant laws.

21.2 OWNERSHIP STRUCTURE

The current authorised share capital of the Company is ₦10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) ordinary shares of ₦0.50k each. As at 31 December 2020, the residual issued and outstanding share capital of the Company was 17,000,307,404¹⁶ ordinary shares, which has been fully paid up.

The table below sets out the outstanding issued and paid-up capital legally and/or beneficially held by shareholders holding more than 5% of the Company's ordinary shares as at 31 December 2020:

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES HELD	SHAREHOLDING (%)
Dangote Industries Limited	14,621,387,610	85.8
Stanbic Nominees Nigeria Ltd	974,097,274	5.72

The table below sets out a summary of the capital structure of the Company as at 31 December 2020:

Description	9 months	12 months	12 months	12 months
₦ (Millions)	Ended 30 Set 2020	Ended 31 Dec 2019	Ended 31 Dec 2018	Ended 31 Dec 2017
Cash and Cash Equivalent at end of year (net of bank overdrafts used for cash management)	162,881	112,091	159,026	161,755
Short-term Debt	293,721	244,155	209,576	129,200
Long-term Debt	145,343	107,279	125,725	242,894
Total Shareholders' Equity	818,275	897,937	986,613	781,360

¹⁶ The share buy-back by the Company of 40,200,000 ordinary shares was undertaken on December 30 and 31, 2020 but the settlement of same occurred on January 5 and 6, 2021. As such, the repurchase of shares by DCP is not reflected in the shareholding data herein, which is as of December 31, 2020.

21.3 SHARE CAPITAL HISTORY

The authorised share capital of the Company at incorporation was ₦500,000,000 (Five Hundred Million Naira) divided into 500,000,000 (Five Hundred Million) ordinary shares of ₦1 each. The current authorised share capital of the Company is ₦10,000,000,000 (Ten Billion Naira) divided into 20,000,000,000 (Twenty Billion) ordinary shares of ₦0.50k each.

The changes in the authorised share capital of the Company since incorporation are as follows:

YEAR	AUTHORISED SHARE CAPITAL (₦)		PAR VALUE OF EACH SHARE	NUMBER OF SHARES	ISSUED AND FULLY PAID-UP SHARE CAPITAL (₦)		CONSIDERATION
	INCREASE	CUMULATIVE			INCREASE	CUMULATIVE	
1992	-	500,000,000	₦1.00	500,000,000	-	210,000,000	Cash
2001	-	500,000,000	₦1.00	500,000,000	290,000,000	500,000,000	Cash
2010	9,500,000,000	10,000,000,000	₦0.50k	20,000,000,000	7,000,000,000	7,500,000,000	Bonus
2010	-	10,000,000,000	₦0.50k	20,000,000,000	245,685,184	7,745,685,184	Share Exchange (Merger)
2011	-	10,000,000,000	₦0.50k	20,000,000,000	-	7,745,685,184	No Change
2012	-	10,000,000,000	₦0.50k	20,000,000,000	774,568,518	8,520,253,702	Bonus
2013 – till date	-	10,000,000,000	₦0.50k	20,000,000,000	-	8,520,253,702	No Change

Share buy-back

By a resolution passed on 22 January, 2020, the shareholders of the Company authorised the Company to undertake a share buy-back of up to 10% of its issued shares, on such terms and conditions and at such time as the Board deems fit, in accordance with the provisions of the CAMA and other relevant laws. Regulatory approval for the said share buy-back has been received. The Company launched the first tranche of the Programme on December 30, 2020 and same was completed on December 31, 2020. A total of 40,200,000 ordinary shares were bought back by the Company.

21.4 DIRECTORS' INTERESTS

The Directors of Dangote Cement who hold shares in the Company and their respective shareholdings are as recorded in the register of members as at 31 December 2020, and confirmed by the Registrar as follows:

NAME OF DIRECTORS	NUMBER OF SHARES HELD
Alhaji. Aliko Dangote, GCON	27,642,637
Mr. Olakunle Alake	8,000,000
Mr. Devakumar V.G. Edwin	6,000,000
Mr. Ernest Ebi, MFR	100,000
Mr. Abdu Dantata	8,680
Mr. Michel Puchercos	0
Sir Michael Davis	0
Mrs. Cherie Blair	0

Mr. Viswanathan Shankar	0
Mrs. Dorothy Ufot	0
Mr. Douraid Zaghouani	0
Mr. Arvind Pathak	0
Mr. Sani Dangote	0
Mr. Emmanuel Ikazoboh	0
Ms. Berlina Moroole	0

21.5 STATEMENT OF INDEBTEDNESS

Details of all indebtedness of the Issuer at the time of issuance of any Instruments under the Programme will be disclosed in the applicable Pricing Supplement relating to the Series or Tranche of Instruments to be issued.

21.6 CLAIMS AND LITIGATION

The opinion of the Solicitors to the Transaction, in connection with the issuance of the Series 1 Bonds by the Issuer (the “**Transaction**”) is set out below:

“For the purpose of issuing our opinion on the claims and litigation, we requested for information in respect of matters (a) with a minimum monetary claim of NGN100,000,000.00; and (b) seeking declaration in relation to the mining leases of the Dangote Cement Plc. (the **Issuer**) (**Material Litigation**). Further to our request, we were provided with case files, a schedule of litigation involving the Issuer (the **Litigation Schedule**), showing sixty-seven (67) cases pending against it in the Nigerian courts and supplemental lists, detailing the status of the cases (the **Status Update**).

From our review, the Material Litigation comprises thirty-one (31) cases, in respect of which we note that (a) there are seven (7) cases challenging or seeking declarations in relation to the Issuer’s mining leases; (b) one (1) case involves a claim for declaration of title to land; while (c) sixteen (16) cases relate to tortious claims against the Issuer for death, bodily harm and damage caused to persons and/or property, as a result of the alleged reckless driving of drivers employed by the Issuer (**Tortious Matters**). These cases are at various stages of hearing in various courts, and the Issuer is exploring settlement options in six (6) of the Tortious Matters.

Based on our review, we note that the total amount claimed from the Issuer in the Material Litigation is ₦90,243,515,931 and US\$94,041,230.74 (**Material Contingent Liability Amount**), excluding Tortious Matters with claims of daily accrual of damages. As these claims are at various stages, it is difficult to determine the likelihood of success of the claims or the position that the courts may take on same. Nonetheless, in our opinion, any adverse decision in respect of any of the Material Litigation is unlikely to have an adverse effect on the Transaction.”

21.7 MATERIAL CONTRACTS

The following agreements have been entered into by the Issuer and are considered material to the Programme:

- **A Programme Trust Deed** dated 19 October, 2017, between the Issuer; and ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited (as Joint Trustees), in connection with the establishment of the Issuer's N300 billion Bond Issuance Programme.
- **A Supplemental Trust Deed** dated 24 April, 2020, between the Issuer; and Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited in connection with the issuance of the Series 1 bond under the Issuer's N300 billion Bond Issuance Programme.
- **An Accession Agreement** dated 24 April, 2020, between Coronation Trustees Limited; and ARM Trustees Limited, FBNQuest Trustees Limited and Quantum Zenith Trustees & Investments Limited, through which Coronation Trustees Limited acceded to the terms of the programme and series trust deeds, in connection with the Issuer's N300 billion Bond Issuance Programme.
- **A Series 1 Vending Agreement** dated 24 April, 2020 between the Issuer; and Stanbic IBTC Capital Limited, Absa Capital Markets Nigeria Limited, Standard Chartered Capital & Advisory Nigeria Limited, United Capital PLC, Coronation Merchant Bank Limited, Ecobank Development Company Limited, FBNQuest Merchant Bank Limited, Rand Merchant Bank Nigeria Limited, Quantum Zenith Capital & Investments Limited, Vetiva Capital Management Limited, Futureview Financial Services Limited and FCMB Capital Markets Limited (as Issuing Houses), in connection with the issuance of the Series 1 bonds issuance under the Issuer's N300 billion Bond Issuance Programme.
- **A Dealer Agreement** dated 22 June, 2018 between the Issuer and Stanbic IBTC Capital Limited in connection with its N150 billion Commercial Paper Issuance Programme.
- **A Deed of Covenant** dated 22 June, 2018 between the Issuer and Stanbic IBTC Bank PLC in connection with its N150 billion Commercial Paper Issuance Programme.
- **An Issuing, Placing, Collection and Paying Agency Agreement** dated 22 June, 2018 between the Issuer and Stanbic IBTC Bank PLC in connection with its N150 billion Commercial Paper Issuance Programme.
- **Deed of Amendment and Restatement** dated December 2020 between the Company and Stanbic IBTC Capital Limited in respect of a Dealer Agreement dated June 22, 2018 between the Company and Stanbic IBTC Capital Limited;
- **Deed of Amendment and Restatement** dated December 2020 between the Company and Stanbic IBTC Bank Plc in respect of an Issuing, Calculation and Paying Agreement dated June 22, 2018 between the Company and Stanbic IBTC Bank Plc
- **A Programme Trust Deed** dated [...], 2021 between the Issuer; and ARM Trustees Limited, FBNQuest Trustees Limited, Coronation Trustees Limited and Quantum Zenith Trustees & Investments Limited (as Joint Trustees or Delegate Trustees), in connection with the establishment of the Programme.

Other than as stated above, the Issuer has not entered into any material contract except in the ordinary course of business. Other material contracts in respect of any issuance of Instruments under the Programme will be disclosed in the applicable Pricing Supplement in respect of that Series or Tranche of Instruments.

21.8 DECLARATION

Except as otherwise disclosed herein:

- No share of the Issuer is under any option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted by the Issuer to any person in connection with the issue of Instruments under the Programme or sale of any shares of the Issuer;
- Save as disclosed herein, the Directors of the Issuer have not been informed of any shareholding representing 5% or more of the issued share capital of the Issuer;
- There are no founders, management or deferred shares or any options outstanding;
- There are no material service agreements between the Issuer and any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Issuer and any of its Directors and employees;
- No prosecution has commenced against the Issuer or any of its subsidiaries in respect of any securities law or CAMA;
- No Director or key management personnel has been involved in any of the following (in or outside Nigeria):
 - A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
 - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
 - The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

21.9 COSTS AND EXPENSES

The costs and expenses of and incidental to the establishment of the Multi-Instrument Issuance Programme including without limitation fees payable to the SEC, Professional Parties, filing fees and other expenses are estimated at ₦39,487,500 (Thirty-Nine Million, Four Hundred and Eighty-Seven Thousand and Five Hundred Naira).

Costs and expenses incurred in connection with the relevant Series will be determined at the time of each issuance. These costs are payable by the Issuer and deductible from the proceeds of the relevant Instruments issuance. This shall be specified in the relevant Vending Agreement to be issued in respect of the relevant Series under the Programme.

21.10 CONSENTS

The under listed parties have given and not withdrawn their written consents to the mention and inclusion of their names and reports (where applicable) in the form and context in which they appear in this Shelf Prospectus:

The Directors of Dangote Cement PLC	Alhaji Aliko Dangote, GCON (Chairman) Mr. Michel Puchercos Mrs. Cherie Blair CBE, QC Sir Michael Davis Mr. Arvind Pathak Mr. Viswanathan Shankar Mr. Olakunle Alake Mr. Sani Dangote Mr. Abdu Dantata Mr. Ernest Ebi, MFR Mr. Devakumar V.G. Edwin Mr. Emmanuel Ikazoboh Mrs. Dorothy Ufot, SAN Mr. Douraid Zaghouni Ms. Berlina Moroole
The Company Secretary of Dangote Cement PLC	Mr. Mahmud Kazaure
Lead Issuing House	Standard Chartered Capital & Advisory Nigeria Limited
Joint Issuing Houses	Absa Capital Markets Nigeria Limited Stanbic IBTC Capital Limited United Capital PLC
Solicitors to the Issuer	Banwo & Ighodalo
Solicitors to the Transaction	Olaniwun Ajayi LP
Joint Trustees	ARM Trustees Limited FBNQuest Trustees Limited Quantum Zenith Trustees & Investments Limited Coronation Trustees Limited Advised by: Sefton Fross
Auditors	KPMG Professional Services
Other Experts	<i>In connection with the 2015-2019 Audited Financial Statements of the Company included in this Shelf Prospectus:</i>

	Deloitte & Touche Ahmed Zakari & Co
Reporting Accountant	PricewaterhouseCoopers
Registrar	Coronation Registrars Limited
Rating Agency	Global Credit Rating Company Limited

21.11 DOCUMENTS AVAILABLE FOR INSPECTION

This Shelf Prospectus as well as copies of the underlisted documents may be inspected at the registered office of the Issuer and at the respective offices of Issuing Houses as listed on page 20 during normal business hours (between 8:00a.m. and 5:00p.m.) on any Business Day from the date of this Shelf Prospectus throughout the Validity Period:

- a) Certificate of Incorporation of the Company;
- b) The Memorandum and Articles of Association of the Company;
- c) Board Resolution dated December 12, 2020 authorising the Programme;
- d) The Audited Financial Statements of the Company for each of the 5 years up to the year ended 31st December, 2019;
- e) The unaudited management accounts of the Company for the period ended September 30, 2020;
- f) The Reporting Accountants' Reports on Audited Accounts of the Company for 5 years up to the year ended 31st December, 2019;
- g) The material contracts referred to in section 21.7 of this Shelf Prospectus;
- h) The schedule of claims and litigation involving the Company together with the opinion of the Solicitors to the Transaction prepared in connection therewith;
- i) The written consents of the Parties referred to in section 21.10 of this Shelf Prospectus;
- j) Letter from the SEC confirming the registration of this Shelf Prospectus;
- k) The Programme Trust Deed;
- l) The Rating Report issued by Global Credit Rating Company Limited in respect of the Issuer; and
- m) The Rating Report issued by Moody's Investors Service Inc. in respect of the Issuer.

21.12 RELATIONSHIP BETWEEN THE COMPANY AND ITS ADVISERS

Except as disclosed in this Shelf Prospectus, the Issuer is not related to any of its advisers (the Professional Parties) other than in the ordinary course of business.

21.13 RELATED PARTY TRANSACTIONS

The details of related party transactions are contained in the Financial Statements and are incorporated by reference.

21.14 EXTRACT OF ARTICLES OF ASSOCIATION OF THE COMPANY

Borrowing Powers

31. The Director shall have unlimited powers to borrow money on behalf of the company and may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other

securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

32. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least one Director and the Secretary or such other person as the Director may appoint for the purpose, and the Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

21.15 PLEDGED ASSETS

As of April 2020, the Company had created fixed and floating charges over all its assets, in favour of First Trustees Nigeria Limited, J.P. Morgan Corporate Trustees Services Limited, J.P. Morgan Chase Bank, N.A. Worldwide Security Services Restructuring and Exchange Management, securing the total sum of ₦61,802,000,000 (Sixty-One Billion Eight Hundred and Two Million Naira).

21.16 DEBTORS AND CREDITORS

As of September 30, 2020, creditors constituting 5% and above of the Company's total debt (equivalent to circa ₦43,895 million): Sinotruck International, Nigerian Gas Market, Andaz Limited and Mannai Technical Service; and debtors constituting 5% and above of the Company's total credit (i.e. trade and other receivables, equivalent to circa ₦580 million): CCECC Nigeria Ltd. and Rainy Construction and Foundation.

21.17 MERGERS AND ACQUISITIONS

In 2010, the Issuer concluded its merger with Benue Cement Company PLC, an entity that was the Issuer's affiliate at the time. The merger afforded the enlarged resultant entity (the Issuer) certain benefits including better access to financing, operational efficiencies, improved management efficiencies, economies of scale, value creation and an enlarged cement production platform. The listing of the shares of the enlarged entity, (valued at ₦2.13 trillion) on NGX was the largest listing on NGX at the time accounting for approximately one-third of the total capitalization of NGX.

Except as disclosed herein, as at the date of this Shelf Prospectus, the Directors are not aware of the following during the preceding financial year or the current financial year:

- A merger or takeover by third parties in respect of the Company's securities; and
- A merger or takeover by the Company in respect of another Company's securities.

21.18 DEBT ISSUANCES BY THE COMPANY

The table below reflects the number, description and outstanding amount of any previous issuance of debt securities by the Company:

S/N	DESCRIPTION	TYPE	OUTSTANDING AMOUNT (₦) (MILLIONS)
1	N100 billion bonds due 2025	Bond	98,618
2	N150 billion commercial papers	Commercial Paper	144,051

21.19 AUTHORISATION OF THE PROGRAMME

See below a copy of the resolution of the Board authorizing the establishment of the Programme:



Dangote Cement PLC

RC 2018787

Head Office: 1, Alfred Rewane Road
Ikoyi, Lagos, Nigeria
P.O. Box 40032, Falomo
Tel: +234 1 2771476
Fax: +234 1 2773609
Email: contact@dangotecement.com
Website: www.dangotecement.com

THE FEDERAL REPUBLIC OF NIGERIA THE COMPANIES AND ALLIED MATTERS ACT, 2020


PUBLIC COMPANY LIMITED BY SHARES

RESOLUTION OF THE BOARD OF DIRECTORS OF DANGOTE CEMENT PLC

At a meeting of the Board of Directors (the "Board") of Dangote Cement PLC (the "Company" or "DCP") duly convened and held at 1, Alfred Rewane Road, Falomo, Ikoyi, Lagos, on the 12th of December, 2020, the following were proposed and duly passed as Resolutions of the Board:

- "That the Company be and is hereby authorised to establish a capital raising programme in an amount of up to ₦300,000,000,000 (Three Hundred Billion Naira) (the "Programme") for the issuance whether directly or through special purpose vehicle (s) of sukuku, investment certificates, bonds, green bonds, notes or other debt, equity, debt-linked, equity-linked, credit-linked, currency-linked or other hybrid securities, whether convertible, redeemable, senior, secured, unsecured, preferred or other types of securities by way of a public offering, private placement, book building process or any other method(s), in such tranches, series or proportions, at such coupon or interest rates where applicable, within such maturity periods, at such dates and time and on such terms and conditions, as may be determined by the Management of the Company (the "Management") and in compliance with applicable rules and regulations; subject to obtaining the approvals of relevant regulatory authorities.
- that the Company be and is hereby authorised to enter into all such agreements, deeds, notices and other documents, appoint such professional parties and advisers, perform all such other acts and do all such other things as may be necessary to give effect to the above resolutions, including without limitation, complying with the directives of any regulatory authority.
- that any two director of the Company or the [Group Chief Executive Officer and Group Chief Financial Officer] be and are hereby authorised to sign and/or execute all documents and agreements in connection with the Programme;
- that all acts carried out by Management hitherto in connection with the above, be and are hereby ratified."

Dated this 12th Day of December, 2020



DIRECTOR
OLAKUNLE ALAKE



DIRECTOR
MICHEL PUCHEROS

Directors:

Mr. Alio Dangote, GCON (Chairman); Mr. Michel Pucheros, GMD (French); Arvind Pathak, DGMD (Indian); Mr. Sani Dangote; Mr. Olakunle Alake; Mr. Abdu Dantata; Mr. D.Y.G. Edwin (Indian); Mr. Ernest Ebi, MFR; Mr. Emmanuel Iwasochi; Mr. Douraid Zaghouani (French); Mrs. Dorothy Udeme Ubi, SAN; Mr. Viswanathan Shankar (Singaporean); Mrs. Cherie Blak, CBE QC (British); Sir Michael Davis (British); Ms. Berline Moroko (South African)

22. EXTRACTS FROM THE PROGRAMME TRUST DEED

22.1 EXTRACTS FROM THE PROGRAMME TRUST DEED

2 APPOINTMENT OF TRUSTEES

2.1 The Issuer hereby appoints the Bond Trustees to act as the representatives, and for the benefit, of the Bondholders, to hold the benefit of the covenants, rights and other obligations on the part of the Issuer herein contained for the benefit of the Bondholders and themselves (according to their respective interests) in accordance with the terms of this Programme Trust Deed.

2.2 The Issuer shall appoint or shall procure that upon incorporation of a special purpose vehicle as the Issuer Trustee as the issuer of a Series of Sukuk pursuant to this Programme Trust Deed, the Issuer Trustee shall appoint the Trustees, or such of them as provided in the Final Terms for such Sukuk issuance, to act as the Sukuk Trustee(s) of the Issuer Trustee under the relevant Declaration of Trust.

3 DECLARATION OF TRUST

3.1 The Trustees:

(a) Each of the Bond Trustees hereby accepts the appointment in clause 2.1 with effect from the date of this Programme Trust Deed and agrees to hold the benefit of the covenants and other obligations on the part of the Issuer herein contained on trust for the Bondholders subject to the terms of this Programme Trust Deed.

(b) The Issuer undertakes that not later than the Issue Date of any Series of Sukuk, it shall procure that, where applicable, the special purpose entity established as the Issuer Trustee or the Issuer enters into a Declaration of Trust with the Sukuk Trustee(s) in respect of the relevant Trust Assets for that Series of Sukuk.

(c) Each Trustee hereby agrees to accept any appointment made pursuant to clause 2.2 and 3.1(b) and to be bound by the powers, duties and obligations specifically set forth in the relevant Declaration of Trust.

3.2 Duration of Trust: For the avoidance of doubt, the parties to this Programme Trust Deed agree that the common law rule against perpetuities will apply to the trusts constituted under this Programme Trust Deed and any Series Trust Deed and that the Trust Deeds shall not enure beyond 21 years from the date of their respective creation. The trusts created by the Trust Deeds shall remain in full force and effect until the date on which, following the redemption of all Instruments issued pursuant to the Programme, the Trustees unconditionally confirm in writing to the Issuer that there is no longer any outstanding Indebtedness owing by the Issuer under the Programme; or the date on which the Trustees receive unconditional confirmation in writing from the Registrar that the Instrumentholders have been paid all outstanding obligations.

3.3 Utilisation of Proceeds: The Issuer shall use the net proceeds from the issue of each Series of Instruments (after deduction of the costs and expenses incurred in connection with the issuance of such Series) in accordance with the provisions of the applicable Final Terms, provided that the issue of Green Bonds shall be used strictly for financing or refinancing of Green Projects and in accordance with the Green Bond Principles formulated by the International Capital Market Association.

4 AMOUNT AND ISSUE OF THE INSTRUMENTS

4.1 Amount of the Instruments: The Instruments will be issued in Series in an aggregate nominal amount from time to time outstanding not exceeding the Programme Limit and for the purpose of determining such aggregate nominal amount, the provisions of the Final Terms shall apply. Any Instrument issued under the Programme shall be constituted by the relevant Series Trust Deed without further formality, but shall have all the benefits of this Programme Trust Deed.

- 4.2 Prior to each Issue Date: By not later than 3.00 p.m. (Nigerian time) on the fifth Business Day preceding each proposed Issue Date of the Instrument for each Series, the Issuer shall:
- (a) deliver or cause to be delivered to the Trustees a draft of the relevant Pricing Supplement or Supplementary Shelf Prospectus and, if applicable, notify the Trustees of any proposed changes to the draft Final Terms delivered to the Trustees;
 - (b) deliver or caused to be delivered to the Trustees, legal opinions (in form and substance satisfactory to the Trustees) or supporting authorizations or approvals of the issuance of that Series of Instrument, as may be required by the Trustees; and
 - (c) notify the Trustees in writing without delay of the Issue Date and the nominal amount of the Instrument of the relevant Tranche.

The Trustees shall not be required in any case to approve such Final Terms.

- 4.3 Issue of Instruments: The Instruments shall be issued by way of a public offer or private placement either through an auction, a pre-pricing process, underwriting process, book building process and / or any other such methods as shall be set out in more detail in the relevant Supplementary Shelf Prospectus or Pricing Supplement.
- 4.4 Senior and Subordinated Bonds: Any Series of the Bonds may be Senior Bonds, Subordinated Bonds, or guaranteed under terms to be provided in the applicable Final Terms.
- 4.5 Sukuk: Any Series of Sukuk may be issued in accordance with Sukuk structures approved by the SEC as set out in the Final Terms.

5 CONSTITUTION OF INSTRUMENTS AND SEPARATE TRUSTS

- 5.1 The Issuer shall execute (and procure that, where applicable, the Issuer Trustee executes, in respect of a Series of Sukuk) and deliver such Series Trust Deed to the Trustees containing such provision (whether or not corresponding to any of the provisions contained in this Programme Trust Deed) as the Trustees may require. Each Series Trust Deed shall set out the form of the Series of Instruments to be so constituted and shall be accompanied by legal opinions (in form and substance satisfactory to the Trustees) or supporting authorizations or approvals as may be required by the Trustees.
- 5.2 The Bonds of each Series shall form a separate Series and cover a separate class of Bonds and accordingly, all the provisions of this Programme Trust Deed shall apply mutatis mutandis separately and independently to the Bonds of each Series and in such Clauses and Schedule the expressions "Bonds", and "Bondholders" shall be construed accordingly.
- 5.3 The Sukuk of each Series shall form a separate Series and cover a separate class of Sukuk and accordingly, all the provisions of this Programme Trust Deed shall apply mutatis mutandis separately and independently to the Sukuk of each Series and in such Clauses and Schedule the expressions "Sukuk", and "Sukukholders" shall be construed accordingly.
- 5.4 Each Series Trust Deed shall apply separately and independently to the Instruments of each respective Series.
- 5.5 The Trustees shall hold the benefit of the payment obligation of the Issuer (and the Issuer Trustee in respect of the Sukuk) on trust for the Instrumentholders of the applicable Series of Instrument in accordance with the terms and conditions of each Series Trust Deed.
- 5.6 The name of each Series will commence with the word "Series" and will be followed by a number in consecutive order of issuance of the Series (for example the first Series will be known as the "Series 1

Bonds” or “Series 1 Sukuk”, the second Series will be known as the “Series 2 Bonds” or “Series 2 Sukuk”, regardless of whether that is the first series of Sukuk or Bonds).

- 5.7 If there is any conflict between the provisions of a Series Trust Deed relating to a particular Series and the provisions of this Programme Trust Deed, the provisions of the Series Trust Deed shall prevail over the provisions of this Programme Trust Deed in respect of the relevant Series.

6 COVENANT TO PAY

- 6.1 Covenant to pay on the Bonds: The Issuer covenants with the Bond Trustees that it shall, in accordance with the relevant Final Terms of any Series of Bonds, unconditionally pay or procure to be paid to or to the order of the Bond Trustees in immediately available freely transferable funds in Nigerian Naira (or such other currency specified in the relevant Final Terms), the Principal Amount Outstanding of the Bonds of such Series or any of them becoming due for payment on that due date and shall (subject to the Conditions and except in the case of Zero Coupon Bonds) until all such payments (after as well as before any judgment or other order of any court of competent jurisdiction) are duly made, unconditionally pay or procure to be paid to or to the order of the Bond Trustees as aforesaid on the dates provided for in the Conditions interest on the Principal Amount (or such other amount as may be specified in the relevant Final Terms) of the Bonds or any of them of such Series outstanding from time to time as set out in the Conditions (subject to Clause 6.5 (Interest on Floating Rate Bonds following Event of Default)) provided however that:

- (a) every payment of principal or interest in respect of such Bonds or any of them made to the Bond Trustees or, as the case may be, the Registrar in the manner provided in the applicable Final Terms shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the relevant Bondholders in accordance with the Conditions;
- (b) if any payment of principal or interest in respect of such Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Bondholders or, if earlier, the fifth day after notice has been given to the relevant Bondholders in accordance with the Conditions that the full amount has been received by the Registrar or the Bond Trustees except, in the case of payment to the Registrar, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- (c) in any case where payment of the whole or any part of the Principal Amount Outstanding in respect of any Bond is improperly withheld or refused upon due presentation of the relevant Bond (or if so provided for in the Conditions, the relevant Bond Certificate), interest shall accrue on the whole or such part of such Principal Amount (except in the case of Zero Coupon Bonds, to which the provisions of Condition 6 shall apply), from the date of such withholding or refusal until the date either on which such Principal Amount Outstanding is paid to the relevant Bondholders or, if earlier, the fifth day after which notice is given to the relevant Bondholders in accordance with the Conditions that the full amount payable in respect of the said Principal Amount is available for collection by the relevant Bondholders provided that on further due presentation of the relevant Bond or (if so provided for in the Conditions) the relevant Bond Certificate such payment is in fact made.

The Bond Trustees will hold the benefit of this covenant and the covenants in Clause 9 (Covenant to comply with the Programme Trust Deed) in trust for the Bondholders in accordance with their respective interests.

- 6.2 Covenant to pay on the Sukuk: The Issuer acknowledges that it is obliged, in its respective capacity as Issuer and/or Obligor, to make certain payments under the Underlying Sukuk Documents. Accordingly, the Issuer acknowledges and agrees that the Sukuk Trustees as agents of the Issuer Trustee shall have direct recourse against the Issuer to recover such payments. Where the net proceeds of realisation of, or enforcement of, the Trust Assets are not sufficient to make all payments due in respect of the Sukuk

following the distribution of such proceeds, and there remains a shortfall in payments due under the Sukuk, subject to paragraph 18 of the Sukuk Conditions, no Sukukholder will have any claim against the Issuer Trustee (to the extent that the Trust Assets have been exhausted); the Issuer or the Sukuk Trustees (to the extent that each fulfils all of its obligations under the Underlying Sukuk Documents to which it is a party) or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall, and any unsatisfied claims of the Sukukholders shall be extinguished. The Issuer, the Sukuk Trustees and the Sukukholders shall only be entitled to deal with the Trust Assets as expressly permitted by the Underlying Sukuk Documents, the Conditions of the Sukuk, and this shall be the sole right of the Sukuk Trustees. Subject to paragraph 18 of the Sukuk Conditions, the Sukukholders' right against the Issuer Trustee (in its capacity as Obligor) shall be to enforce obligations under the Underlying Sukuk Documents.

6.3 **Waiver of Interest:** Each Sukukholder, Issuer Trustee and Sukuk Trustee irrevocably agrees that no interest will be payable or receivable under or in connection with any Sukuk and in the event that it is determined that any interest is payable or receivable in connection with the Relevant Trust Deeds by any party to it, whether as a result of any judicial award or operation of any applicable law or otherwise, such party agrees to waive any right it may have to claim or receive such interest and the Issuer shall procure that each Underlying Sukuk Document contains similar terms of waiver as may be applicable.

6.4 **Events of Default:**

At any time after any Event of Default or Potential Event of Default shall have occurred,

(a) the Bond Trustees may, in respect of the Bonds by notice in writing to the Issuer and the Registrar, require the Registrar:

(i) to act thereafter as agent of the Trustees under the provisions of this Programme Trust Deed (with consequential amendments as necessary and save that the Trustees' liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Registrar shall be limited to a sum equal to the amounts for the time being held by the Trustees on the trusts of this Programme Trust Deed in relation to the Bonds on the terms of this Programme Trust Deed and available to the Trustees for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by it in respect of Bonds on behalf of the Trustees; and/or

(ii) to deliver up all Bonds and all sums, documents and records held by it in respect of Bonds to the Trustees or as the Trustees shall direct in such notice provided that such notice shall be deemed not to apply to any document or record which the Registrar is obliged not to release by any law or regulation.

(b) the Sukuk Trustees may, in respect of the Sukuk, exercise the powers and rights conferred on the Issuer Trustee in any capacity under the Underlying Sukuk Documents, and the Issuer Trustee shall procure that the Declaration of Trust authorises the Sukuk Trustees to act in accordance with the foregoing.

6.5 **Interest on Floating Rate Bonds following Event of Default:** If Floating Rate Bonds become immediately due and repayable under Condition 12 (Events of Default) the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Bonds had not become due and repayable, the first of which will commence on the expiry of the Interest Period (as defined in the Conditions) during which the Bonds become so due and repayable in accordance with Condition 12 (Events of Default) (with consequential amendments as necessary).

6.6 **Currency of payments:** All payments in respect of, under and in connection with this Programme Trust Deed and the Instruments to the relevant Instrumentholders shall be made in Nigerian Naira (or such other currency specified in the relevant Final Terms) as required by the relevant Conditions.

7 **THE INSTRUMENTS**

- 7.1 **Form of the Instruments:** The Instruments shall be in registered form, made eligible for admission to listing on an Exchange and issued in accordance with applicable legal and stock exchange listing authority and/or quotation system requirements and unless otherwise specified in any Final Terms, the Instruments shall be issued in uncertificated (dematerialised or book entry) form, which shall be registered with a separate securities identification code with the Depositary and evidenced by credit into the Instrumentholder's Securities Account.
- 7.2 **Certificates:** Where so specified in the Final Terms, the Instruments may also be issued in certificated form, with Certificates printed in accordance with applicable legal, stock exchange, listing authority and/or quotation system requirements substantially in the form set out in Schedule 3 (Form of Bond Certificate) for the Bonds and out in Schedule 3 (Form of Sukuk Certificate) for the Sukuk. Certificated Instruments will be endorsed with the relevant Conditions and the form of transfer substantially in the form set out in Schedule 7 (Transfer Form).
- 7.3 **Conditions applicable:** All the terms and conditions contained in the relevant Conditions shall be applicable to each Instrument issued under the Trust Deeds, whether issued in dematerialised form or not.
- 7.4 **Signature:** The Bond Certificates will be signed manually by a duly authorised Person designated by the Issuer and will be authenticated manually by or on behalf of the Registrar. The Issuer Trustee shall procure that the Sukuk Certificates will be signed manually by a duly authorised Person designated by the Issuer Trustee and will be authenticated manually by or on behalf of the Registrar. Certificates so executed and duly authenticated will be binding and valid obligations of the Issuer or Issuer Trustee, as the case may be.
- 7.5 **Ranking:** The ranking of the Instruments as and when issued shall be as specified in the relevant Series Trust Deed and/or Final Terms.
- 7.6 **E-allotment:**
- (a) Upon allotment, each Instrumentholder will receive an E-allotment statement issued by the Registrar or Depositary confirming the Instrumentholder's aggregate interests in the Instrument. In the case of joint Instrumentholders, the joint Instrumentholders shall be entitled to only one E-allotment statement for Instrument Certificates held jointly by them. Such statement shall be issued in the names of the joint Instrumentholders and the delivery of a statement to one of the joint Instrumentholders shall be sufficient delivery to all such Instrumentholders.
 - (b) Statements issued by the Registrar or Depositary as to the aggregate value of the Instrument standing to the credit of any Instrumentholder shall be conclusive and binding for all purposes save in the case of manifest error and such Person (or his legal representatives) shall be treated by the issuer of the Instrument, the Trustee(s), the Registrar, or Depositary as the legal owner of the Instrument for all purposes.
 - (c) The Sukuk shall be issued only as fully paid.
- 7.7 **Title:** The registered Holder of any Instrument will (except as otherwise required by law) be treated as the absolute owner of the Instrument registered in its name for all purposes (whether or not any payment thereon is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Instrument) and no Person will be liable for so treating the holder of any Instrument. The registered holder of an Instrument will be recognised by the relevant Trustees as entitled to his Instrument free from any equity, set-off or counterclaim on the part of the issuer of the Instrument against the original or any intermediate holder of such Instrument.
- 7.8 **Listing of Sukuk:** Subject to the terms of the relevant Underlying Sukuk Documents, receipt of confirmation by the Sukuk Trustees of drawdown of the Sukuk Subscription Proceeds, upon election by

the Issuer and the approval of the relevant Exchange, the Sukuk Certificates shall be admitted to listing, trading and/or quotation on the relevant Exchange as agreed by the Issuer and the Sukuk Trustees.

7.9 Limited recourse in respect of the Sukuk: The proceeds of the Trust Assets are the sole source of payments of the Sukuk. The Sukuk do not represent an interest in or obligation of any other asset of the Issuer, the Issuer Trustee or Delegate Trustees, or their respective affiliates. Accordingly, the Sukukholders, by subscribing for or acquiring the Sukuk, acknowledge that they will have no recourse to any other assets of the Issuer, the Issuer Trustee or Sukuk Trustees other than the Trust Assets, except as provided in Clause 6.2 (Covenant to pay on the Sukuk) of this Programme Trust Deed.

7.10 Notice of trust: The Instrumentholder shown in the records of the Registrar (or its legal representatives) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Programme Trust Deed and the relevant Series Trust Deed.

8 AGREEMENT AND RIGHTS OF SUKUKHOLDERS

8.1 Agreement of Sukukholders

8.2 By purchasing the Sukuk, each Sukukholder is deemed to have agreed that notwithstanding anything to the contrary contained in the Declaration of Trust, the Sukuk Conditions, or any Underlying Sukuk Document:

- (a) no payment of any amount whatsoever shall be made by or due on the Sukuk, except from the Trust Assets;
- (b) all payments due under the Sukuk shall be made by the Sukuk Trustees or the Registrar as a direct obligation of the Issuer Trustee, from the proceeds of the Trust Assets, in accordance with paragraph 13.1 of the Sukuk Conditions;
- (c) no recourse shall be had to the Sukuk Trustees for the payment of any amount owing hereunder or under any Underlying Sukuk Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Underlying Sukuk Documents, against any of the Issuer Trustee, the Sukuk Trustees or the Issuer (to the extent that the Trust Assets have been exhausted following which all obligations of the Issuer Trustee, the Sukuk Trustees and the Issuer shall be extinguished); and
- (d) it will not institute, or join any other Person in instituting, against the Issuer Trustee or the Sukuk Trustees, any bankruptcy, reorganisation, arrangement or liquidation proceedings or other similar proceedings under any bankruptcy or similar law.

8.3 Rights of Sukukholders

- (a) Each Sukukholder shall have an undivided beneficial ownership interest in the Trust Assets and no Sukuk shall confer any interest or share in any particular part of the Trust Assets. No Sukukholder shall have a right to call for any partition or division of any portion of the Trust Assets by virtue of its beneficial ownership interest in the Trust Assets.
- (b) The Sukukholders shall not have any right against the Sukuk Trustees in respect of their investments except such rights as are expressly conferred upon them by the Declaration of Trust, the Sukuk Conditions or by any law, subsidiary legislation, regulation or any order of court.
- (c) A Sukukholder shall have the right to share in the benefits from the Trust Assets proportionate to the number of its beneficial ownership interests in the Trust Assets.
- (d) Only Persons who have been duly registered in the Register maintained by the Registrar as Sukukholders shall have the right to be recognised as such.

- (e) A Sukukholder shall have the right to pledge, charge, mortgage, or otherwise offer its Sukuk as security for a debt, a loan or an obligation and in any such case the Sukukholder shall notify the Sukuk Trustees, the Registrar and the Depositary, in writing, of the pledge, charge, mortgage or obligation.

9 COVENANT TO COMPLY WITH THE PROGRAMME TRUST DEED

- 9.1 Covenant to comply with the Programme Trust Deed: The Issuer/IssuerTrustee and the Trustees hereby covenant with each other that they will comply with all those provisions of this Programme Trust Deed and the Conditions which are expressed to be binding on them and to perform and observe the same. The Instruments are subject to the provisions contained in this Programme Trust Deed that are applicable to them, and the Instruments of each Series are subject to the provisions of the relevant Series Trust Deed, all of which shall be binding upon the Issuer and/or Issuer Trustee (as applicable), the Trustees, the Instrumentholders and all persons claiming through or under them respectively.

- 9.2 Trustee may enforce Conditions: The Trustees shall themselves be entitled to enforce the obligations of the Issuer and the Issuer Trustee under the Instruments and the respective Conditions as if the same were set out and contained in this Programme Trust Deed which shall be read and construed as one document with the relevant Instrument.

10 REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer represents and warrants as follows:

10.1 Status

- (a) The Issuer is a public limited liability company, duly incorporated and validly existing under the laws of the Federal Republic of Nigeria.
- (b) The Issuer has the power and authority to own, lease and operate its assets and carry on its business as it is being conducted.

10.2 Powers and authority

The Issuer has the power to enter into and perform and has taken all necessary action to authorise the entry into and performance of, the Issue Documents to which it is a party and the transactions contemplated by such Issue Documents to the extent applicable to it, and to create and issue the Instruments.

10.3 Execution

The Issue Documents have been or will be duly executed by the Issuer.

10.4 No adverse change

Save as disclosed in the Prospectus, since the date of its last audited financial statements delivered to the Trustees, no event which is likely to have a Material Adverse Effect has occurred.

10.5 Non-conflict

The entry into and performance by the Issuer of, and the transactions contemplated by, the relevant Issue Documents do not and will not conflict with:

- (a) any law or regulation applicable to it and which is material in the context of the transactions contemplated in the Issue Documents;
- (b) its constitutional documents;

- (c) any document which is binding upon it; or
- (d) any licence that is required for the carrying on of its business.

10.6 Valid and binding obligations

The obligations expressed to be assumed by the Issuer under the Issue Documents are legal and valid obligations, binding on it and enforceable against it in accordance with their terms.

10.7 Indebtedness and Solvency:

- (a) save as disclosed in the Prospectus, the Issuer has no other debentures, mortgages, loans, charges, material contingent liabilities or other similar indebtedness, other than those arising in the ordinary course of business;
- (b) the Issuer is neither unable nor has it admitted its inability to pay its debts as they fall due nor has it suspended the making of payments on any of its debts or, by reason of actual or anticipated financial difficulties, commenced negotiations with one or more of its creditors with a view to rescheduling any of its Indebtedness;
- (c) save as otherwise disclosed in the Prospectus, no moratorium has been declared in respect of any of its Indebtedness; and
- (d) the value of its assets is not less than its liabilities (both actual and contingent).

10.8 Authorisations

All consents, licences, authorisations and approvals:

- (a) required to be obtained by the Issuer to enable the consummation of the transactions constituted by the Issue Documents to which it is a party; and
 - (b) necessary for the conduct of the business of the Issuer substantially as conducted at the date hereof
- have been obtained (and are in full force and effect) or will be obtained (and remain in full force and effect) prior to the Initial Issue Date, their terms and conditions have been complied with in all material respects and they have not been and, so far as the Issuer is aware, will not be revoked or otherwise terminated as a result of entry into the Issue Documents and the consummation of the transactions constituted thereby, and in each case if not obtained or complied with, or if revoked or terminated, would not be reasonably expected to have a Material Adverse Effect.

10.9 Litigation

Other than as disclosed in the Prospectus, no litigation, arbitration, administrative proceedings or other proceedings are current or, to the knowledge of the Directors of the Issuer (having made all due enquiries), pending or threatened in writing, against the Issuer or against any of its Directors or its assets which, if adversely determined, would reasonably be expected to have a Material Adverse Effect.

10.10 No deduction or withholding

The Issuer will not be required to make any deduction or withholding from any payment of Coupon it may make under the Bonds where the payment is made except where such deduction or withholding is mandatorily required by law.

10.11 Compliance with Laws

- (a) To the best knowledge of the Directors of the Issuer (having made all due enquiries), no practice, procedure or policy employed by the Issuer in the conduct of its business violates any judgment, law, regulation, order or decree applicable to it and which violation, if enforced, would be reasonably likely to have a Material Adverse Effect.
- (b) All returns particularly resolutions and other documents required to be filed with or delivered by the Issuer to the Registrar-General of the Corporate Affairs Commission pursuant to the CAMA and to the SEC have been or will be duly filed or delivered, except where failure to do so would not be reasonably likely to have a Material Adverse Effect.

10.12 General duty of disclosure

- (a) The Prospectus contains and will contain (as applicable) all such information as is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Instruments.
- (b) All statements of fact contained in the Prospectus are true and accurate in all respects and there are no material facts known to the Issuer that are not disclosed therein and the omission of which could make statements therein false or misleading and there are no other circumstances adversely affecting the Issuer which have not been disclosed in the Prospectus and which if disclosed would be calculated to affect materially the decision of a subscriber to the Instruments.
- (c) Except as already mentioned in the Prospectus, no circumstances have arisen whereby any Person is entitled to require payment or seek redress in respect of any obligation or by reason of any default of the Issuer.
- (d) Since the Issuer commenced operations the business of the Issuer has been carried out in the ordinary and usual manner.

10.13 Approval of Shelf Prospectus

- (a) Applications have been made for the Instruments to be registered by the SEC. The Shelf Prospectus is issued in compliance with the SEC Rules and Regulations.
- (b) No Event of Default will result from the execution, or the performance, of any transaction contemplated by any Issue Document.

10.14 No Immunity

Neither the Issuer nor any of its assets has any right of immunity on the ground of sovereignty or otherwise, from jurisdiction, attachment (before or after judgment) or execution in respect of any action or proceeding relating in any way to the Issue Documents that may be brought in the courts of the Federal Republic of Nigeria or any relevant jurisdiction.

10.15 Times for making representations and warranties

- (a) The representations and warranties set out in this Clause 10 (Representations and Warranties of the Issuer) are made by the Issuer on the date of this Programme Trust Deed and the Initial Issue Date and are deemed to be repeated by the Issuer on each Issue Date for each Series of the Instrument issued under the Programme. The representations and warranties set out in Clauses 10.1, 10.4, 10.7, 10.9, 10.11, and 10.14 are deemed to be repeated by the Issuer on each Payment Date, or Periodic Distribution Date, as applicable.
- (b) When a representation and warranty is repeated, it is applied to the facts and circumstances existing at the time of repetition, provided always that in respect of any Issue Date, the representations contained in Clauses 10.5, 10.6, 10.12, and 10.13 shall be limited and refer only to the Tranche or Tranches of

Instrument forming a single series of Instruments to be issued on such Issue Date and, to the extent that the representations contained in Clauses 10.4, 10.12 and 10.13 relate to the Prospectus, such representations shall be limited to the Prospectus prepared in respect of such Tranche or Tranches of Instruments, as applicable.

10.16 Warranties as they apply to the Issuer Trustee

The Issuer warrants that the warranties in clauses 10.1 to 10.15 shall be applicable to the Issuer and any special purpose Issuer Trustee and shall be repeated mutatis mutandis by any special purpose Issuer Trustee in the Declaration of Trust for that Series of Sukuk.

11 COVENANTS BY THE ISSUER

The Issuer hereby covenants with the Trustees that, so long as any Instrument remains outstanding, it shall:

11.1 Terms and Conditions: Comply with and perform all of its obligations under this Programme Trust Deed.

11.2 Books of account: At all times keep such books of account as may be necessary to comply with all Applicable Laws so as to enable its financial statements to be prepared, and upon an Event of Default or a Material Adverse Effect or if the Trustees reasonably believe that an Event of Default has or may have occurred or may be about to occur, allow the Trustees and any Person appointed by them free access to the same at all reasonable times during normal business hours and to discuss the same with responsible officers of the Issuer, provided further that the Trustees shall only use information so obtained in connection with the performance of their duties under this Programme Trust Deed or by operation of law and shall be subject to any limitations on disclosure and duties of confidentiality imposed by law or government authority, provided that the Issuer shall not be obliged to disclose confidential information in relation to any of its customers or suppliers;

11.3 Event of Default: Give notice in writing to the Trustees immediately upon becoming aware of any Event of Default or Potential Event of Default and without waiting for the Trustees to take any further action;

11.4 Certificate of Authorised Signatories: Provide to the Trustees within 14 days of any written request by the Trustees (or such longer period as the Trustees may determine), a certificate signed by two Authorised Signatories of the Issuer, certifying that having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer up to a specified date not earlier than seven days prior to the date of such certificate (the "Certified Date"):

(a) it has complied with its obligations under this Programme Trust Deed (or, if such is not the case, giving details of the circumstances of such non compliance);

(b) that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Programme Trust Deed) any Event of Default or Potential Event of Default of which such Authorised Signatories are or should have been aware, or (if such is not the case) specifying the same;

and the Trustees may, without enquiry, rely on such certificate without any liability for so doing;

11.5 Consolidated Accounts: Procure that the Auditors prepare and deliver to the Trustees at the time of issue of every audited consolidated balance sheet of the Issuer;

11.6 Financial statements: Send to the Trustees, the Rating Agency and the Registrar, (i) as soon as they become available, but in any event within one hundred and twenty (120) days after the end of each financial year, two copies of its audited financial statements for that financial year; and (ii) (if the same are produced), two copies of every balance sheet, profit and loss account, report or other notice, statement or circular (other than its audited financial statements), issued to its shareholders and creditors or to

holders of securities other than shareholders as soon as practicable after the issue or publication thereof, and procure that the same are made available for inspection by Instrumentholders at the head offices of the Registrars as soon as practicable thereafter;

11.7 Information:

- (a) within ten (10) Business Days upon becoming aware of them, make available to the Trustees details of any litigation, arbitration or administrative proceedings or proceedings before, or action by, any Authority, which are current, threatened or pending and which might, if adversely determined, have a Material Adverse Effect;
- (b) within ten (10) Business Days of filing, make available to the Trustees copies of all documents filed with the SEC in respect of the Issue;
- (c) within ten (10) Business Days of its receipt, make available to the Trustees copies of all material documents, other material communications and information or any event which relates to or might have a Material Adverse Effect, given or received by it from any Person;
- (d) send to the Trustees two copies of every balance sheet, profit and loss account, report or other notice, statement or circular sent to the shareholders of the Issuer as soon as practicable after the issue or publication of such documents; and
- (e) so far as permitted by Applicable Law, at all times give to the Trustees such information as the Trustees may reasonably request in writing in connection with the performance of its functions under this Programme Trust Deed;

11.8 Further Acts: So far as permitted by Applicable Law, do such further things as may be necessary in the opinion of the Trustees to give effect to this Programme Trust Deed and the applicable Series Trust Deed.

11.9 Instruments held by Issuer: Deliver to the Trustees within 14 days of being so requested in writing by the Trustees a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the total aggregate Principal Amount of Instruments of each Series which at the date of such certificate are held by or for the benefit of the Issuer, or any of its Subsidiaries and the Trustees may rely upon such certificate without any liability for so doing;

11.10 Execution of further Documents: So far as permitted by Applicable Law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustees to give effect to the provisions of this Programme Trust Deed;

11.11 Notices to Instrumentholders: Send or procure to be sent to the Trustees not less than three (3) Business Days prior to the date of publication, for the Trustees' approval, one copy of each notice to be given to the Instrumentholders in accordance with the Conditions and, upon publication, send to the Trustees two copies of such notice;

11.12 Notification of late payment: In the event of the unconditional payment to the Trustees of any sum due in respect of the Instruments or any of them being made after the due date for payment thereof, forthwith give notice to the Instrumentholders that such payment has been made (unless the Trustees deems the giving of such notice to be unnecessary);

11.13 Notification of redemption or payment: Not less than the number of days specified in the relevant Condition prior to the Redemption Date or Payment Date in respect of any Instrument give to the Trustees notice in writing of the amount of such redemption or payment pursuant to the Conditions and duly proceed to redeem or pay such Instruments accordingly;

11.14 Obligations of Registrar: Observe and comply with its obligations, and use all reasonable endeavours, to procure that the Registrar observes and complies with all its obligations and procure that the Registrar

maintains a Register and notify the Trustees immediately it becomes aware of any material breach or failure by the Registrar in relation to the Instruments;

- 11.15 Change in Registrar: Give at least 14 days' prior notice to the Trustees of any change or any future appointment, resignation or removal of the Registrar and not make any such appointment or removal without the written approval of the Trustees.
- 11.16 Change of taxing jurisdiction: If before the Relevant Date for any Bond the Issuer shall become subject generally to the taxing jurisdiction of any territory or any political sub division thereof or any authority therein or thereof having power to tax other than or in addition to the Nigeria immediately upon becoming aware thereof it shall notify the Trustees of such event and (unless the Trustees otherwise agrees) enter (as soon as practicable thereafter) into a trust deed supplemental hereto, giving to the Trustees an undertaking or covenant in form and manner satisfactory to the Trustees in terms corresponding to the terms of Condition 11 (Taxation) with the substitution for the references therein to Nigeria or of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, the Issuer shall have become subject as aforesaid, such trust deed also to modify Condition 11 (Taxation) so that such Condition shall make reference to that other or additional territory;
- 11.17 Listing: At all times use its reasonable endeavours to maintain the admission to listing, trading and/or quotation of the Instruments of each Series by the relevant Exchange on which they are admitted to listing, trading and/or quotation on issue as indicated in the applicable Final Terms or, if it is unable to do so having used its reasonable endeavours or if the maintenance of such admission to listing, trading and/or quotation is agreed by the Trustees to be unduly burdensome or impractical, use all reasonable endeavours to obtain and maintain admission to listing, trading and/or quotation of the Instruments on such other competent authority, stock exchange and/or quotation system as the Issuer may (with the approval of the Trustees) decide and give notice of the identity of such other competent authority, stock exchange and/or quotation system to the Instrumentholders;
- 11.18 Authorised Signatories: Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustees (with a copy to the Registrar) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same;
- 11.19 Payments: Pay moneys payable by it to the Trustees hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law;
- 11.20 Approvals, consents, etc.: Maintain, obtain and promptly renew from time to time when necessary all such authorisations, approvals, consents and licences and satisfy such (if any) other requirements as may be necessary or desirable under any Applicable Law, to enable the Issuer to carry on its business and for the Issuer to perform its obligations under this Programme Trust Deed and any Series Trust Deed or for the continuing validity and enforceability of the Instruments, this Programme Trust Deed and any Series Trust Deed and it shall comply with all the terms of the same;
- 11.21 Corporate Existence: Preserve and keep in full force and effect its corporate existence and at all times comply in all material respects with all laws and regulations, non compliance with which could (in the opinion of the Trustees) be materially prejudicial to the interest of Instrumentholders; and
- 11.22 Merger: Not enter into any amalgamation, demerger, merger or corporate reconstruction without the consent of the Trustees (such consent not to be unreasonably withheld), provided that:
 - (a) no consolidation, corporate reconstruction, merger or other change in status of the Issuer shall be interpreted to avoid the obligations herein imposed on the Issuer and in the event (if any) of any change in status of the Issuer, the successor-in- title of the Issuer shall be held and deemed responsible for the due performance of the obligations herein intended by this Programme Trust Deed and any Series Trust Deed. PROVIDED that if required by the Trustees, the Issuer shall expressly assume by a supplemental

trust deed to the Programme Trust Deed and any Series Trust Deed, in form and substance satisfactory to the Trustees, all of the obligations of the Issuer under the Programme Trust Deed;

- (b) immediately before and after giving effect to such consolidation or merger, no Event of Default shall have occurred and be continuing; and
- (c) the Issuer or such successor person, as the case may be, shall have delivered to the Trustees, a certificate signed by two of its directors stating the consolidation or merger complies with the provisions of paragraphs (a) and (b).

11.23 Underlying Sukuk Documents: The Issuer hereby covenants that prior to the Issue Date of any Series of Sukuk, it shall enter (and shall procure that any Issuer Trustee) enters into the relevant Underlying Sukuk Documents to which it is required to be a party in accordance with the Final Terms.

11.24 Rating: The Issuer shall procure that the rating of the Instruments be reviewed annually by a rating agency duly registered with the SEC as may be required under the ISA and SEC Rules and Regulations.

12 ADDITIONAL COVENANTS IN RESPECT OF THE ISSUER TRUSTEE

12.1 Incorporation of Covenants: Where a special purpose entity is the Issuer Trustee of a Series of Sukuk, the Issuer shall procure that the covenants in clause 11 are applicable mutatis mutandis to the Issuer Trustee and are incorporated by reference in the Declaration of Trust as being applicable to the Issuer and the Issuer Trustee, as the context may permit.

12.2 Restricted Memorandum and Articles of Association: The Issuer covenants that notwithstanding any permission granted in CAMA, the memorandum and articles of association of the Issuer Trustee shall provide that it is incorporated to only issue the Sukuk under the Programme and carry out such activities as are necessarily incidental thereto.

12.3 Covenant as Shareholder of Issuer Trustee: The Issuer, in its capacity as a shareholder of the SPV Issuer Trustee, covenants that:

- (a) it shall ensure that the Sukuk Trustees are entitled to appoint a majority of the directors on the Issuer Trustee's Board of Directors.
- (b) it shall exercise all voting rights and other powers of control available to it as a shareholder of the Issuer Trustee to ensure that the Issuer Trustee shall not perform or undertake to perform any of the following acts unless the prior approval in writing of the Sukuk Trustees have been obtained:
 - (i) a change of the Issuer Trustee's name;
 - (ii) any alteration of the memorandum of association with respect to the business or objects of the Issuer Trustee;
 - (iii) any alteration of the articles of association of the Issuer Trustee;
 - (iv) the re-registration of the Issuer Trustee from a public to a private company;
 - (v) any reduction of the Issuer Trustee's share capital;
 - (vi) any variation of rights attaching to any class of shares;
 - (vii) the winding up by the court at the instance of the Issuer Trustee;
 - (viii) the voluntary winding up of the Issuer Trustee;
 - (ix) any purchase by the Issuer Trustee of any of its shares;

- (x) the approval by the Issuer Trustee of any financial assistance for purchase of any of its shares;
- (xi) the approval of an arrangement on sale of the Issuer Trustee's property during a members' voluntary winding up;
- (xii) any provision for reserve liability capital;
- (xiii) the payment of any dividend;
- (xiv) the incorporation of any subsidiary of the Issuer Trustee;
- (xv) the transfer of any material assets of the Issuer Trustee;
- (xvi) any decision to enter into a merger with another entity;
- (xvii) an application for judicial pre-insolvency hearings; and
- (xviii) any decision to list the Issuer Trustee on any recognised publicly traded stock exchange.

12.4 Covenants by Issuer Trustee: The Issuer shall procure that the Issuer Trustee covenants in the Declaration of Trust that it shall not,, in its capacity as trustee under the Declaration of Trust:

- (a) do anything or carry out any activity not expressly permitted by its memorandum and articles of association;
- (b) do anything or carry out any activity not expressly permitted by the Underlying Sukuk Documents;
- (c) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding, for the avoidance of doubt, any consideration payable by the Issuer Trustee to the Issuer as contemplated by the Underlying Sukuk Documents and/or the Sukuk Conditions);
- (d) use the proceeds of Sukuk Subscription Proceeds for any purpose other than as stated in the Underlying Sukuk Documents;
- (e) put to its directors or shareholders any resolution to appoint any liquidator, for its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it;
- (f) enter into any contract, transaction, amendment, obligation or liability that may be detrimental to the interest of the Sukukholders;
- (g) co-mingle the Trust Assets with its assets or any other assets which it holds in trust for any Person other than the Sukukholders;
- (h) incur any indebtedness whatsoever, or give any guarantee in respect of any obligation of any Person or issue any securities (or rights, warrants or options) except, in all cases, as contemplated in the Underlying Sukuk Documents;
- (i) secure any of its present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest with the Trust Assets; or
- (j) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of (i) its title to the Trust Assets or any interest therein except pursuant to the Underlying Sukuk Documents or (ii) its interests in any of the Sukukholders.

13 REPRESENTATIONS AND WARRANTIES OF THE TRUSTEES

Each of the Trustees (in its capacity as Bond Trustee or Sukuk Trustee) hereby represents and warrants to the Issuer that:

13.1 Status:

- (a) it is a company within the meaning of the CAMA;
- (b) it is duly registered and authorised by the SEC to provide corporate trust services in Nigeria;
- (c) it has full power and authority to enter into this Programme Trust Deed and the relevant Series Trust Deed; and to exercise their rights and perform their obligations hereunder and have obtained all authorisations and consents necessary for it to enter, exercise rights and perform obligations under this Programme Trust Deed and the relevant Series Trust Deeds; and such authorisations and consent are in full force and effect.

13.2 Compliance with obligations

- (a) it has the resources, capacity and expertise to act on behalf of the Instrumentholders with regard to every issuance of Instruments under the Programme and it shall comply with the provisions of the Relevant Laws, this Programme Trust Deed and the relevant Series Trust Deeds in the performance of its obligations;
- (b) it shall provide any information that the SEC or the Issuer may require in connection with its obligation to act on behalf of the Instrumentholders.

13.3 No conflicts

- (a) it shall not allow any conflicts to occur between its obligations in connection with and under the Programme and its commercial interests;
- (b) it does not have any subsisting fiduciary relationship with the Issuer or its Related Parties; and
- (c) it shall, at all times, adhere to the terms and conditions specified in the Issue Documents to which it is a party.

14 AMENDMENTS

- 14.1 Waiver: The Trustees may, without any consent or sanction of the Instrumentholders and without prejudice to their rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Instrumentholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed breach or breach of any of the covenants or provisions contained in this Programme Trust Deed or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of this Programme Trust Deed. Any such authorisation, waiver or determination shall be binding on the Instrumentholders and, if, but only if, the Trustees shall so require, the Issuer and/or the Issuer Trustee (if applicable) shall cause such authorisation, waiver or determination to be notified to the SEC and the Instrumentholders within ten (10) Business Days thereafter in accordance with the relevant Conditions; provided that the Trustees shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Instruments, as applicable.

- 14.2 Modifications: The Trustees may from time to time and at any time without any consent or sanction of the Instrumentholders concur with an Obligor in making:

- (a) any modification to an Issue Documents to which it is a party or the Instruments which in the opinion of the Trustees it may be proper to make provided the Trustees are of the opinion that such modification will not be materially prejudicial to the interests of the Instrumentholders; or
- (b) any modification to an Issue Documents to which it is a party if in the opinion of the Trustees such modification is of a formal, minor or technical nature or made to correct a manifest error,

Provided that:

- (i) the Issuer has notified the Rating Agency and the Rating Agency has confirmed that such modification will not affect the current ratings of the relevant Instruments; and
- (ii) prior approval of the SEC has been given. or
- (c) any modification to an Issue Document(s) to which it is a party which is required or necessary to bring this Programme Trust Deed in compliance with Applicable Law.

Any such modification shall be binding on the Instrumentholders and, unless the Trustees otherwise agrees, the Issuer shall cause such modification to be notified to the Instrumentholders as soon as practicable thereafter in accordance with the relevant Conditions.

15 ENFORCEMENT

15.1 Legal proceedings: At any time after the occurrence of an Event of Default,

- (a) the Bond Trustees may, without further notice, institute such proceedings against the Issuer as they may think fit to enforce repayment of the Bonds together with accrued interest and to enforce the provisions of this Programme Trust Deed; and
- (b) the Sukuk Trustees may, without further notice, institute such proceedings against the Issuer and/or the Issuer Trustee as they may think fit to enforce repayment of the Sukuk and to enforce the provisions of the Sukuk Issue Documents, subject however to the provisions of clauses 6.2 (Covenant to pay on the Sukuk) and 7.9 (Limited recourse in respect of the Sukuk).

15.2 Instrumentholder Direction: The Trustees shall not be bound to take any such proceedings pursuant to clause 15.1 unless they shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth of the nominal amount of the Principal Amount Outstanding of the relevant Instruments and they shall have been indemnified and/or secured to their satisfaction against all liabilities, proceedings, claims and demands to which they may thereby become liable and all fees, costs, charges and expenses which may be incurred by it in connection therewith. Only the Trustees may enforce the provisions of the Instruments or this Programme Trust Deed and no Instrumentholder shall be entitled to proceed directly against the Issuer unless the Trustees, having become bound so to proceed, fails to do so within a fourteen (14) days and such failure is continuing. Notwithstanding the foregoing, an Instrumentholder who feels dissatisfied may personally initiate legal action to enforce its rights under the Issue Documents irrespective of the legal duty of the Trustees to take such legal action. The Trustees shall not be deemed responsible for the consequences having acted upon any such instruction as set out in this Clause 15.2.

15.3 Evidence of default: If the Trustees (or any Instrumentholder where entitled under this Programme Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding up or insolvency of the Issuer under this Programme Trust Deed or under the Instruments, proof therein that as regards any specified Instrument the Issuer has defaulted in paying any amount due in respect of such Instrument in accordance with the terms of the Issue Documents shall (unless the contrary be proved) be sufficient evidence that the Issuer has defaulted in the same manner as regards all other Instruments in respect of which a corresponding payment is then due; and for the purposes of this Clause 15.3 a payment

shall be a "corresponding" payment notwithstanding that it is due in respect of an Instrument of a different denomination from that in respect of the above specified Instrument.

15.4 No Liability of Sukuk Trustees: Following the distribution of the proceeds of the Trust Assets in respect of the Sukuk to the Sukukholders, in accordance with the Sukuk Conditions and the Declaration of Trust, the Sukuk Trustees shall not be liable for any further sums and, accordingly, the Sukukholders may not take any action against the Sukuk Trustees (to the extent that they have fulfilled their obligations under the Underlying Sukuk Documents and/or the Sukuk Conditions) to recover any such sum in respect of the Sukuk or the Trust Assets.

15.5 No Winding up: Upon the payment of the proceeds of the Trust Assets by the Issuer under the Underlying Sukuk Documents, the obligations of the Issuer Trustee in respect of the Sukuk shall be satisfied and no holder of the Sukuk may take any further steps against the Issuer Trustee to recover any further sums in respect of the Sukuk and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Sukuk shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer Trustee.

16 APPLICATION OF MONEYS

16.1 Application of moneys: All moneys received by the Trustees in respect of the Instruments of any Series or amounts payable under the Issue Documents will despite any appropriation of all or part of them by the Issuer (including any moneys which represent principal or interest in respect of Bonds, or Periodic Distribution Amounts or Dissolution Amounts in respect of Sukuk, which have become void under the Conditions) be held by the Trustees on trust to apply them (subject to Clause 17 (Investment of moneys)) in the following order:

- (a) in or towards payment or satisfaction of the fees of the Trustees and such reasonable costs, charges, expenses and liabilities incurred by the Trustees (including remuneration of the Trustees);
- (b) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Instruments of that Series;
- (c) in or towards payment *pari passu* and rateably of any amounts due but unpaid in respect of the Instruments of other Series under the Programme; and
- (d) to pay the balance (if any) to the Issuer.

16.2 Apportionment of expenses: The Trustees shall apportion the fees, costs, charges, expenses and liabilities incurred by the Trustees in the preparation and execution of the trusts of this Programme Trust Deed (including remuneration of the Trustees) between the several Series of Instruments in such manner and in such amounts as they shall, in their absolute discretion, consider appropriate.

17 INVESTMENT BY THE TRUSTEES

17.1 Power to invest: If the amount of the moneys at any time available for the payment of principal, income (if any), premium (if any) and interest (if any) on the Instruments shall be less than ten per cent, (10%) of the amount due and payable on the Instruments, the Trustees may, at their discretion and pending payment to the Instrumentholders, invest such moneys in any Authorised Investments as they may think fit in accordance with the Trustee Investments Act. The Trustees shall not be responsible for any loss occasioned by reason of any such investments or such deposit whether by depreciation in value, fluctuation in exchange rates or otherwise. If the bank or institution in which the investment is made is a subsidiary, holding or associated company of any of the Trustees, it need only account for an amount of interest at such rate as is the regular market rate in the circumstances on the date of the determination having regard to the amount and likely duration of the deposit by an independent customer.

17.2 Variation and accumulation: The Trustees may, at their discretion, vary any investments and may accumulate such investments and any resulting income until the accumulations, together with any other sums held by the Trustees for payments in respect of the Instruments under clause 16, amount to at least 10% of the nominal amount of the Instruments then outstanding. Such accumulations and other sums shall then be applied as set out in clause 16.

17.3 Payment to Instrumentholders:

- (a) The Trustees shall make any payment to be made by the Issuer in respect of the Instruments of any Series in the manner provided in the Conditions and the Series Trust Deed for that Series. Any payment so made shall be a good discharge to the extent of such payment of the Issuer or the Trustees (as the case may be).
- (b) Upon any payment under paragraph (a) above of principal or interest, or of Periodic Distribution Amount or Dissolution Amount (as applicable), the Trustees shall (i) in the case of part payment, require the Registrar to make a notation in the Register of the amount and date of payment or (ii) in the case of payment in full, cause the relevant Instrument to be cancelled and shall certify or procure the certification of such cancellation.

18 TERMS OF APPOINTMENT OF THE TRUSTEES

By way of supplement to the Relevant Laws, it is expressly declared as follows:

18.1 Reliance on Information

- (a) Advice: The Trustees may in relation to each Issue Document act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by or addressed to the Trustees, the Issuer, or any other Person) and shall not be responsible for any loss occasioned by so acting or, if applicable, by choosing not to so act. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission and the Trustees shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error (other than a manifest error) or shall not be authentic. The Trustees may rely, without liability to Instrumentholders, on any certificate or report prepared by any of the above experts, including specifically the Auditors, or any auditor, pursuant to the Conditions or each Issue Document, whether or not the expert or auditor's liability in respect thereof is limited by a monetary cap or otherwise.

PROVIDED THAT this clause 18.1(a) shall only apply to limit the liability of the Trustees to the Instrumentholders to the extent that the advice relied upon was issued by the relevant lawyer, banker, valuer, surveyor, broker, auctioneer, accountant, auditor or other purpose with the intention that it should be used and relied upon by the Trustees in the manner and for the purpose for which it was so used and relied upon.

- (b) Certificate of Authorised Signatories: The Trustees may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories or other Person duly authorised on their behalf as to any matter prima facie within the knowledge of the Issuer and/or Issuer Trustee (as applicable) as sufficient evidence thereof and a certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustees shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing so to do.
- (c) Resolution of Instrumentholders: The Trustees shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Instrumentholders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Instrumentholders.

- (d) **Reliance on certification of clearing system:** The Trustees may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to the Issuer, or any Instrumentholder by reason only of either having accepted as valid or not having rejected an original certificate or letter of confirmation purporting to be signed on behalf of the Depositary or any other relevant clearing system to the effect that at any particular time or throughout any particular period any particular Person is, was or will be shown in its records as having a particular nominal amount of Instruments of a particular Series credited to his Securities Account.
- (e) **Instrumentholders as a class:** Whenever in this Programme Trust Deed or Series Trust Deed the Trustees are required in connection with any exercise of their powers, trusts, authorities or discretions to have regard to the interests of the Instrumentholders, they shall have regard to the interests of the Instrumentholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not be obliged to have regard to the consequences of such exercise for any individual Instrumentholder resulting from his or its being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.
- (f) **Trustee not responsible for investigations:** The Trustees shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any Person contained in an Issue Document, the Instruments or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.
- (g) **No obligation to monitor:** The Trustees shall be under no obligation to monitor or supervise the functions of any other Person under the Instruments or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such Person is properly performing and complying with its obligations; provided that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust where the Trustees fail to show the degree of care and diligence required of them, having regard to the provisions hereof conferring on them any powers, authorities or discretions.
- (h) **Instruments held by the Issuer:** In the absence of knowledge or express notice to the contrary, the Trustees may assume without enquiry (other than requesting a certificate of the Issuer under Clause 11.9 (Instruments held by Issuer), that no Instruments are for the time being held by or for the benefit of the Issuer, or any of its Subsidiaries.
- (i) **Forged Instruments:** Subject to exercising reasonable care and diligence, the Trustees shall not be liable to the Issuer or any Instrumentholder by reason of having accepted as valid or not having rejected any Instrument Certificate as such and subsequently found to be forged or not authentic.
- (j) **Entry on the Register:** The Trustees shall not be liable to the Issuer or any Instrumentholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct save for manifest error.
- (k) **Events of Default:** The Trustees shall not be bound to give notice to any Person of the execution of any Issue Document or to take any steps to ascertain whether any Event of Default or Potential Event of Default has happened and shall not be obliged to take any action to certify material prejudice under Bond Condition 12 (Events of Default) or Sukuk Condition 17 (Sukuk Dissolution Events) (as applicable) unless it is indemnified and/or secured to its satisfaction by the Instrumentholders against all liabilities, proceedings, claims and demands to which it may thereby become liable and all fees, costs, charges and expenses which may be incurred by it in connection therewith and, until it shall have actual knowledge or express notice to the contrary, the Trustees shall be entitled to assume that no such Event of Default or Potential Event of Default has happened and that the Obligors are observing and performing all the

obligations on their part contained in the Instruments and under each Issue Document and no event has happened as a consequence of which any of the Instruments may become repayable.

- (l) Legal Opinions: The Trustees shall not be responsible to any Person for failing to request, require or receive any legal opinion relating to any Instrument or for checking or commenting upon the content of any such legal opinion.
- (m) Programme Limit: The Trustees shall not be concerned, and need not enquire, as to whether or not any Instruments are issued in breach of the Programme Limit.
- (n) Trustee not Responsible: The Trustees shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any Issue Document or any other document relating thereto and shall not be liable for any failure to obtain any rating of Instruments (where required), any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of any Issue Document or any other document relating thereto. In addition the Trustees shall not be responsible for the effect of the exercise of any of their powers, duties and discretions hereunder; provided that nothing contained in this clause shall exempt the Trustees from or indemnify them against any liability for breach of trust where the Trustees fail to show the degree of care and diligence required of them, having regard to the provisions hereof conferring on them any powers, authorities or discretions.
- (o) Freedom to Refrain: Notwithstanding anything else herein contained, the Trustees may refrain from doing anything which would or might in their opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency or any state of which would or might otherwise render them liable to any person and may do anything which is, in their opinion, necessary to comply with any such law, directive or regulation.
- (p) Right to Deduct or Withhold: Notwithstanding anything contained in any Issue Document, to the extent required by any Applicable Law, if the Trustees are or will be required to make any deduction or withholding from any distribution or payment made by them thereunder or if the Trustees are or will be otherwise charged to, or are or may become liable to, tax as a consequence of performing their duties thereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustees, and whether in connection with or arising from any sums received or distributed by them or to which they may be entitled under any Issue Document (other than in connection with its remuneration as provided for therein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustees in connection with the trusts of any Issue Document (other than the remuneration therein specified) or otherwise, then the Trustees shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by them an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustees to tax from the funds held by the Trustees upon the trusts of this Programme Trust Deed or Series Trust Deed.
- (q) Information and Other Reports: Delivery of reports, information and documents to the Trustees under Clause 11.6 (Financial statement) is for informational purposes only and shall not impose any obligation on the Trustees to take any action in respect of them and the Trustees' receipt of the foregoing shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's, any of its Subsidiary's compliance with any of their covenants hereunder (as to which the Trustees are entitled to rely on certificates signed by two Authorised Signatories of the Issuer and/or Issuer Trustee (as applicable)).

18.2 Trustees' powers and duties:

- (a) Trustees' determination: The Trustees may determine whether or not an Event of Default or Potential Event of Default under the provisions of any Issue Document or contained in the Instruments is capable

of remedy and/or materially prejudicial to the interests of the Instrumentholders and if the Trustees shall certify that any such default is, in their opinion, not capable of remedy and/or materially prejudicial to the interests of the Instrumentholders such certificate shall be conclusive and binding upon the Obligors and the Instrumentholders.

- (b) **Determination of questions:** The Trustees as between themselves and the Instrumentholders and the Obligors shall have full power to determine all questions and doubts arising in relation to any of the provisions of any Issue Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustees, shall be conclusive and shall bind the Trustees and the Instrumentholders;
- (c) **Trustees' discretion:** The Trustees shall (save as expressly otherwise provided therein) as regards all the trusts, powers, authorities and discretions vested in them by any Issue Document or by operation of law have absolute discretion as to the exercise or non exercise thereof and, provided that the Trustees have acted honestly and reasonably, the Trustees shall not be responsible for any loss, fees, costs, damages, expenses or inconveniences that may result from the exercise or non exercise thereof but, whenever the Trustees are under the provisions of any Issue Document bound to act at the request or direction of the Instrumentholders, the Trustees shall nevertheless not be so bound unless first indemnified and/or provided with security to their satisfaction against all actions, proceedings, claims and demands to which they may render themselves liable and all fees, costs, charges, damages, expenses and liabilities which they may incur by so doing.
- (d) **Trustees' consent:** Any consent given by the Trustees for the purposes of any Issue Document may be given on such terms and subject to such conditions (if any) as the Trustees may require.
- (e) **Conversion of currency:** Where it is necessary or desirable for any purpose in connection with any Issue Document to convert any sum from one currency to another it shall (unless otherwise provided by such Issue Document, the Final Terms or required by law) be converted at such rate(s) of exchange, in accordance with such method and as at such date for the determination of such rate(s) of exchange as may be specified by the Trustees (in consultation with the Issuer), but having regard to current rates of exchange, if available, and any rate of exchange, method and date so specified shall be binding on the Issuer and the Instrumentholders.
- (f) **Application of proceeds:** The Trustees shall not be responsible for the receipt or application by any Obligor of the proceeds of the issue of the Instruments.
- (g) **Error of judgment:** The Trustees shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustees assigned by the Trustees to administer its corporate trust matters except where the error of judgement is as a result of gross negligence.
- (h) **Delegation:** The Trustees may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them by any Issue Document, act by responsible officers or a responsible officer for the time being of the Trustees and the Trustees may also whenever they think fit, whether by power of attorney or otherwise, delegate to any Person(s) (whether being a joint trustee of any trust deed or not) all or any of the trusts, powers, authorities and discretions vested in them by such trust deed and any such delegation may be made upon such terms and conditions and subject to such regulations as the Trustees may think fit in the interests of such delegate or sub-delegate and the Trustees shall not be bound to supervise the proceedings provided that the Trustees exercised due care and diligence in the selection of such agent(s); and where the Trustees have delegated their trust powers and functions to agent(s), the Trustees shall be liable for the acts and omission of such agent(s) to the same extent it would have been if the acts and omissions were its own.
- (i) **Custodians and nominees:** The Trustees may appoint and pay any Person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustees may determine, including for the purpose of depositing with a custodian any trust deed or any document relating to the trust created thereunder and

the Trustees shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of any misconduct, omission or default on the part of any person appointed by them thereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustees exercised due care and diligence in the selection of such custodian and nominees. The Trustees are not obliged to appoint a custodian if the Trustees invest in securities payable to bearer.

- (j) Confidential information: The Trustees shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Instrumentholder confidential information or other information made available to the Trustees by any Obligor in connection with any Issue Document and no Instrumentholder shall be entitled to take any action to obtain from the Trustees any such information.
- (k) Acts of Agents following Event of Default: The Trustees shall not be responsible for any misconduct or omission on the part of any agent of the Trustees under Clause 6.4(a)(i) or be bound to supervise the proceedings or acts of any such person.
- (l) Actions of Trustees: The permissive rights of the Trustees to take actions permitted by any Issue Document shall not be construed as an obligation or duty to do so. The Trustees agree that any decision required to be made pursuant to any Issue Document shall be based on a simple majority of votes of the Trustees.
- (m) Trustee as agent of the other Trustees: The Trustees also agree that any one or more of the Trustees can, with the consent of the other Trustees, act as their agent in connection with any matter arising under any Issue Document. Provided however that decisions with respect to such matters shall not be made solely by the Trustee or Trustees acting as an agent or agents, but shall be in the manner provided in Clause 18.2(l) above. Nothing in this clause shall preclude the Trustees from exercising or enforcing any rights arising from any contract entered into by one or more of the Trustees as an agent or agents for the other Trustee(s).
- (n) Trustee as fiduciary of Instrumentholders: The Trustees shall comply with their fiduciary duties owed to the Instrumentholders in accordance with this Programme Trust Deed, each Series Trust Deed and the Relevant Laws, including:
 - (i) to manage the Trust Property in a responsible and productive manner;
 - (ii) to act for the benefit of the Instrumentholders in the management of the Trust Property and not to let their duties and that owed to the Instrumentholders conflict;
 - (iii) to ensure that the Trust Property is vested according to the terms of the trust therein established;
 - (iv) to act honestly, prudently and in good faith in the performance of their duties and to exercise all due care, skill, diligence and vigilance in carrying out their functions and duties as trustees and in safeguarding the rights and interests of the Instrumentholders;
 - (v) to clearly identify the Trust Property which are held on trust for the Instrumentholders;
 - (vi) not to commingle the trust assets with their funds with those of or any other assets;
 - (vii) to segregate their assets from the trust property and any other trust administered by them;
 - (viii) not to delegate their duties, except as permitted by the Relevant Trust Deed;
 - (ix) to act impartially and solely in the best interest of all Instrumentholders;
 - (x) not to secure any of their present or future indebtedness for borrowed money by any lien, pledge, charge or other security interest with the trust assets;

- (xi) not to charge, pledge or deal with the trust assets except as authorized by the Relevant Trust Deed and the Relevant Laws;
- (xii) to manage the trust assets in a prudent and business-like manner; and
- (xiii) not to sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of (i) the Issuer Trustee's title to the Trust Assets or any interest therein except pursuant to the Underlying Sukuk Documents; or (ii) the Issuer Trustee's interests in any of the other Trust Assets except pursuant to the Underlying Sukuk Documents.

18.3 Financial matters:

- (a) Professional charges: The Trustees shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them or their directors or officers on matters arising in connection with the trusts of the trust deeds and also their charges in addition to disbursements for all other work and business done and all time spent by them or their directors or officers on matters arising in connection with any Issue Document.
- (b) Expenditure by the Trustees: Nothing contained in any Issue Document shall require any Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.
- (c) Trustees may enter into financial transactions with the Issuer: No Trustee and no director or officer of a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any of its Subsidiaries (and, in the case of any subscription for, purchase, holding or sale of Instruments, subject to compliance with any applicable selling restrictions), or any person or body corporate directly or indirectly associated with the Issuer or any of its Subsidiaries, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any of its Subsidiaries or any person or body corporate directly or indirectly associated with the Issuer or any of its Subsidiaries, and neither the Trustees nor any such director or officer shall be accountable to the Instrumentholders, the Issuer or any of its Subsidiaries, or any person or body corporate directly or indirectly associated with the Issuer or any of its Subsidiaries, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustees and any such director or officer shall also be at liberty to retain the same for its or his own benefit, Provided that such contract or transaction contemplated in this clause 18.3(c) shall not conflict with the Trustee's obligations in connection with and under the Programme.

18.4 Trustees' Liability: Subject to the provisions of the Relevant Laws, and Section 213 of the CAMA and notwithstanding anything to the contrary in any Issue Document or the Instruments, the Trustees shall not be liable to any Person for any matter or thing done or omitted in any way in connection with or in relation to any Issue Document or the Instruments save in relation to their own negligence, wilful default or fraud, provided that in no circumstances will the Trustees be liable to the Issuer, any Subsidiary of the Issuer or any other Person for any punitive or consequential damage or loss (including loss of business, goodwill, opportunity or profit of any kind). The Trustees will also be liable for the breach of their duties where they fail to carry out their responsibilities under any Issue Document or to report a breach of the terms of any Issue Document to the SEC.

19 COSTS AND EXPENSES

19.1 Remuneration

- (a) Normal remuneration: The Issuer and/or Issuer Trustee (as applicable) shall, be responsible for the payment to the Trustees of remuneration for their services as trustees as from the date of this Programme Trust Deed, such remuneration to be at such rate and on such terms as may from time to time be agreed between the Issuer and the Trustees. Such remuneration shall accrue from day to day and be payable up to and including the date when, all the Instruments having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Trustees, provided that if upon due presentation (if required pursuant to the Conditions) of any Instrument or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue.
- (b) Extra remuneration: In the event of the occurrence of an Event of Default or a Potential Event of Default or the Trustees considering it expedient or necessary or being requested by an Obligor to undertake duties which the Trustees and the Issuer and/or Issuer Trustee (as applicable) agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustees under the Relevant Trust Deed, the Issuer and/or Issuer Trustee (as applicable) shall pay to the Trustees such additional remuneration as shall be agreed between them.
- (c) Value added tax: The Issuer shall in addition pay to the Trustees an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Programme Trust Deed provided that it is understood that the Issuer shall deduct applicable withholding tax from all remuneration referred to in this Clause 19.
- (d) Failure to agree: In the event of the Trustees and the Issuer failing to agree upon whether such duties, as are mentioned in paragraph (b) of this Clause, shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustees under the Relevant Trust Deed, or upon such additional remuneration such matters shall be determined by a bank (acting as an expert and not as an arbitrator) selected by the Trustees and approved by the Issuer or, failing such approval, nominated (on the application of the Trustees) by the President for the time being of Chartered Institute of Arbitrators (UK) Nigerian Branch (the expenses involved in such nomination and the fees of such bank being payable by the Issuer) and the determination of any such bank shall be final and binding upon the Trustees and the Issuer.
- (e) Expenses: The Issuer shall also pay or discharge all fees, costs, charges and expenses incurred by the Trustees in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, the Relevant Trust Deed, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustees in connection with any action taken or contemplated by or on behalf of the Trustees for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, the Relevant Trust Deed; Provided that the Trustees shall seek and obtain the prior written consent of the Issuer to incur any such liabilities in excess of an aggregate sum of N500,000.00 in any one calendar year; unless such expense is incurred for the purposes of enforcing the provisions of the Relevant Trust Deed against the Issuer upon the occurrence of an Event of Default in which case such consent shall not be required.
- (f) Indemnity: The Issuer shall indemnify the Trustees (i) in respect of all losses, liabilities, taxes, fees, costs and expenses incurred by them or by any Appointee or other person appointed by them to whom any trust, power, authority or discretion may be delegated by them in the execution or purported execution of the trusts, powers, authorities or discretions vested in them by the Relevant Trust Deed and (ii) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Relevant Trust Deed except as a result of the Trustees' negligence and wilful default and provided further that the indemnity contained in this paragraph (f) shall remain in full force and effect notwithstanding any discharge of the Relevant Trust Deed.

- (g) Payment of amounts due: All amounts payable pursuant to paragraph (e) (Expenses) and paragraph (f) (Indemnity) of this Clause shall be payable by the Issuer on the date specified in a demand by the Trustees.
 - (h) Payments: All payments to be made by the Issuer to the Trustees under the Relevant Trust Deed shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- 19.2 Stamp duties: The Issuer will pay all stamp duties, registration taxes, capital duties and other similar duties or taxes (if any) payable on (i) the constitution and issue of the Instruments, (ii) the credit of the Instruments to the Instrumentholder's Securities Account, (iii) any action taken by the Bond Trustees (or any Instrumentholder where permitted or required under the Relevant Trust Deed so to do) to enforce the provisions of the Instruments or the Relevant Trust Deed; and (iv) the execution of the relevant Trust Deed.
- 19.3 Exchange rate indemnity
- (a) Currency of Account and Payment: Unless otherwise provided in the applicable Final Terms, the Nigerian Naira (the "Contractual Currency") is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Relevant Trust Deed and the Instruments, including damages.
 - (b) Extent of Discharge: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer) by the Trustees or any Instrumentholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and
 - (c) Indemnity: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under the Relevant Trust Deed or the Instruments, the Issuer shall, be deemed to have indemnified such recipient against the difference between those amounts. In any event, the Issuer shall be deemed to have indemnified the recipient against the cost of making any such purchase.
- 19.4 Indemnities separate: The indemnities in the Relevant Trust Deed constitute separate and independent obligations from the other obligations in the Relevant Trust Deed, and will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustees and/or any Instrumentholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under the Relevant Trust Deed or the Bonds or any other judgment or order. Any such loss as referred to in Clause 19.3(c) (Indemnity) shall be deemed to constitute a loss suffered by the Trustees, the Instrumentholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.
- 20 ESTABLISHMENT AND FUNDING OF TRANSACTION ACCOUNTS
- 20.1 Establishment of Payment Account: The Issuer and/or Issuer Trustee (as applicable) shall, in respect of any relevant Tranche or Series of Instruments open a Payment Account on the Issue Date in the name and under the control of the Trustees.
- 20.2 Establishment of Sinking Fund Account: The Issuer may, where so provided in the relevant Final Terms create a Sinking Fund Account in respect of each Tranche or Series in accordance with the provisions of the applicable Series Trust Deed. The Sinking Fund Account shall be in the name and under the control of the Trustees.

20.3 Funding of Payment Account and Sinking Fund Account: The Payment Account and the Sinking Fund Account shall be funded by the Issuer and/or Issuer Trustee (as applicable) from its operating cash flows in such frequency and in such instalments as may be specified in the applicable Final Terms for the purpose of accumulating monies to pay interest on the bonds or income on the Trust Asset and where applicable repay principal on the applicable Payment Date. The money standing to the credit of the Payment Account on any Payment Date shall not be less than the repayment obligations due on the relevant Series on the relevant Payment Date, while the money standing to the credit of the Sinking Fund Account on any Payment Date shall not be less than the amount provided in the Series Trust Deed for the relevant Series on the relevant Payment Date.

20.4 Establishment of Other Accounts: The Issuer shall open such other account(s) as may be prescribed in any Final Terms towards the repayment of amounts outstanding under Instruments of any Series.

21 APPOINTMENT AND RETIREMENT

21.1 Appointment of Trustees: The power of appointing new trustees under this Programme Trust Deed shall be vested in the Issuer but no Person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Instrumentholders for the time being. A Trustee under this Programme Trust Deed shall at all times be a trust corporation and may be the sole trustee. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Registrar and the Instrumentholders. The Instrumentholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof in office after such removal. No such appointment of a trustee shall be valid without the prior consent of the SEC.

21.2 Retirement of Trustees: Any Trustee for the time being of this Programme Trust Deed may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer and the Instrumentholders without assigning any reason therefor and without being responsible for any costs occasioned by such retirement save for costs associated with, and/or incidental to, delivering physical copies of any trust document(s) to a new trustee. A Trustee who retires under this Programme Trust Deed shall be deemed to have retired under any Series Trust Deed in respect of which it is a trustee. The retirement of any Trustee shall not become effective unless:

- (a) there remains a trustee hereof in office after such retirement; and
- (b) where a successor is required to be appointed, the successor trustee having accepted such appointment, delivers to the Issuer the duly executed Accession Agreement in or substantially in the form in Schedule 6 to this Programme Trust Deed.
- (c) The predecessor Trustee shall promptly account for, deliver up all the Trust Assets (subject to the approval of the SEC), deliver all reports, books, accounts, documents, and records including access to all required software and electronic records, relating to the trust and copies thereof and communicate all material information it may have obtained concerning the trust to the successor Trustee and shall provide the successor Trustee with a full and updated statement of affairs and account of the trusts in respect of the Instruments.

The Issuer hereby covenants that in the event a sole trustee gives notice under this Clause it shall use all reasonable endeavours to procure a new trustee, to be appointed and if the Issuer does not procure a new trustee within three calendar months of such notice being given, the Trustees may appoint a new trustee. The appointment of any trustee pursuant to this clause 21.2 shall be with the prior notification to, and clearance by, the SEC.

21.3 Competence of a majority of Trustees: Whenever there shall be more than two trustees hereof the majority of such trustees shall be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Programme Trust Deed in the Trustees generally.

21.4 Powers additional: The powers conferred by this Programme Trust Deed upon the Trustees shall be in addition to any powers which may from time to time be vested in them by general law or as the holder of the Instruments.

21.5 Merger: Any corporation into which a Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which a Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of a Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

22 REGISTER

22.1 The Issuer shall at all times keep at the office of the Registrar in Lagos for the time being or at such other place in Nigeria as the Trustees may approve, an accurate Register showing the amount of the Instruments for the time being issued and fully paid and the date of registration and all subsequent transfers or changes of ownership thereof and the name and address and description of the Instrumentholder and any Person deriving title under it, such information to be obtained by the Registrar at least one (1) Business Day prior to each Record Date (as defined in Condition 2.8) while the Instruments are outstanding.

22.2 The Trustees and the Instrumentholders or any of them and any Person authorised in writing by any of them shall be at liberty at all reasonable times during office hours to inspect the said Register and to take copies of and extracts from the same or any part thereof. The said Register may be closed at such times and for such periods as the Registrar may from time to time determine provided that it shall not be closed for more than thirty (30) days in any year.

22.3 The Registrar shall maintain and update the Register until such time that all outstanding Instruments have been fully redeemed and the Issuer's liability under the Issue Documents has been discharged. The Registrar shall provide details of the Register to the Trustees during the period in which the Instruments are outstanding.

22.4 Without prejudice to the aforementioned provisions of this Programme Trust Deed, the Registrar shall, in the maintenance of the Register, obtain details (including bank account details and payment instructions) of the Instrumentholders and shall provide such details to the Trustees during the period which the Instruments are outstanding.

23 NOTICES

23.1 Addresses for notices: All notices and other communications hereunder shall be made in writing and in English (by letter, telex or fax) and shall be sent as follows:

(a) If to Dangote Cement Plc: to it at:
1 Alfred Rewane Road
Ikoyi
Lagos, Nigeria
Tel: +234 1 2714646
For the Attention of: The Group Chief Financial Officer
Email: guillaume.moyen@dangote.com

(b) If to Trustees: if to ARM TRUSTEES LIMITED, to it at:
1 Mekunwen Road,
Off Oyinkan Abayomi Drive,
Ikoyi, Lagos
Tel: + 234 (1) 2692097, 2695508-10 ext 121
For the Attention of: Michael Abiodun Thomas
Email: armtrustees-CT@arm.com.ng

(c) If to QUANTUM ZENITH TRUSTEES & INVESTMENTS LIMITED, to it at:

Plot 2, Ajoye Adeogun Street

Victoria Island, Lagos

Tel: 01 278 3216

For the Attention of: Onyechie Emefiele

Email: onyechie.emefiele@quantumzenith.com.ng

(d) If to FBNQUEST TRUSTEES LIMITED, to it at:

10 Keffi Street,

South West Ikoyi,

Lagos

Tel: +234-1-4622673 Ext - 2804

For the Attention of: Frederick Obodozie

Email: corporatetrust@fbnquest.com

(e) If to CORONATION TRUSTEES LIMITED, to it at:

10, Amodu Ojikutu Street

Off Saka Tinubu Street

Victoria Island

Lagos State

Tel: +234 81 627 627 68

For the Attention of: Oritsegbemi Agbajor

Email: Oagbajor@coronationnt.com, Trustee@coronationnt.com

23.2 Effectiveness: Every notice or other communication sent in accordance with Clause 23.1 shall be effective as follows:

(a) Personal delivery: if delivered by hand or by courier, on signature of a delivery receipt or at the time the notice is left at the address;

(b) Email: if sent by e-mail, one hour after the notice was sent with proof of delivery thereof or upon acknowledgment of receipt, whichever is earlier;

provided that any such notice or other communication which would otherwise take effect after 5.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day in the place of the addressee.

24 COMPLIANCE WITH THE ISA

24.1 The Trustees in exercise of the powers and discretions vested in them pursuant to these presents shall comply with the provisions of the Relevant Laws, and shall file with the SEC all necessary statutory reports in relation to the repayment of principal and interest under the trust herein constituted and in any trust deed supplemental to this Programme Trust Deed.

24.2 The Trustees shall inform the SEC whenever it becomes necessary to enforce the terms of this Programme Trust Deed and any breach of the terms and conditions of the Programme Trust Deed or a Series Trust Deed not later than ten (10) Business Days after the breach.

25 NO CLAIMS DUE TO FORCE MAJEURE

No failure or omission to carry out or observe any of the terms, provisions or conditions of this Programme Trust Deed shall give rise to any claim between the Parties hereto or be deemed to be a breach of this Programme Trust Deed to the extent that such failure or omission shall be caused by or shall arise out of any event of Force Majeure.

26 LAW AND JURISDICTION

- 26.1 **Governing Law:** This Programme Trust Deed, the Instruments and all obligations arising out of or in connection with them shall be governed by and construed in accordance with Nigerian law.
- 26.2 **Dispute Resolution:** In the event of any dispute arising out of or under this Programme Trust Deed, the parties shall within five (5) Business Days from the date the dispute arose, notify the SEC of the existence of the dispute. The parties may within ten (10) Business Days from the date the SEC was notified, resolve the dispute by mutual negotiation.
- 26.3 **Arbitration:** Any dispute which cannot be mutually resolved by the Parties in accordance with Clause 26.2 shall be referred to Arbitration in accordance with the provisions of the Arbitration and Conciliation Act, Cap A18, LFN, 2004. The arbitral tribunal shall consist of three arbitrators. The Issuer and the Trustees shall each appoint one arbitrator. The two arbitrators so appointed shall appoint the third arbitrator. PROVIDED THAT if the first two arbitrators are unable to agree on a third arbitrator within two (2) weeks of the appointment of the second arbitrator, the matter shall be referred to the Director General of the SEC who shall nominate the third arbitrator. The arbitrators shall also have a maximum period of ten (10) Business Days to resolve the dispute after the exchange of pleadings by the parties. In the event that the parties or the arbitrators are unable to settle the dispute, the matter shall be referred to the Investments and Securities Tribunal in accordance with the provisions of Section 284 of the ISA. The seat of arbitration shall be Lagos, and the language of arbitration shall be English.
- 26.4 **Consent to enforcement etc.:** The Issuer consents generally, in respect of any arbitral proceedings pursuant to Clause 26.3 (Arbitration) to the giving of any relief or the issue of any process in connection with such proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any final order or judgment which may be made or given in such proceedings.
- 26.5 **Waiver of immunity:** To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to it or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.
- 27 **ASSIGNMENTS AND TRANSFERS**
- 27.1 **No Restrictions:** Other than as provided in this Programme Trust Deed or any Series Trust Deed, there are no restrictions on the transferability of the Instruments.
- 27.2 **Transfers by the Trustees:** Upon duly notifying, and obtaining the approval of, the SEC and obtaining the consent of the Issuer and Instrumentholders, the Trustees may assign or transfer any of its rights, interests or obligations under or in respect of this Programme Trust Deed to any successor as trustee subject to the provisions of this Programme Trust Deed.
- 27.3 **Transfers by the Issuer:** The Issuer may not assign or transfer any of its rights, interests or obligations under or in respect of this Programme Trust Deed to any Person, without duly notifying, and obtaining the approval of the SEC and without the express consent of the Trustees acting on the instructions of the Instrumentholders.
- 28 **WAIVER OF DEFENCES**
- The obligations of the Issuer under this Programme Trust Deed shall not be affected by any act, omission, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Issuer from its obligations under this Programme Trust Deed, in whole or in part, including, whether or not known to the Issuer or the Trustees:
- (a) any time, indulgence or waiver granted to or composition with the Issuer or any other Person;

(b) the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights, remedies or securities against the Issuer or any other Person or any non-presentment or non-observance of any formality or other requirement in respect of any instruments; or

(c) any legal limitation, disability, incapacity or other circumstances relating to the Issuer or any other Person.

29 SEVERANCE

In case any provision in or obligation under this Programme Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

30 COUNTERPARTS

30.1 This Trust Deed may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

30.2 Transmission of the executed signature page of a counterpart of this Programme Trust Deed by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this Programme Trust Deed. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the others with the original of such counterpart as soon as reasonably possible thereafter.

30.3 No counterpart shall be effective until each party has executed at least one counterpart.

31 STATUS OF THE PROGRAMME TRUST DEED

The terms and conditions of this Programme Trust Deed shall be subject to the provisions of the Relevant Laws.

23. SELLING RESTRICTIONS, LISTING, CLEARING, SETTLEMENT AND TRANSFER OF INSTRUMENTS

23.1 SELLING RESTRICTIONS

The offering and sale of the Instruments is subject to all applicable laws and regulations of Nigeria. This Shelf Prospectus and the Instruments have been registered with and approved in writing by the SEC pursuant to the ISA and the SEC Rules.

Each Issuing House has agreed that, subject to the provisions of the ISA and the SEC Rules, it shall not communicate or cause to be communicated, any invitation or inducement to engage in the offer or sale of the Instruments to the public, without complying with all the applicable provisions of the ISA and the SEC Rules with respect to the marketing and issue of the Instruments in Nigeria.

None of the Issuer or the Issuing Houses represent that the Instruments may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

23.2 OFFICIAL LISTING ON A STOCK EXCHANGE

Instruments may be unlisted or listed on a recognized stock exchange such as the FMDQ, The Exchange Limited and/or relevant stock exchanges. Each Series or Tranche may be admitted to the Daily Official List and to daily trading by NGX separately, as and when issued, subject to the approval of the SEC and The NGX/FMDQ as may be applicable. As set out herein, this Shelf Prospectus and any supplement thereto will only be valid for the admission of the Instruments to the Daily Official List (and to trading on The NGX/ FMDQ and/or any relevant stock exchange) in an aggregate nominal amount which when added to the aggregate nominal amount then outstanding of all Instruments previously or simultaneously issued under the Programme, does not exceed ₦300,000,000,000 (Three Hundred Billion Naira) or its equivalent.

23.3 CLEARING SYSTEM AND SETTLEMENT

Each Series or Tranche of Instruments issued under the Programme shall be registered with a separate securities identification code with the CSD. All transactions in such Instruments shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Transactions will normally be effected for settlement not earlier than three (3) working days after the date of trade. Subject as aforesaid, each Series or Tranche of such Instruments will be issued, cleared and transferred in accordance with the Terms and Conditions and will be settled through authorised participants who will follow the electronic settlement procedures prescribed by the CSD. The CSD authorised participants include banks, securities brokers and dealers and other professional financial intermediaries.

The Issuer has no responsibility for the proper performance by the CSD or its authorised participants of their obligations under their respective rules and operating procedures

23.4 CASH SETTLEMENT

Parties to any transaction will be responsible for effecting the payment transfers either via Real Time Gross Settlement (“RTGS”), National Electronic Funds Transfer (“NEFT”) or any other transfer mode agreed by the parties to the transaction and recognised by the CBN.

23.5 TRANSFER OF INSTRUMENTS

Transfer of beneficial interest in the Instruments will pass on transfer thereof by electronic book-entry in the securities accounts maintained by the CSD and may be transferred only in accordance with rules and operating procedures of the CSD.

23.6 CRITERIA FOR DETERMINING THE PRICE OF THE INSTRUMENTS

The price of an instrument is reflective of the prevailing yield environment, with current instrument interest or rental rates (as applicable) serving as basis for extrapolating the yield and the price of a newly issued instrument.

In relation to Instruments, the Sovereign benchmark, in this instance, the interest rate(s) or the rental rate on the Federal Government bonds and sukuks, also serve as the reference rate for the determination of the interest rate on newly issued Bonds or the Sukuk; with the interest rate of new non-Sovereign bonds being at a discount, at par or at a premium to the Sovereign bonds.

Other factors that impact the determination of the price of an instrument include but are not limited to the tenor, credit rating and market liquidity.

24. PROFORMA PRICING SUPPLEMENT FOR BONDS AND SUKUKS

24.1 Set out below is the form of the Pricing Supplement which will be completed by the Issuer for each Series or Tranche of Bonds issued under the Programme:

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR AN INDEPENDENT INVESTMENT ADVISER FOR GUIDANCE IMMEDIATELY.

THIS PRICING SUPPLEMENT AND THE SECURITIES, WHICH IT OFFERS, HAVE BEEN REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("SEC" OR THE "COMMISSION"), THE INVESTMENTS AND SECURITIES ACT NO. 29 OF 2007 (AS AMENDED) (THE "ISA" OR THE "ACT") PROVIDES FOR CIVIL AND CRIMINAL LIABILITIES FOR THE ISSUE OF A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. THE REGISTRATION OF THIS PRICING SUPPLEMENT AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES OF ANY LIABILITY ARISING UNDER THE ACT FOR FALSE OR MISLEADING STATEMENTS OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PRICING SUPPLEMENT.

INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE RISK FACTORS ON PAGES [.] TO [.] OF THE SHELF PROSPECTUS ISSUED IN CONNECTION WITH THE PROGRAMME.



DANGOTE CEMENT PLC (RC 208767)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

OFFER FOR SUBSCRIPTION

OF

₦[.] [•%] SERIES [•] [TRANCHE [.] [GREEN BONDS/BONDS] DUE [•]

UNDER THE ₦300,000,000,000 MULTI-INSTRUMENT ISSUANCE PROGRAMME

ISSUE PRICE: ₦[•]

PAYABLE IN FULL ON APPLICATION

APPLICATION LIST OPENS: [•]

APPLICATION LIST CLOSES: [•]

This Pricing Supplement is prepared pursuant to Rules 279(3)(b) and 321 of the Rules and Regulations of the SEC, 2013 (as amended), the listing requirements of the FMDQ Securities Exchange Limited ("FMDQ") and the rules and regulations of Nigerian Exchange Limited ("NGX") in connection with the issuance of ₦[.] Bonds under the ₦300,000,000,000 Multi-Instrument Issuance Programme established by Dangote Cement PLC (the "Issuer" or "Dangote Cement"). This Pricing Supplement is supplemental to and should be read in conjunction with the Shelf Prospectus, dated [.] 2020 as amended and/or supplemented from time to time. Any capitalised terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement except otherwise expressly stated. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus as amended and/or supplemented from time to time. A copy of this Pricing Supplement has been delivered to the Commission for registration. A copy of the Pricing Supplement will also be made available for download on the respective websites of the Commission (www.sec.gov.ng) and the Issuer (www.dangotecement.com), throughout its Validity Period. Copies of this Pricing Supplement and the Shelf Prospectus can be obtained at no cost at the offices of the Issuer and the Issuing Houses. [The Offer is open to High Net-worth Individuals and Qualified Institutional Investors].

The Bonds described herein are issued on and are subject to the Terms and Conditions contained in the Shelf Prospectus as amended and/or supplemented by the Terms and Conditions contained in this Pricing Supplement. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities which forms the subject matter hereof or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement/Supplementary Prospectus later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the securities being issued hereunder (the "Bonds"). Application has been made to the FMDQ and NGX for the admission of the Bonds to the Daily Quotations List and the Daily Official List, respectively. The Bonds also qualify as a security in which trustees may invest under the Trustees Investments Act Chapter T22, Laws of the Federation of Nigeria 2004.

The Directors accept responsibility for the information contained in this Pricing Supplement and declare that having taken reasonable care to ensure that the information contained in this Pricing Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus as amended and/or supplemented from time to time has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus as amended and/or supplemented from time to time. It is a civil wrong and a criminal offence under the ISA to issue a prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided for in sections 85 and 86 of the ISA.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS SHELF PROSPECTUS AND REGISTRATION OF THE SECURITIES ISSUED THEREUNDER WITH THE COMMISSION BY CONTACTING THE COMMISSION ON sec@sec.gov.ng OR +234(0)94621100 OR +234(0) 94621168.

LEAD ISSUING HOUSE
Absa Capital Markets Nigeria Limited

JOINT ISSUING HOUSES
Standard Chartered Capital & Advisory Nigeria Limited
Stanbic IBTC Capital Limited
United Capital PLC

THIS PRICING SUPPLEMENT IS DATED THE [•] DAY OF [•]

FORM OF PRICING SUPPLEMENT/SUPPLEMENTARY PROSPECTUS

SUMMARY OF THE OFFER

1.	Issuer	Dangote Cement PLC
2.	Description of the Bond	[.] year [.]% [fixed rate senior unsecured] bonds due [.]
3.	Series Number	[.]
4.	Tranche Number	[.]/[N/A]
5.	Specified Currency	[Nigerian Naira (“₦”)]
6.	Aggregate Nominal	₦[.]
7.	Issue Price	[At par. ₦[.] per unit of the Bond]
8.	Net proceeds	₦[.]
9.	Minimum Participation Amount	Minimum of [₦10,000,000 (i.e. 10,000 units at ₦1,000 per unit) and multiples of ₦1,000] thereafter.
10.	Tenor	[.] years
11.	Allotment Date	[.]
12.	Issue Date	[.]
13.	Coupon Commencement Date	[Coupon shall accrue from the Issue date]
14.	Maturity Date	[.]
15.	Coupon Basis	[Semi-annual, fixed rate]
16.	Coupon Rate	[.]% p.a. payable [semi-annually in arrears].
17.	Principal Redemption Basis	[If not redeemed earlier in accordance with the redemption provisions in Condition [.] of the Series [.] Trust Deed, the Bonds shall be redeemed in full on the maturity date]
18.	Source of Repayment	[Issuer’s general cash flow]
19.	Ranking	[The Bonds shall constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves].
20.	Payment Undertaking	[N/A]
21.	Use of Proceeds	See page [.] of this Pricing Supplement
22.	Listing(s)	[Application for listing of the Bonds has been made to NGX and/or the FMDQ]
PROVISIONS RELATING TO COUPON PAYABLE		
23.	Fixed Rate Bond Provisions	

	(i) Coupon Payment Date(s)/Payment Dates	Coupon on the Bonds will be payable [semi-annually, on [.] and [.] of each year commencing on [.] until the Maturity Date
	(ii) Coupon Amount(s)	As applicable for each Coupon period (Coupon accumulated between each Coupon payment) [using the actual / actual day count fraction]
	(iii) Day Count Fraction	[Actual/actual (actual number of days in a month/ actual number of days in the year)]
	(iv) Business Day Convention	Where the day on which a payment is due to be made is not a Business Day, that payment shall be effected on the next succeeding Business Day unless that succeeding Business Day falls in a different month in which case, payment shall be made on the immediately preceding Business Day
	(v) Other terms relating to method of calculating Coupon for Fixed Rate Bonds	[N/A]
	(vi) Floating Rate Bond Provisions	[N/A]
	(vii) Zero Coupon Note Provisions	[N/A]
	(viii) Index Linked Coupon Note Provisions	[N/A]
	(ix) Dual Currency Note Provisions	[N/A]
	(x) Automatic/ Optional Conversion from one Coupon Payment Basis to another	[N/A]

PROVISIONS RELATING TO REDEMPTION/REPAYMENT

24.	Optional Early Redemption	
	(i) Call Option	[N/A]
	(ii) Call Price	[N/A]
	(iii) Put Option	[N/A]
25.	Scheduled Amortization	[N/A]
26.	Redemption	[The Bonds shall be redeemed [in full on the Maturity Date unless previously redeemed pursuant to Condition [.] of the Series [.] Trust Deed]
27.	Repayment Basis	[Bullet repayment on maturity or on call, at par]
28.	Final Redemption Amount	₦ [.]
29.	Scheduled Redemption Dates	[N/A]

30.	Early Redemption Amount(s) payable on redemption for tax reasons pursuant to Condition [.] (Redemption for tax reasons) of the Series [.] Trust Deed	[Nominal Amount outstanding on the date of redemption]
GENERAL PROVISIONS APPLICABLE TO THE BONDS		
31.	Form of Bonds	[.]
32.	Registrar	[Coronation Registrars Limited]
33.	Trustees	Coronation Trustees Limited, ARM Trustees Limited, FBNQuest Trustees Limited, Coronation Trustees Limited and Quantum Zenith Trustees & Investments Limited
34.	Record Date	[.]
35.	Other terms or special conditions	See “Terms and Conditions of the Bonds” on pages [.] to [.] of this Pricing Supplement
36.	Payment Agent	[N/A]
DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS		
37.	Method of Distribution	[.]
38.	Underwriting	[At the instance of the Issuer, this Offer will [not]/[be] underwritten]
39.	Delivery	Delivery after payment following clearance by the Securities and Exchange Commission
40.	Clearing	[FMDQ Clear Limited and/or CSCS]
41.	Depository	[CSCS (Address: Stock Exchange House 2/4 Customs Street, Lagos, Nigeria) or FMDQ Depository Limited (53, Idowu Taylor Street, Victoria Island, Lagos)]
42.	Transfer Restrictions	[There are no restrictions in Nigeria on free transferability of the Bonds other than Rule 321 of the SEC Rules which limits sale to Qualified Institutional Investors and High Net-worth Investors.]
43.	Transfer	[Transfer of the Bonds shall be by book entries in securities accounts held by the transferor and transferee in the Depository in accordance with the procedures of the Depository or such alternative clearing system approved by the Issuer and the Trustees, and registration of the name of the transferee in the Bond Register in respect of the Bonds then held].
44.	Offer Period	See page [.] of this Pricing Supplement
GENERAL		
45.	Ratings	<p>Issue Rating: [AA+] by Global Credit Rating Company Limited and [.] by Moody’s Investors Service Inc.</p> <p>Issuer Rating: [AA+] by Global Credit Rating Company Limited and [.] by Moody’s Investors Service Inc.</p> <p>An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>

		[*Moody's Investors Service, Inc. is not a party to the Offer, but have assigned ratings to the Issuer, at the request of the Issuer.]
46.	Date of Issue of Credit Ratings and Date of Next Review	<p>GCR rating obtained in December 2020.</p> <p>Moody's rating obtained in [.] 2020.</p> <p>Next reviews are approximately on or before the ratings expiration dates as stated on the respective ratings reports</p>
47.	Indebtedness	As at [.] , the Issuer's total borrowings amounted to approximately ₦[.] .
48.	Taxation	<p>See tax considerations on pages 140 of the Shelf Prospectus. Pursuant to the Companies Income Tax (Exemption of Bonds and Short Term Government Securities) Order, 2011 (the "CIT Order"), income earned from bonds issued by corporate entities in Nigeria are exempted from taxes ordinarily imposed under the Companies Income Tax Act, for a period of 10 years from the date the order became effective (being January 2, 2012).</p> <p>Thus, all payments of Principal, Coupon and any other sum due in respect of the Bonds prior to January 1, 2022 shall be made free and clear of, and without withholding or deduction for, or on account of any income tax. In that event, no additional amounts shall be paid to the Bondholders as a result of such deduction or withholding. In relation to Coupon payments on the Bonds made later than January 1, 2022, where the CIT Order is not extended, the Issuer may be required by law to withhold tax on Coupon payments made to corporate Bondholders.</p>
49.	Risk Factors	See pages [.] to [.] of the Shelf Prospectus.
50.	Governing Law	The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria
51.	Material Changes	[Save as disclosed in the Shelf Prospectus as read together with this Pricing Supplement, the Board confirms that there has been no material adverse change in the Issuer's financial position since the end of the financial year ended 31 December 2020.]
52.	Declarations	Except as otherwise disclosed in the Shelf Prospectus and this Pricing Supplement (a) None of the Directors is under any bankruptcy or insolvency proceedings in any court of law; (b) None of the Directors has been convicted in any criminal proceedings; (c) None of the Directors is subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty; (d) Neither the issuer nor any of its subsidiaries has, during the twelve calendar months immediately preceding the date of application to the Commission for registration of the shelf prospectus and during the effective period of the shelf prospectus, breached any terms and conditions in respect of borrowed monies which has resulted in the occurrence of an event of default and an immediate recall of such borrowed monies.

53.	Summary of Financials (Full details in Appendix [.] hereof)	N (Millions)	Group			
			(Figures herein are audited, except otherwise stated)			
			9 months	12 months	12 months	12 months
			Ended 30 Sep 2020	Ended 31 Dec 2019	Ended 31 Dec 2018	Ended 31 Dec 2017
		Revenue	[.]	891,671	901,213	805,582
		Profit/(loss) before taxation	[.]	250,479	300,806	289,590
		Profit/(Loss) for the year	[.]	200,521	390,325	204,248
		Total assets	[.]	1,741,351	1,694,463	1,665,883
		Net Asset	[.]	897,937	986,613	781,360
		Basic and diluted earnings/(loss) per share (Naira)	[.]	11.79	22.83	11.65

APPENDIX A: INDICATIVE TRANSACTION TIMELINE

[•]

APPENDIX B: OTHER DISCLOSURES

[•]

APPENDIX C: USE OF PROCEEDS

[•]

S/N	PROJECT DESCRIPTION	TOTAL VALUE OF PROJECTS (N)	AMOUNT TO BE FUNDED FROM PROCEEDS (N)	DURATION (COMMENCING FROM THE ISSUE DATE)
1	[•]	[•]	[•]	[•]
	TOTAL	[•]	[•]	

APPENDIX D: EXTRACT OF SERIES [.] TRUST DEED

[•]

REPAYMENT SCHEDULE

[•]

APPENDIX E: PROCEDURE FOR APPLICATION AND ALLOTMENT

[•]

APPENDIX F: COMMITMENT FORM

[•]

24.2 Set out below is the form of the Pricing Supplement which will be completed by the Issuer for each Series or Tranche of Sukuks issued under the Programme:

THIS DOCUMENT IS IMPORTANT AND YOU ARE ADVISED TO CAREFULLY READ AND UNDERSTAND ITS CONTENTS. IF YOU ARE IN DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANKER OR AN INDEPENDENT INVESTMENT ADVISER FOR GUIDANCE IMMEDIATELY.

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INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION ABOUT CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE RISK FACTORS ON PAGES [.] TO [.] OF THE SHELF PROSPECTUS ISSUED IN CONNECTION WITH THE PROGRAMME.



DANGOTE CEMENT PLC (RC 208767)

(INCORPORATED WITH LIMITED LIABILITY IN THE FEDERAL REPUBLIC OF NIGERIA)

OFFER FOR SUBSCRIPTION

OF

₦[.] [●%] SERIES [●] [TRANCHE [.] SUKUK DUE [●]

UNDER THE ₦300,000,000,000 MULTI-INSTRUMENT ISSUANCE PROGRAMME

ISSUE PRICE: ₦[●]

PAYABLE IN FULL ON APPLICATION

APPLICATION LIST OPENS: [●]

APPLICATION LIST CLOSES: [●]

This Pricing Supplement is prepared pursuant to Rules 279(3)(b) and 321 of the Rules and Regulations of the SEC, 2013 (as amended), the listing requirements of the FMDQ Securities Exchange Limited ("FMDQ") and the rules and regulations of Nigerian Exchange Limited ("NGX") in connection with the issuance of ₦[.] Sukuk under the ₦300,000,000,000 Multi-Instrument Issuance Programme established by Dangote Cement PLC (the "Issuer" or "Dangote Cement"). This Pricing Supplement is supplemental to and should be read in conjunction with the Shelf Prospectus, dated [.] 2020 as amended and/or supplemented from time to time. Any capitalised terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement except otherwise expressly stated. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the Instruments only if accompanied by the Shelf Prospectus as amended and/or supplemented from time to time. A copy of this Pricing Supplement has been delivered to the Commission for registration. A copy of the Pricing Supplement will also be made available for download on the respective websites of the Commission (www.sec.gov.ng) and the Issuer (www.dangotecement.com), throughout its Validity Period. Copies of this Pricing Supplement and the Shelf Prospectus can be obtained at no cost at the offices of the Issuer and the Issuing Houses. [The Offer is open to High Net-worth Individuals and Qualified Institutional Investors].

The Instruments described herein are issued on and are subject to the Terms and Conditions contained in the Shelf Prospectus as amended and/or supplemented by the Terms and Conditions contained in this Pricing Supplement. The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities which forms the subject matter hereof or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement/Supplementary Prospectus later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the securities being issued hereunder (the "Instruments"). Application has been made to the FMDQ and NGX for the admission of the Instruments to the Daily Quotations List and the Daily Official List, respectively. The Instruments qualify as a security in which Trustees may invest under the Trustees Investments Act Chapter T22, Laws of the Federation of Nigeria 2004.

The Directors accept responsibility for the information contained in this Pricing Supplement and declare that having taken reasonable care to ensure that the information contained in this Pricing Supplement is, to the best of their knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus as amended and/or supplemented from time to time has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus as amended and/or supplemented from time to time. It is a civil wrong and a criminal offence under the ISA to issue a prospectus which contains false or misleading information. Investors are advised to note that liability for false or misleading statements or acts made in connection with this Pricing Supplement is provided for in sections 85 and 86 of the ISA.

INVESTORS MAY CONFIRM THE CLEARANCE OF THIS SHELF PROSPECTUS AND REGISTRATION OF THE SECURITIES ISSUED THEREUNDER WITH THE COMMISSION BY CONTACTING THE COMMISSION ON sec@sec.gov.ng OR +234(0)94621100 OR +234(0) 94621168.

LEAD ISSUING HOUSE
Absa Capital Markets Nigeria Limited

JOINT ISSUING HOUSES
Standard Chartered Capital & Advisory Nigeria Limited
Stanbic IBTC Capital Limited
United Capital PLC

THIS PRICING SUPPLEMENT IS DATED THE [•] DAY OF [•]

FORM OF PRICING SUPPLEMENT/SUPPLEMENTARY PROSPECTUS FOR THE SUKUK

SUMMARY OF THE OFFER

Provisions relating to the description of the Sukuk		
1.	(a) Issuer Trustee (b) Originator/obligor	[Dangote Cement PLC] [Dangote Cement PLC]
2.	Specified Currency	[•]
3.	Aggregate Face Amount (a) Series (b) Tranche	[•] [•] [•]
4.	Issue Price	[•]% of the Aggregate Face Amount
5.	Governing Law	The Sukuk will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria as well as relevant sections in the Islamic law of commercial transactions (Mu'amalat)
6.	Specified Denominations	[•]
7.	Transfer	[•]
8.	Clearing	[FMDQ Clear Limited and/or CSCS]
9.	Depository	[CSCS (Address: Stock Exchange House 2/4 Customs Street, Lagos, Nigeria) or FMDQ Depository Limited (53, Idowu Taylor Street, Victoria Island, Lagos)]
10.	Calculation Amount	[•]
11.	Issue Date	[•]
12.	Profit Commencement Date	[•]
13.	Scheduled Dissolution Date	[•]
14.	Specified Currency	[•]

15.	Status	[●]
16.	Call Rights	[Not Applicable]/[Optional Dissolution Right]
17.	Ranking	[The Sukuk shall constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves].
18.	Dissolution Basis	Dissolution at par
19.	Change of Profit Basis	[[Specify the date when any fixed to floating rate change]/Not Applicable]
Provisions relating to profit payable		
20.	Fixed Rate Periodic Distribution Provisions	[Applicable/Not Applicable]
	(a) Profit Rate(s)	[●]% <i>per annum</i> , payable [annually/semi-annually/quarterly/monthly/[●]] in arrears on each Periodic Distribution Date
	(b) Periodic Distribution Date(s)	[[●] in each year up to and including the Scheduled Dissolution Date, commencing on [●]/[●]]
	(c) Fixed Amount(s)	[●] per Calculation Amount
	(d) Broken Amount(s)	[[●] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [●]/Not Applicable]
	(e) Day Count Fraction	[Actual/actual (actual number of days in a month/ actual number of days in the year)]
	(f) Determination Date(s)	[[●] in each year/Not Applicable]
21.	Floating Periodic Distribution Provisions	[Applicable]/Not Applicable]
	(a) Specified Periodic Distribution Dates	[●] in each year, commencing on [□][, subject to adjustment in accordance with the Business Day Convention set out in (d) below/, not subject to adjustment, as the Business Day Convention in (d) below is specified to be Not Applicable]
	(b) Periodic Distribution Period	[Not Applicable]/[●]
	(c) Profit Period Date	[Not Applicable]/[●]
	(d) Business Day Convention	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day

		Convention/Preceding Business Day Convention] [Not Applicable]
	(e) Business Centre(s)	[●] [Not Applicable]
	(f) Manner in which the Profit Rate and the Periodic Distribution Amount are to be determined	[Screen Rate Determination/ISDA Determination]
	(g) Party responsible for calculating the Profit Rate and the Periodic Distribution Amount (if not the Paying Agent)	[[●]] (the “ Calculation Agent ”)
	(a) Screen Rate Determination (b) Reference Rate (c) Profit Rate Determination Date(s) (d) Relevant Screen Page (e) Relevant Time (f) Relevant Financial Centre	[Applicable]/[Not Applicable] [●] [per month] [●] [●] [●] [●] [●]
	(g) ISDA Determination (i) Floating Rate Option (ii) Designated Maturity (iii) Reset Date (iv) ISDA Definitions	[Applicable]/[Not Applicable] [●] [●] [●] [●]
	(a) Margin(s)	[+/-][[●]]% per annum
	(b) Linear Interpolation	[Not Applicable/Applicable the Profit Rate for the [long/short] [first/last] Periodic Distribution Period shall be calculated using Linear Interpolation (<i>specify for each short or long periodic distribution period</i>)]
	(c) Maximum Profit Rate	[[●]]% per annum
	(d) Minimum Profit Rate	[[●]]% per annum
Provisions relating to dissolution		
22.	Optional Dissolution Right	[Applicable]/[Not Applicable]
	(a) Dissolution Distribution Amount	[As per Condition 1]/[●]
	(b) Optional Dissolution Date(s)	[[●]]

	(c) Notice period	Minimum period: [[●]] days Maximum period: [[●]] days
23.	Dissolution Distribution Amount following redemption on the Scheduled Dissolution Date or following the occurrence of a Dissolution Event	[As per Condition [●]/[●]]
Provisions in respect of the Trust Assets		
24.	Trust Assets	Condition [●] applies
	(a) Details of Payment Account	[●]
	(b) Series Trust Deed	Series Trust Deed dated [●] between the Issuer Trustee, the Originator/Obligor and the Delegate Trustee(s)
	(c) Head Lease Agreement	Supplemental Head Lease Agreement dated [●] between the Issuer Trustee, the Originator/Obligor and the Delegate Trustee/ / [Not Applicable]
	(d) Supplemental Sub-Lease Agreement	Supplemental Sub-Lease Agreement dated [●] / / [Not Applicable]
	(e) Master Purchase Agreement	Master Purchase Agreement dated [●] / / [Not Applicable]
	(f) Supplemental Purchase Agreement	[Not Applicable/Supplemental Purchase Agreement dated [●]]
	(g) Declaration of Commingling of Assets	[Declaration of Commingling of Assets dated [●] executed by the Issuer Trustee]/[Not Applicable]
	(h) Purchase Undertaking	Purchase Undertaking dated []
	(i) Beneficial Rights Transfer Agreement	[Applicable]/[Not Applicable]
	(j) Application of Trust Assets (Prior to Dissolution)	[As specified in Condition [] (application of Trust Assets Prior to Dissolution) /other (specify)
	(k) Application of Trust Assets (Following a Dissolution)	[As specified in Condition [] (application of Trust Assets on the Maturity Date or following Dissolution) /other (specify)]
Responsibility		

25.	[Responsibility Statements]	<p>[each of the Issuer, the Obligor/Originator certifies that to the best of its knowledge and belief, there are no material facts that have been omitted which would make any statement in the Shelf Prospectus, as read together with this applicable Pricing Supplement, false or misleading and that all reasonable enquiries to ascertain such facts have been made, as well as that the Shelf Prospectus as read together with this applicable Pricing Supplement contains all information required by law, the ISA and SEC Rules. Each of the Issuer, the Obligor/Originator accepts full responsibility for the accuracy of the information contained in the Shelf Prospectus as read together with this applicable Pricing Supplement, except as otherwise stated therein or herein.</p> <p>each of the Issuer, the Obligor/Originator confirms that the SEC takes no responsibility for the contents of the information contained in the Shelf Prospectus as read together with this applicable Pricing Supplement, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the information contained in the Shelf Prospectus as read together with this applicable Pricing Supplement.]</p>
26.	Other provisions	[Other covenants/provisions] / [Not Applicable]
27.	Ratings	<p>Issue Rating: [AA+] by Global Credit Rating Company Limited and [.] by Moody's Investors Service Inc.</p> <p>Issuer Rating: [AA+] by Global Credit Rating Company Limited and [.] by Moody's Investors Service Inc.</p> <p>An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p> <p>[*Moody's Investors Service, Inc. is not a party to the Offer, but have assigned ratings to the Issuer, at the request of the Issuer.]</p>

Summary of Financials (Full details in Appendix [.] hereof)	Group			
	<i>(Figures herein are audited, except otherwise stated)</i>			
	9 months	12 months	12 months	12 months
	Ended 30 Sep 2020	Ended 31 Dec 2019	Ended 31 Dec 2018	Ended 31 Dec 2017
₦ (Millions)				
Revenue	[.]	891,671	901,213	805,582

	Profit/(loss) before taxation	[.]	250,479	300,806	289,590
	Profit/(Loss) for the year	[.]	200,521	390,325	204,248
	Total assets	[.]	1,741,351	1,694,463	1,665,883
	Net Asset	[.]	897,937	986,613	781,360
	Basic and diluted earnings/(loss) per share (Naira)	[.]	11.79	22.83	11.65

APPENDIX A: INDICATIVE TRANSACTION TIMELINE

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APPENDIX B: OTHER DISCLOSURES

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APPENDIX C: USE OF PROCEEDS

[•]

S/N	PROJECT DESCRIPTION	TOTAL VALUE OF PROJECTS (₦)	AMOUNT TO BE FUNDED FROM PROCEEDS (₦)	DURATION (COMMENCING FROM THE ISSUE DATE)
1	[•]	[•]	[•]	[•]
	TOTAL	[•]	[•]	

APPENDIX D: EXTRACT OF SERIES [.] TRUST DEED/DECLARATION OF TRUST

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REPAYMENT SCHEDULE

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APPENDIX E: PROCEDURE FOR APPLICATION AND ALLOTMENT

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APPENDIX F: COMMITMENT FORM

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