



DANGOTE CEMENT PLC

RC 208767

₦300,000,000,000
Domestic Commercial Paper Issuance Programme

Dangote Cement PLC ("**Dangote Cement**", the "**Issuer**" or the "**Company**"), a public limited liability company incorporated in Nigeria, has established a ₦150,000,000,000 commercial paper issuance programme (the "**CP Programme**" or "**Programme**") on 12 August 2021 and subsequently increased the CP Programme from ₦150,000,000,000 to ₦300,000,000,000, on 13 July 2023, under which Dangote Cement may from time to time issue commercial paper notes ("**CPs**" or "**Notes**"), denominated in Nigerian Naira, in separate series or tranches subject to compliance with all relevant laws and in accordance with the terms and conditions ("**Terms and Conditions**") as defined in the section entitled, "Summary of the Programme" contained in this Amended and Restated Programme Memorandum (the "**Programme Memorandum**").

Each Series or Tranche (as defined herein) will be issued in such amounts, and will have such discounts, periods of maturity and other terms and conditions as set out in the Pricing Supplement (as defined herein) applicable to such series or tranche (the "**Applicable Pricing Supplement**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the CP Programme shall not exceed ₦300,000,000,000 over a three-year period that this Programme Memorandum, including any amendments thereto, shall remain valid.

This Programme Memorandum is to be read and construed in conjunction with any supplement hereto and all documents which are incorporated herein by reference and, in relation to any Series or Tranche (as defined herein), together with the Applicable Pricing Supplement. This Programme Memorandum shall be read and construed on the basis that such documents are incorporated and form part of this Programme Memorandum.

This Programme Memorandum, the Applicable Pricing Supplement and the CPs have not been and will not be registered with the Securities and Exchange Commission, or under the Investments and Securities Act, No. 29 of 2007 (as amended)).

The Notes issued under this Programme shall be issued in dematerialised form, registered, quoted and traded via the FMDQ Securities Exchange Limited ("**FMDQ Exchange**") platform in accordance with the rules, guidelines and such other regulation with respect to the issuance, registration and quotation of commercial paper as may be prescribed by the Central Bank of Nigeria ("**CBN**") and FMDQ Exchange from time to time, or any other recognized trading platform as approved by the CBN. The securities will settle via any central securities depository registered or recognised by the Securities and Exchange Commission, acting as custodian and clearing agent for the Notes.

This Programme Memorandum and the Applicable Pricing Supplement shall be the sole concern of the Issuer and the party to whom this Programme Memorandum and the Applicable Pricing Supplement is delivered (the "**Recipient**") and shall not be capable of distribution and should not be distributed by the Recipient to any other parties nor shall any offer made on behalf of the Issuer to the Recipient be capable of renunciation and assignment by the Recipient in favour of any other party.

If any Recipient is in any doubt about this Programme Memorandum's contents or the actions to be taken, such Recipient should consult his/her banker, stockbroker, accountant, solicitor and/or any other professional adviser for guidance. In the event of any occurrence of a significant factor, material mistake or inaccuracy relating to the information included in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of CPs.

The document is important and should be read carefully. This Programme Memorandum has been prepared in accordance with the CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on 18 November 2009 and updated and circulated on 11 September 2019, the CBN letter to all deposit money banks and discount houses dated 11 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "**CBN Guidelines**") and the Commercial Paper Registration and Quotation Rules, April 2021 (the "**Rules**") of FMDQ Exchange in force as at the date thereof. This Programme Memorandum has been seen and approved by the Board of Directors of Dangote Cement and they individually and jointly accept full responsibility for the accuracy of all information given.

ARRANGER / DEALER



STANBIC IBTC CAPITAL LIMITED
RC1031358

ISSUING, CALCULATION AND PAYING AGENT



STANBIC IBTC BANK PLC
RC125097

THIS PROGRAMME MEMORANDUM IS DATED 13 JULY 2023

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DEFINITIONS AND INTERPRETATIONS

In this Programme Memorandum, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the following meanings. Words in the singular shall include the plural and vice versa, references to a person shall include references to a body corporate, and reference to a gender includes the other gender.

"Agency Agreement" or "Issuing, Calculation and Paying Agency Agreement"	The Issuing, Calculation and Paying Agency Agreement dated 12 August 2021 and subsequently amended and restated on 13 July 2023 or about the date of this Programme Memorandum executed by the Issuer and the Issuing, Calculation and Paying Agent.
"Applicable Pricing Supplement" or "Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the definitive final terms and conditions relating to a specific Tranche or Series under the Programme.
"Arranger"	Stanbic IBTC Capital Limited.
"BA"	Banker's Acceptance.
"Board" or "Directors"	Board of Directors of the Issuer.
"Business Day"	Any day excluding Saturdays, Sundays and a public holiday declared by the Federal Government of Nigeria on which banks are open for general banking business in Nigeria.
"Business Hours"	8.00am to 5.00pm on any Business Day, as the case may be.
"CAMA"	Companies and Allied Matters Act No. 3 of 2020 (as amended).
"CBN"	Central Bank of Nigeria.
"CBN Guidelines"	CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued on 11 September 2019 and the CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Paper or any amendments thereto.
"CGT"	Capital Gains Tax as provided for under the Capital Gains Tax Act (Chapter C1) LFN 2004 (as amended by the Finance Acts).
"CITA"	Companies Income Tax Act (Chapter C21) LFN, 2004 (as amended by the Companies Income Tax (Amendment) Act No. 11 of 2007 and the Finance Acts .
"Clean CP"	Commercial Paper not backed by a guarantee or such other credit enhancement. Clean CPs shall only be sold to Qualified Institutional Investors and EIs.
"CP"	Commercial Paper.
"CPs" or "Notes"	The Commercial Paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a dematerialised form by the Noteholders through the CSD.
"Conditions" or "Terms and Conditions"	Terms and conditions, in accordance with which the Notes will be issued, set out in the section of this Programme Memorandum headed "Terms and Conditions of the Notes".
"CP Programme" or "Programme"	The Commercial Paper issuance programme described in this Programme Memorandum pursuant to which the Issuer may issue several, separate series of Notes from time to time with varying maturities and discount rates, provided, however, that the aggregate Face Value of Notes in issue does not exceed ₦300,000,000,000.
"Central Securities Depository", "CSD" or "Clearing Agent"	Central Securities Clearing System PLC or FMDQ Exchange Depository Limited (which expression shall include their successors) or any additional or alternative clearing system or any clearing system as may otherwise be specified in the Applicable Pricing Supplement.
"CSD Rules"	The rules governing transfer of title in securities held with the CSD.
"CSD Securities Account"	A securities account maintained by a Noteholder with the CSD.
"CSCS"	Central Securities Clearing System PLC.

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"Day Count Fraction"	Such method of calculating the discount as specified in the Applicable Pricing Supplement.
"Dealer"	Stanbic IBTC Capital Limited. and any other additional Dealer appointed pursuant to the Dealer Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer pursuant to the Dealer Agreement.
"Dealer Agreement"	The dealer agreement dated 12 August 2021 and subsequently amended and restated on 13 July 2023 or about the date of this Agreement entered into between the Issuer and the Dealer.
"Deed of Covenant"	The Deed of Covenant dated 12 August 2021 and subsequently amended and restated on 13 July 2023 or about the date of this Programme Memorandum executed by the Issuer in favour of the Noteholders.
"Default Rate"	The interest rate equivalent to the daily overnight NIBOR + 5% per annum or issue rate +5% per annum (whichever is higher).
"Disclosure Documents"	At any particular date: (a) the Programme Memorandum; (b) the Applicable Pricing Supplement; and (c) any other document delivered by the Issuer to the Issuing, Calculation and Paying Agent which the Issuer has expressly authorised in writing to be distributed to actual or potential purchasers of Notes
"Disruption Events"	Mean any of: (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Notes (or otherwise in order for the transactions contemplated by the Transaction Documents to be carried out) which disruption is not caused by, and is reasonably beyond the control of the Issuer and/or the Issuing, Calculation and Paying Agent; or (b) the occurrence of any other event which results in a disruption (of a technical or systems related nature) to the treasury or payments operations of the Issuing, Collecting and Paying Agent preventing the Issuing, Calculation and Paying Agent from (i) performing its payment obligations under the Issuing, Calculation and Paying Agent Agreement, or (ii) from communicating with the Issuer or the Issuing and Placing Agents, and any other third party, in accordance with the terms of the Transaction Documents and which (in either such case) is not caused by, and is reasonably beyond the control of the Issuing, Collecting and Paying Agent.
"Eligible Investor" or "EI"	An investor that is not a Qualified Institutional Investor as defined in the FMDQ Exchange Rules, that has executed a declaration attesting to his/her/its eligibility in the manner prescribed in the FMDQ Exchange Rules.
"Event of Default"	An event of default as set out in Condition 6 of the "Terms and Conditions".
"Face Value"	The par value of the Notes.
"FGN"	Federal Government of Nigeria.
"Finance Acts"	Finance Acts, 2019, 2020, 2021 and 2023
"FIRS"	Federal Inland Revenue Service.
"FMDQ Exchange Depository" or "FMDQD"	FMDQ Exchange Depository Limited.
"FMDQ Exchange" or the "Exchange"	FMDQ Securities Exchange Limited, a securities exchange and self-regulatory organisation licensed by the Securities and Exchange Commission to provide a platform for, amongst others, listing, quotation, registration and trading of securities.
"FMDQ Exchange Rules"	The FMDQ Exchange Commercial Paper Registration and Quotation Rules, April 2021, as may be amended or supplemented from time to time.

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"Force Majeure"	Any event or circumstance (or combination of events or circumstances) that is beyond the control of the Issuer which materially and adversely affects its ability to perform its obligations as stated in the Conditions, which could not have been reasonably foreseen, including without limitation, nationwide strikes, national emergency, epidemic, pandemic, riot, war, embargo, legislation, acts of God, acts of terrorism, and industrial unrest.
"Government"	Any federal, state or local government of the Federal Republic of Nigeria.
"Implied Yield"	The yield accruing on the Issue Price of a Note, as specified in the Applicable Pricing Supplement.
"ISIN"	International Securities Identification Number.
"Issuer", "Dangote Cement", "DCP" or the "Company"	Dangote Cement PLC, a public limited company incorporated under the laws of the Federal Republic of Nigeria with RC No 208767 and having its registered office at Union Marble House, 1, Alfred Rewane Road, Ikoyi, Lagos, Nigeria.
"Issue Date"	The date upon which the relevant Series/Tranche of the Notes is issued as specified in the Applicable Pricing Supplement.
"Issue Price"	The price at which the relevant Series/Tranche of the Notes is issued, as specified in the Applicable Pricing Supplement.
"Issuing, Calculation and Paying Agent" or "Agent" or "ICPA" or "IPA"	Stanbic IBTC Bank PLC, as Issuing, Calculation and Paying Agent and any successor Issuing, Calculation and Paying Agent appointed in accordance with the Agency Agreement.
"LFN"	Laws of the Federation of Nigeria.
"Maturity Date" or "Redemption Date"	The date as specified in each Applicable Pricing Supplement on which the Principal Amount is due.
"Naira" or "₦"	The Nigerian Naira, the official currency of the Federal Republic of Nigeria.
"NIBOR"	The Nigerian Inter-Bank Offered Rate.
"Nigeria"	The Federal Republic of Nigeria. "Nigerian" shall be construed accordingly.
"Noteholder" or "Holder"	The holder of a Note as recorded in the Register in accordance with the Terms and Conditions.
"Notes"	means the commercial paper issued by the Issuer from time to time pursuant to the Programme Memorandum and any Applicable Pricing Supplement as promissory notes and held in a de-materialised form by the Noteholders through the CSD
"Outstanding"	in relation to the Notes, all the Notes issued, other than: (i) those Notes which have been redeemed pursuant to the provisions of the Conditions; (ii) those Notes in respect of which the date (including, where applicable, any deferred date) for its redemption in accordance with the relevant conditions has occurred and the redemption moneys have been duly paid in accordance with the provisions of the Conditions; and (iii) those Notes which have become void under the provisions of the Conditions.
"PITA"	Personal Income Tax Act (Chapter P8) LFN 2004 (as amended by the Personal Income Tax (Amendment) Act of 2011 and the Finance Acts).
"Principal Amount"	The Face Value of each Note as specified in the Applicable Pricing Supplement.
"Pricing Supplement" or "Applicable Pricing Supplement"	The document(s) to be issued pursuant to the Programme Memorandum, which shall provide the final terms and conditions of a specific issue of a Series/Tranche of the Notes under the Programme.
"Programme"	The ₦300,000,000,000 (Three Hundred Billion Naira) commercial paper issuance programme established by the Issuer which allows for the multiple issuances of Notes from time to time under a standardized documentation framework
"Programme Memorandum"	This information memorandum originally dated 12 August 2021 and subsequently amended and restated on 13 July 2023, providing detailed particulars of the

DEFINITIONS AND INTERPRETATIONS

	Programme and includes any supplementary programme memorandum issued by the Issuer from time to time in respect of the Notes.
“Qualified Institutional Investor” or “QII”	Include banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered private equity funds, registered hedge funds, market makers, staff schemes, trustees/custodians, stockbroking firms and any other category of investors as may be determined by SEC from time to time.
“Redemption Amount”	The amount specified in the Applicable Pricing Supplement as the amount payable in respect of each Note at the Redemption Date.
“Register”	The register to be maintained by the Registrar in respect of the Notes and the Noteholders.
“Registrar”	The ICPA or such other registrar as may be appointed by the Issuer in respect of the Notes issued under the Programme.
“Relevant Currency”	The currency in which payments in respect of the Notes of the relevant Tranche or Series are to be made as indicated in the Applicable Pricing Supplement.
“Relevant Date”	The payment date of any obligation due on the Notes.
“Relevant Last Date”	The date specified in the Applicable Pricing Supplement after which transfer of the Notes will not be registered.
“SEC”	The Securities and Exchange Commission, Nigeria.
“SEC Rules”	The Rules and Regulations of the Securities and Exchange Commission 2013, (as may be amended from time to time by the SEC), made pursuant to the Investments and Securities Act No. 29 of 2007 (as amended).
“Series”	A series of Notes issued by the Issuer comprising one or more Tranches, having identical terms on issue and expressed to have the same series number but may not have the same Issue Date and issue price.
“Special Resolution”	A resolution passed by at least three fourths (3/4) majority of the total number of Noteholders at any point in time.
“Specified Office”	The office of the Agent as specified under the Agency Agreements and shall include such other office or offices as may be specified from time to time thereunder.
“Terms and Conditions”	Terms and conditions, in accordance with which the Notes will be issued, set out in the section headed “Terms and Conditions of the Notes”.
“Tranche”	In relation to a Series, those Notes of that Series that are issued on the same date and at the same issue price.
“Transaction Documents”	The ICPA Agreement, the Programme Memorandum, any Applicable Pricing Supplement, the Deed of Covenant, and any other document relating to the issue of the Notes, as approved by FMDQ Exchange
“Unique Identifier”	A code specifically designated/assigned to identify a Commercial Paper.
“VAT”	Value Added Tax as provided for in the Value Added Tax Act (Chapter V1) LFN, 2004 (as amended by the Value Added Tax (Amendment) Act No. 12 of 2007 and the Finance Acts).
“WHT”	Withholding Tax as provided for in section 78(2) of CITA and section 70 of PITA.
“Zero Coupon Note”	Notes which will be offered and sold at a discount to their Principal Amount and will not bear interest, save for default interest payable on late payments.

IMPORTANT NOTICES

This Programme Memorandum contains information provided by the Issuer in connection with the CP Programme under which the Issuer may issue and have outstanding at any time, Notes up to a maximum aggregate amount of ₦300,000,000,000. The Notes shall be issued subject to the Terms and Conditions contained in this Programme Memorandum.

The Issuer shall not require the consent of the Noteholders for the issue of Notes under the Programme.

The Issuer accepts responsibility for the information contained in this Programme Memorandum. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Programme Memorandum is correct and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, the Arranger and Dealer or other professional advisers make no representation, warranty or undertaking, express or implied and accept no responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger and Dealer or on their behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and Dealer and other professional advisers accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Programme Memorandum or any such statement.

To the fullest extent permitted by law, the Arranger and Dealer accept no responsibility for the contents of this Programme Memorandum or for any other statement, made or purported to be made by the Arranger or any Dealer or on their behalf in connection with the Issuer or the Programme and offering of the Notes. The Arranger and Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save to the extent precluded by law), which they might otherwise have in respect of this Programme Memorandum or any such statement.

No person has been authorised by the Issuer to give any information or to make any representation not contained or not consistent with this Programme Memorandum or any information supplied in connection with the CP Programme and if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, unless explicitly delivered by the Issuer.

Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme is intended to provide a basis for any credit or other evaluation or should be considered as a recommendation by the Issuer, the Arranger or the Dealer that any Recipient of this Programme Memorandum or any other information supplied in connection with the CP Programme should purchase any Notes.

Each person contemplating the purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit worthiness, of the Issuer. Neither this Programme Memorandum nor any other information supplied in connection with the CP Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, among other things, the most recent audited annual financial statements of the Issuer prior to taking any investment decision.

Notes issued under the Programme shall be restricted to Qualified Institutional Investors and Eligible Investors who meet the qualification criteria prescribed by FMDQ Exchange from time to time.

All currency risks assumed by investors upon purchase of the Notes are borne by the individual investors.

The Arranger, Dealer and the ICPA are under no obligation to seek recovery or initiate any action against the Issuer on behalf of a Noteholder.

FMDQ SECURITIES EXCHANGE LIMITED TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROGRAMME MEMORANDUM, NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THIS CP PROGRAMME, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROGRAMME MEMORANDUM.

INCORPORATION OF DOCUMENTS BY REFERENCE

This Programme Memorandum should be read and construed in conjunction with:

1. each Applicable Pricing Supplement relating to any Series or Tranche of Notes issued under the Programme; and
2. the audited annual financial statements (and notes thereto) and any audited interim financial statements published subsequent to such annual financial statements of the Issuer for the financial years/periods prior to each issue of Notes under this Programme,

which shall be deemed to be incorporated into, and to form part of, this Programme Memorandum and which shall be deemed to modify, complete and/or supersede the contents of this Programme Memorandum as appropriate.

The Issuer may for so long as any Note remains outstanding, publish an amended and restated Programme Memorandum or a supplement to the Programme Memorandum on the occasion of any subsequent issue of Notes, where there has been:

- (a) a material change in the condition (financial or otherwise) of the Issuer which is not then reflected in the Programme Memorandum or any supplement to the Programme Memorandum; or
- (b) any modification of the terms of the Programme, which would then make the programme materially inaccurate or misleading.

Any such new Programme Memorandum as supplemented and/or modified shall be deemed to have been substituted for the previous Programme Memorandum or to have modified the previous Programme Memorandum from the date of its issue.

The Issuer will provide free of charge to each prospective investor upon request, a copy (which includes an electronic copy at the Issuer's option) of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents shall be directed to the Issuer at its specified office(s) as set out in this Programme Memorandum.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Programme Memorandum and the Applicable Pricing Supplement:

1. **Issuer:** Dangote Cement PLC.
2. **Programme Description:** Commercial Paper Issuance Programme.
3. **Size of Programme:** ₦300,000,000,000 aggregate principal amount of Notes outstanding at any point in time.
4. **Issuance in Series:** The Notes will be issued in Series or Tranches, and each Series may comprise one or more Tranches issued on different dates. The Notes in each Series, each a Tranche, will have the same maturity date and identical terms (except that the Issue Dates and Issue Prices may be different). Details applicable to each Series or Tranche will be specified in the Applicable Pricing Supplement.
5. **Arranger:** Stanbic IBTC Capital Limited.
6. **Dealer:** Stanbic IBTC Capital Limited, and any other additional Dealer appointed pursuant to the Dealer Agreement from time to time, which appointment may be for a specific issue or on an ongoing basis, subject to the Issuer's right to terminate the appointment of any Dealer pursuant to the Dealer Agreement.
7. **Issuing, Calculation and Paying Agent:** Stanbic IBTC Bank PLC.
8. **Auditor:** KPMG Professional Services
9. **Central Securities Depository:** Central Securities Depository specified in the Applicable Pricing Supplement.
10. **Solicitor:** Banwo & Ighodalo.
11. **Use of Proceeds:** The net proceeds from each issue of Notes under the Programme will be used to support the Issuer's short-term financing requirements and general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.
12. **Source of Repayment:** The CPs issued under the Programme will be repaid from the cash flows of Dangote Cement PLC, unless otherwise specified in the Applicable Pricing Supplement.
13. **Method of Issue:** The Notes may be offered and sold by way of a fixed price offer for subscription or through a book building process and/or any other methods as described in the Applicable Pricing Supplement within Nigeria or otherwise, in each case as specified in the Applicable Pricing Supplement.
14. **Maturity Date:** As specified in the Applicable Pricing Supplement, subject to a minimum tenor of 15 days and a maximum tenor of 270 days (including rollover, from date of issue).
15. **Interest Payments:** Notes issued will be in the form of Zero-Coupon Notes.
16. **Default Rate:** Interest rate equivalent to the daily overnight Nigerian Inter-bank Offered Rate (NIBOR) +5% per annum or issue rate +5% per annum (whichever is higher).
17. **Issue Price:** The Notes shall be issued at a discount. The effective discount will be calculated based on such Day Count Fraction as specified in the Applicable Pricing Supplement.
18. **Issue Size:** As specified in the Applicable Pricing Supplement.
19. **Currency of Issue:** The Notes issued under this programme will be denominated in Naira.
20. **Redemption:** As stated in the Applicable Pricing Supplement, subject to the CBN Guidelines and FMDQ Exchange Rules.

21. Rating:

The Issuer has been assigned the following long-term ratings:

	Moody's	GCR
National Scale Rating	Baa3.ng	AA+(NG)

Pursuant to the CBN Guidelines and FMDQ Exchange Rules, either the Issuer or the specific issue itself shall be rated by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

22. Status of the Notes:

Each Note constitutes a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes rank *pari passu* among themselves and, save for certain debt obligations mandatorily preferred by law, *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer outstanding from time to time.

23. Quotation:

The Issuer will quote all Series or Tranche of Notes issued on FMDQ Exchange's platform or any other recognised trading platform. All secondary market trading of the Notes shall be done in accordance with the rules in relation to the quotation or listing of any Series or Tranche of Notes quoted or listed on the relevant trading platform.

24. Taxation:

Refer to the section of this Programme Memorandum headed "*Tax Considerations*".

25. Governing Law:

The Notes issued under the Programme and all related contractual documentation will be governed by and construed in accordance with Nigerian law.

26. Settlement Procedures:

The Notes will be settled via direct debit, electronic funds transfers, NIBBS Instant Payment ("NIP"), NIBBS Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS").

USE OF PROCEEDS AND SOURCE OF REPAYMENT

The net proceeds from each issue of Notes will be used to support the Issuer's short-term financing requirements and for general corporate purposes or as may otherwise be described in the Applicable Pricing Supplement.

The repayment of all obligations under the Programme will be funded from the operating cash flows of the Issuer, unless otherwise specified in the Applicable Pricing Supplement.

Background

In an attempt to facilitate the effective and efficient functioning of the Nigerian money market and provide a regulatory framework for the issuance of CPs and BAs in Nigeria, the CBN, on 18 November 2009, issued the CBN Guidelines which were subsequently updated and circulated on 11 September 2019.

Regulatory Framework

Issuance of and investment in CPs by banks and discount houses in Nigeria is subject to the provisions of the CBN Guidelines and the FMDQ Exchange Rules. The provisions applicable to CPs under the CBN Guidelines are as highlighted below:

Qualification

A CP qualifies as a financing vehicle if:

- i. the Issuer has 3 years' audited financial statements, the most current not exceeding 18 months from the last financial year end; and
- ii. the Issuer has an approved credit line with a Nigerian bank acting as an issuing and paying agent, where the bank guarantees the issue.

Size and Tenor

CPs shall be issued at the primary market for a minimum value of ₦100,000,000 and multiples of ₦50,000,000

Furthermore, they shall be issued for maturities of between 15 days and 270 days (including rollover, from the date of issue). The interest or discount element on maturing CPs (as applicable) may not be capitalised and rolled over.

Rating

Either the Issuer of CP or the specific issue shall have an investment grade rating (minimum of BBB-) by a rating agency registered in Nigeria or any international rating agency acceptable to the CBN.

An indicative rating should have been obtained prior to the submission of declarations and information to the Clearing Agent.

Investors in Bankers Acceptances and Commercial Papers

CPs may be issued to and held by individuals, deposit money banks, other corporate bodies registered or incorporated in Nigeria and unincorporated bodies, non-resident Nigerians and foreign institutional investors.

Forms of Maintaining CPs

Issuers and investors in CPs may issue or hold CPs in dematerialized or physical form. Issuers and investors are encouraged to issue and hold CPs in a dematerialized form.

Issuing, Calculation and Paying Agent

Only a deposit money bank and discount house may act as an ICPA for the issuance of CP.

General Requirements

- i. CPs are only redeemable at maturity and as such cannot be pre-liquidated.
- ii. Investors may rediscount the paper with the Issuer before maturity at new market terms if the Issuer is willing to purchase the risk.
- iii. Any proposed issue of CPs shall be completed within the period of two (2) weeks from the date of opening of the issue for subscription.
- iv. All CPs issued in Nigeria shall be registered with the Clearing Agent, which shall serve as the custodian of all issues and central depository for all dematerialised instruments.

Compliance with the CBN Guidelines

The Issuer has complied with all applicable provisions as stated in the CBN Guidelines. A legal opinion confirming adherence to the CBN Guidelines is incorporated on page 42 of this Programme Memorandum.

Compliance with Securities Regulations

There is no obligation for the Issuer to register the Notes with the SEC. This is by virtue of Rule 8 of the SEC Rules, which exempts short-term securities (including notes) with maturity dates not exceeding nine months from the date of issuance from registration with the SEC.

Mandatory Registration & Quotation

The CBN Circular of 12 July 2016 on Mandatory Registration and Listing of Commercial Papers requires CPs to be registered and quoted on authorised securities exchanges. Accordingly, banks are prohibited from transacting in CPs (that are not quoted or intended for quotation on an authorised securities exchange), in any capacity whatsoever, including to act as issuer, guarantor, issuing, placing, paying and collecting agent, issuing, calculation and paying agent etc. The CBN having approved the quotation rules of FMDQ Exchange has cleared it for the quotation of CPs in Nigeria.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer under the Programme. The provisions of the Applicable Pricing Supplement to be issued in respect of any Note are incorporated by reference herein and will supplement these Terms and Conditions for the purposes of that Note. The Applicable Pricing Supplement in relation to any series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Terms and Conditions contained herein, replace or modify the following Terms and Conditions for the purpose of such series of Notes.

The provisions of these Terms and Conditions of the Notes (the “Conditions”) which are applicable to the Notes 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.

1. Issuance of Notes

The Issuer may from time to time, subject to these Terms and Conditions, issue Notes in one or more Tranches and a Tranche may, together with a further Tranche or Tranches, form a Series provided that the aggregate principal amount outstanding under the Programme does not exceed ₦300,000,000,000 (Three Hundred Billion Naira). Any Series of Notes issued under the Programme shall be constituted by, be subject to, and benefit from, the Deed of Covenant. The Notes in each Series will have the same Maturity Date and identical terms (except that the Issue Dates and issue price may be different). The Applicable Pricing Supplement for each Tranche/Series is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Conditions.

2. Form, Denomination and Title

2.1 Form and Denomination

2.1.1 Unless otherwise specified in any Applicable Pricing Supplement, the Notes shall be registered electronically, serially numbered and denominated in a minimum amount of ₦5,000,000 (Five Million Naira) and integral multiples of ₦1,000 (One Thousand Naira) thereafter (or the equivalent in the Relevant Currency); and will be sold at such discount from their Face Value as shall be agreed upon by the Dealer and the Issuer; and shall have a maturity not exceeding 270 (two hundred and seventy) days, including the roll over from the Issue Date.

2.1.2 The Notes issued under this Programme will be denominated in Naira.

2.1.3 Notes issued will be in the form of Zero Coupon Notes, and will not bear interest.

2.1.4 The Notes will be delivered to the Dealer in dematerialised (uncertificated, book entry) form by crediting the CSD account of the Noteholders and the Dealer may deal in the Notes in accordance with CSD Rules.

2.2 Title

2.2.1 Title to the Notes will pass upon credit to the CSD account of the Noteholder.

2.2.2 Transfer of title to Notes shall be effected in accordance with the rules governing transfer of title in securities held by CSD.

2.2.3 The Issuer and the Agent may deem and treat the registered holder of any Note as indicated in the records of CSD and the Register as the legal and beneficial owner thereof for all purposes, including but not limited to the payment of outstanding obligations in respect of the Notes, and no liability shall attach to any person for such a determination.

3. Status of the Notes

The Notes shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer and the Notes shall at all times rank *pari passu* among themselves and, save for certain debt obligations mandatorily preferred by law, rank *pari passu* with all other present and future unsecured and unsubordinated indebtedness and monetary obligations of the Issuer outstanding from time to time.

4. Redemption

Subject to Condition 6, the Notes are only redeemable at maturity and will be redeemed at the Face Value specified in the Applicable Pricing Supplement in accordance with the provisions of Condition 5 below.

5. Payments

The Face Value of the Notes will be paid to the Noteholders whose names are reflected in the Register as at the close of business on the applicable Relevant Last Date. The registered Noteholder shall be the only person entitled to receive payments in respect of a Note and the Issuer will be discharged from any further obligations or liability upon payment to, or to the order of, the registered Noteholder in respect of each amount so paid.

5.1 Method of Payments

5.1.1 Payment of the outstanding obligation in respect of the Notes will be made by electronic funds transfer, in Naira to the account of the Noteholder specified in the Register, or as specified in the Applicable Pricing Supplement.

5.1.2 All monies payable in respect of the Notes shall be paid to or to the order of the Noteholders by the ICPA. Noteholders shall not be required to present and/or surrender any documents of title to the ICPA.

TERMS AND CONDITIONS OF THE NOTES

- 5.1.3 In the case of joint Noteholders, payment by electronic transfers will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes to such joint Noteholders.
- 5.1.4 In the case of Notes held by a nominee, the nominee shall be paid as the registered Noteholder, which payee shall in turn transfer such funds to the holders of the beneficial interest.
- 5.1.5 Neither the Issuer nor its agents shall be responsible for any loss in transmission of funds paid in respect of each Note.
- 5.1.6 If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer by reason of a Force Majeure Event, the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable laws and practice) and the Issuer shall not be responsible for any delay arising from making such payment by cheque. Such payments by cheque shall be sent by post through a reputable and registered courier operator to the address of the Noteholder as set out in the Register or, in the case of joint Noteholders of the registered Notes, the address set forth in the Register of that one of them who is first named in respect of that Note.
- 5.1.7 Cheques may be posted by ordinary post or registered mail, provided that the Issuer shall not be responsible for any loss in transmission and the postal authority shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this condition.
- 5.1.8 Where the Issuer fails to redeem the Notes on the relevant Maturity Date or such date as provided in the Applicable Pricing Supplement, provided such failure is not as a result of a Force Majeure Event, interest shall begin to accrue on the Redemption Amount at the Default Rate from the Maturity Date until the date on which all amounts due in respect of such Note have been paid.
- 5.1.9 Where the Issuer fails to redeem the Notes on the Redemption Date (and only in this event) provided that such failure is not as a result of a Force Majeure event or a Disruption Event, interest shall begin to accrue on the Redemption Amount at the Default Rate from the date on which the Redemption Amount becomes due and payable until the date on which all amounts due in respect of such Note have been paid.
- 5.1.10 On the Maturity Date, payment shall only be made to the Noteholders if the Issuer has made funds available to the Agent.
- 5.1.11 In respect of payments relating to Notes under a Tranche, notwithstanding that such Notes may have the same Issue Date, where the total Principal Amount payable by a Noteholder in respect of the said Notes has not been received by the relevant Issue Date, but is received within 5 (five) Business Days thereof, the discount payable by the Issuer in respect of such Notes shall be adjusted accordingly.

5.2 Payment Day

Any payment in respect of the Notes shall be made on a Business Day. Where the day on or by which a payment of any amount in respect of the Notes is due to be made is not a Business Day, that payment shall be made on or by the next succeeding Business Day, unless that next succeeding Business Day falls in a different calendar month, in which case that payment shall be made on or by the day immediately preceding Business Day; provided that the Noteholder shall not be entitled to any interest, return or other payment in respect of any delay in payment.

5.3 Closed Periods

No Noteholder may require the transfer of the Notes (i) during the period of 15 (fifteen) days ending on the Maturity Date or such other date as may be specified in the Applicable Pricing Supplement; or (ii) following the issuance of a default notice to the Issuer pursuant to Condition 6 (Event of Default).

6. Event of Default

6.1 Event of Default

Upon the happening of any of the following events ("**Events of Default**", and each an "**Event of Default**") which is continuing, any Noteholder may by written notice to the Issuer at its Specified Office(s), effective upon the date of receipt thereof by the Issuer declare the Notes held by that Noteholder to be forthwith due and payable, provided (other than in the event of non-payment or part payment) that no such action shall be taken if it is as a result of a Force Majeure Event or the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction. In addition, the Noteholders shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria. Upon the occurrence of an Event of Default, the Issuer shall pay Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full. An Event of Default in relation to the Notes shall arise if any one or more of the following events shall have occurred and be continuing:

- 6.1.1 Subject to Condition 5.1.6 above, if the Issuer through the Agent fails to make payment in full by the Relevant Date; or
- 6.1.2 If the Issuer fails to perform or observe any of its material obligations under the Notes (including the obtaining of any consent or approval, now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme for the issuance of the Notes is not taken, fulfilled or done) and

- such failure has continued for a period of 15 (fifteen) days following the service on the Issuer of a written notice requiring that breach to be remedied; or;
- 6.1.3 if any representation or warranty made in connection with any documentation supplied by the Issuer in connection with the Programme is found to be materially incorrect or misleading; or
- 6.1.4 If the Issuer initiates bankruptcy or insolvency proceedings or becomes insolvent, or is provisionally or finally sequestered, or is provisionally or finally wound up, or is unable to pay its debts as they become due, or is placed under provisional or final judicial management, or enters into a scheme of arrangement or compromise with its creditors in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders; or
- 6.1.5 If an order is made for the winding up or dissolution of the Issuer or the members of the Issuer pass a resolution for the winding up of the Issuer or the Issuer ceases, or through an official action of its Board threatens to cease, to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation on terms approved by the Noteholders; or
- 6.1.6 Any event occurs that may have a material adverse effect on the Issuer's business, financial condition or assets, or its ability to perform its obligations under the Issue; or
- 6.1.7 If an attachment, execution or other legal process is levied, enforced upon, issued on or against a material or substantial part of any assets of the Issuer by a court of competent jurisdiction (having an aggregate value of 50% of the Programme Size outstanding at the relevant time) and same is not discharged or stayed within 120 (one hundred and twenty) days of service by the relevant officer of the court of such attachment, execution or other legal process; or
- 6.1.8 If any consent or approval is revoked, modified, withdrawn or otherwise ceases to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme for the issuance of the Notes.

6.2 Action upon Event of Default

- 6.2.1 Upon the occurrence of an Event of Default and such Event of Default is continuing, any Noteholder may by written notice to the Issuer at its Specified Office(s), effective upon the date of receipt thereof by the Issuer, declare the Notes held by that Noteholder to be forthwith due and payable, provided that no such action shall be taken if it is as a result of Force Majeure or if the Issuer withholds or refuses to make any payment in order to comply with any law or regulation of Nigeria or to comply with any order of a court of competent jurisdiction.
- 6.2.2 Upon the occurrence of an Event of Default which results in the inability of the Issuer to make a payment on the Relevant Date, the Issuer shall pay the Noteholders interest at the Default Rate until the debt obligations to the Noteholders have been settled in full.
- 6.2.3 In addition, each Noteholder shall have the right to exercise all other remedies available to them under the laws of the Federal Republic of Nigeria.

7. Register

- 7.1 The Register shall be maintained by the ICPA. The Register shall reflect each Tranche and Series of Notes, the number of Notes issued and shall contain the name, address, and bank account details of the registered Noteholders. The Register shall set out the aggregate Principal Amount of the Notes issued to such Noteholder and the date of issue.
- 7.2 Statements issued by the CSD as to the aggregate number of Notes standing to the CSD account of any person shall be conclusive and binding for all purposes save in the case of manifest error and such person shall be treated by the Issuer and the Agent as the legal and beneficial owner of such aggregate number of Notes for all purposes.
- 7.3 The Register shall be open for inspection during the normal business hours of the ICPA to any Noteholder or any person authorised in writing by the Noteholder.
- 7.4 The ICPA shall alter the Register in respect of any change of name, address or bank account number of any of the registered Noteholders of which it is notified in accordance with these Terms and Conditions.

8. Notices

8.1 Notices to the Noteholders

- 8.1.1 All notices to the Noteholders will be valid if mailed to them at their respective addresses of record in the relevant register of Notes of a Series maintained by the Agent. The Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of the CBN, the FMDQ Exchange, the CSD or such other regulatory authority as may be applicable to the Notes.
- 8.1.2 Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication in national newspapers, or if published more than once or on different dates, on the date of the first publication.

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8.2 Notices from the Noteholders

- 8.2.1 Notices to be given by any Noteholder to the Issuer shall be in writing or via electronic mail and given by lodging the same with the ICPA at its registered office.
- 8.2.2 Any change of name or address on the part of the Noteholder shall forthwith be notified to the Issuer and subsequently, the Register shall be altered accordingly following notifications to the CSD.

9. Modification

- 9.1 The Dealer and the Issuer may agree without the consent of the Noteholders, to any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with the mandatory provisions of any law in Nigeria and which in the opinion of the Dealer is not prejudicial to the interest of the Noteholders. Notice of such modification shall be published in at least one daily newspaper of general circulation in Nigeria and shall be deemed to have been given and received on the date of first publication.
- 9.2 Save as provided in Condition 9.1 above, no amendment of the Terms and Conditions may be effected unless:
- 9.2.1 such amendment is in writing and signed by or on behalf of the Issuer; and
- 9.2.2 such amendment:
- 9.2.2.1 if it affects the rights, under the Terms and Conditions, of all the Noteholders, is signed by or on behalf of Noteholders, holding not less than 75% (seventy five percent) of the Outstanding Principal Amount of all the Notes; or
- 9.2.2.2 if it affects only the rights, under the Terms and Conditions, of a particular group (or groups) of Noteholders, is signed by or on behalf of the Noteholders in that group (or groups) holding not less than 75% (seventy five percent) of the Outstanding Principal Amount of all the Notes held by that group.
- 9.3 Any such modification shall be binding on the Noteholders and shall be notified to the Noteholders in accordance with Condition 8 as practicable thereafter.

10. Meeting of Noteholders

- 10.1 The Issuer may at any time convene a meeting of all Noteholders upon at least 21 (twenty-one) days prior written notice to such Noteholders. The notice is required to be given in terms of Condition 8. Such Notice shall specify the date, place, agenda and time of the meeting to be held, which place shall be in Nigeria.
- 10.2 Every director or duly appointed representative of the Issuer may attend and speak at a meeting of the Noteholders but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 10.3 Noteholders holding not less than 10% (ten percent) in Principal Amount of the outstanding Notes shall be able to request the Issuer to convene a meeting of Noteholders. Should the Issuer fail to requisition such a meeting within 10 (ten) Business Days of such a request being received by the Issuer, the Noteholders requesting the meeting may convene such a meeting.
- 10.4 A Noteholder may by an instrument in writing (a **"Form of Proxy"**) signed by the holder or, in the case of a corporation executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person (a **"Proxy"**) to act on his or its behalf in connection with any meeting or proposed meeting of the Noteholders.
- 10.5 Any Noteholder which is a corporation may by resolution of its directors or other governing body authorise any person to act as its representative (a **"Representative"**) in connection with any meeting or proposed meeting of the Noteholders.
- 10.6 Any Proxy or Representative appointed shall, so long as the appointment remains in force, be deemed for all purposes in connection with any meeting or proposed meeting of the Noteholder specified in the appointment, to be the Holder of the Notes to which the appointment relates and the Holder of the Notes shall be deemed for such purposes not to be the Holder.
- 10.7 The chairman of the meeting shall be appointed by the Issuer. The procedures to be followed at the meeting shall be as determined by the chairman subject to the remaining provisions of this Condition 10. Should the Noteholders requisition a meeting, and the Issuer fail to call such a meeting within 10 (ten) Business Days of the requisition, then the chairman of the meeting held at the instance of the Noteholders, shall be selected by a simple majority of Noteholders present in person or proxy.
- 10.8 At any meeting of Noteholders, two or more Noteholders present in person, by representative or by proxy, holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum. On a poll, each Noteholder present in person or by proxy at the time of the meeting shall have the number of votes equal to the number of Notes, by denomination held by the Noteholder.
- 10.9 If 30 (thirty) minutes after the time appointed for any such meeting a quorum is not formed, the meeting shall, if convened upon the requisition of Noteholders, be dissolved. In any other case, it shall be adjourned to such date and time not being less than 14 (fourteen) days nor more than 21 (Twenty-One) days thereafter and at the same time and place. At such adjourned meeting, 2 (two) or more Noteholders present or represented by proxy holding in aggregate not less than one third of the Principal Amount of outstanding Notes shall form a quorum and shall have power to pass any resolution including a Special Resolution and to decide upon all matters which could properly have been dealt with at the original meeting had the requisite quorum been present.
- 10.10 A resolution in writing duly signed by the Noteholders holding in aggregate not less than seventy five percent (75%) of the Principal Amount of outstanding Notes, shall be as effective for all purposes as a resolution duly passed at

TERMS AND CONDITIONS OF THE NOTES

a meeting of the Noteholders, provided that the resolution was sent to all the Noteholders entitled to receive notice of a meeting of Noteholders. Such resolution may be contained in one document or in several documents of identical form duly signed by or on behalf of all of the Noteholders.

11. Changing of Agent

11.1 The Issuer is entitled to vary or terminate the appointment of the Agent and /or appoint additional or other agents and/or approve any change in the office of the agent through which any agent acts, provided that there will at all times during the subsistence of the Programme, be an agent with an office.

11.2 The Agent acts solely as agent of the Issuer and does not assume any obligation towards or any relationship of agency or trust for or with any Noteholder.

12. Taxation

The Notes issued under the Programme will be Zero Coupon Notes and as such, will be offered and sold at a discount to Face Value. The Notes will thus not bear interest (save for default interest payable on late payments), and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Noteholders. However, the discount on the Notes may be taxed in accordance with applicable Nigerian tax laws.

13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to issue further Notes under the Programme.

14. Governing Law

The provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with the laws of the Federal Republic of Nigeria.

15. Prescription

The Notes will become void unless presented for payment within three (3) years from the appropriate Relevant Date.

TAX CONSIDERATIONS

The tax consequences of investments in the Notes are broadly summarised below. The summary is not intended and should not be construed, to be tax advice to any particular subscriber. Any prospective investor who is in any doubt as to his/her tax position or who is subject to taxation in any jurisdiction other than Nigeria should consult his/her own professional advisers without delay as to the consequences of an investment in the Notes in view of his/her own personal circumstances. Neither the Issuer nor its advisers shall be liable to any subscriber in any manner for placing reliance upon the contents of this section.

The Notes issued under the Programme will be zero-coupon notes and as such, will be offered and sold at discount to Face Value. The Notes will thus not bear interest, and the Issuer will not be required to withhold or deduct tax from payments in respect of the Notes to the Note holders. However, the discount on the Notes, and/or any accrued interest on the redemption monies to be paid to Note holders may be taxed in accordance with applicable Nigerian tax laws.

The summary is not intended to be, and should not be construed to be tax advice to any particular subscriber. 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 Notes issued under the Programme. Tax considerations that may be relevant to a decision to acquire, hold or dispose of Notes issued under the Programme and the tax consequences applicable to each actual or prospective purchaser of the Notes may vary. Any actual or prospective purchaser of the Notes who intends to ascertain his/her tax position should seek professional advice from his/her preferred professional advisers as to the tax consequences arising from subscribing to or purchasing the Notes, bearing in mind his/her peculiarities. Neither the Issuer nor its advisers shall be liable to any subscriber or purchaser of the Notes in any manner for placing reliance upon the contents of this section.

RISK FACTORS

The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes. The risks in the following section are provided as general information only. Prospective investors should refer to and carefully consider the risks described below and the information contained elsewhere in this Programme Memorandum, which may describe additional risks associated with the Notes.

Investors should also seek professional advice before making investment decisions in respect of the Notes.

GENERAL FIXED INCOME RELATED RISKS

Liquidity Risk

There may not be an active two-way quote trading market for the CPs when issued, and thus the liquidity of the CPs may be limited. Therefore, Investors may not be able to sell their CPs in a transparent and efficient system. Although applications will be made for Notes issued under the Programme to be admitted and traded on the FMDQ Exchange platform, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

RISKS RELATED TO THE CEMENT INDUSTRY

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 on the Company's profit margins.

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 and relevant State Government agencies are the authorities responsible for the enforcement of environmental laws, and have 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.

BUSINESS RISKS

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.

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 LPFO) is a significant component of cement production and represents a major production cost. Therefore, a significant increase in the cost of fuel could have a material adverse effect on the Company's prospects, results of operations and overall financial position.

RISK FACTORS

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 checked, may decrease the supply of gas to the Company's cement plants and force the Company to augment shortages with expensive alternative energy sources, thereby increasing production cost and decreasing margins. Thus, there will still be significant pressure on cement production in the event of shortages in gas supply.

The Company has been investing extensively in alternative sources of energy but there are still risks pertaining to the breakdown or malfunction of these alternative power supplies. By sourcing coal from its parent company, Dangote Industries Limited, it achieves several competitive advantages in Nigeria such as protection from disruption of gas supplies, margin improvements compared to gas, elimination of highly expensive LPFO and a significant reduction in the need for foreign currency in a time of shortage. There are however no assurances that the Company will be able to maintain these competitive advantages.

Risks relating to operational hazards and unforeseeable events

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; litigations 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.

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 fulfil. 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, causing disruption to production or incurring additional costs and may consequently have an adverse impact on the Company's business, future prospects and financial position.

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 unfold following the exact pattern of forecasts. In the event that any of the forecasts or estimates turns 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 for achieving the necessary growth, while retaining and supporting its existing customers, attracting new ones, recruiting, training, retaining personnel and 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.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Words used in this section shall bear the same meanings as used in the section headed "Definitions and Interpretations", except to the extent that they are separately defined in this section or the meaning if applied, would be clearly inappropriate for the context.

Clearing System

The Notes will be issued in dematerialised form and will not be represented by any certificate or written instrument. As stipulated by the CBN Guidelines, each Series or Tranche will be held in custody by the CSD, either in the name of the beneficial owner or nominee.

All transactions in the Notes shall be cleared and settled electronically in accordance with the rules and operating procedures of the CSD. Subject as aforesaid, each Tranche 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.

Authorised Participants

The CSD will maintain a central securities account for banks (the "Authorised Participants") and each beneficial owner of the Notes is required to have a sub-account under the Authorised Participants. Noteholders may exercise their rights in respect of the Notes held in the custody of the CSD only through the Authorised Participants.

For purposes of Notes issued under this Programme, the Authorised Participant is Stanbic IBTC Bank PLC and any other bank appointed by the Issuer to act as ICPA.

Registration

- a. The Authorised Participant is required to register with the CSD before dealing in CPs.
- b. Noteholders are required to route their account opening applications and transactions through the Authorised Participant who would then notify the CSD to create a relevant sub-account for the Noteholder.
- c. The CSD will assign a unique identification number (the "Trade Member Code") to the Authorised Participant and also open the account(s) requested by the Authorised Participant.
- d. FMDQ Exchange will request for the CP to be registered with the CSD, who in turn will furnish FMDQ Exchange and the Authorised Participant(s) with the unique identifier for the registered CP.
- e. The CSD will re-open the existing ISIN code or unique identifier for all Tranches with same maturity dates, however new ISIN codes or unique identifiers will be issued for Tranches with different maturity dates.

Lodgement

- a. The Authorised Participant will electronically lodge CPs with and advise the CSD after lodgement to transfer the CPs to the sub-account of the beneficial owners of the Notes.
- b. The CSD shall process same within 24 hours of receipt.

Redemption

- a. No transactions or trades may be effected for any CPs fifteen (15) days prior to its maturity date.
- b. The Authorised Participant will submit a letter to the CSD confirming the intention of the Issuer to repay the Noteholders on the Maturity Date by 12.00 noon on the date which is two (2) Business Days before the Maturity Date.
- c. The Authorised Participant must notify the CSD to expunge matured CPs latest by 3.00pm on the Maturity Date of the CP.
- d. In case of default by the Issuer, the ICPA must notify the CSD and FMDQ Exchange latest by 3.00pm on the Maturity Date to make public, the default status of the CP to the market.
- e. In case of (d) above, the CP must remain with the CSD until the ICPA pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.

Roll-over

- a. Every roll-over of a CP issue shall be treated or classified as a fresh/separate CP.
- b. Upon granting approval for rollover, FMDQ Exchange shall request for the rollover CP to be registered with the CSD, who in turn shall furnish the FMDQ Exchange Authorised Participants with the new CP symbol codes and Unique Identifiers, subject to receipt of CP rollover fees from the Authorised Participants.
- c. The CSD shall expunge the existing CP symbol codes and Unique Identifiers from the system and replace with the new codes.

SETTLEMENT, CLEARING AND TRANSFER OF NOTES

Default

- a. In case of default by the Issuer, the ICPA must notify the CSD and FMDQ Exchange latest by 3.00pm on the Maturity Date to make public, the default status of the CP to the market..
- b. In case of (a) above, the CP must remain with the CSD until the ICPA pays off the Noteholders and notifies the CSD and the FMDQ Exchange with evidence.
- c. Thereafter, the CSD will notify the public and expunge the CP from the CSD accordingly.

Secondary Market trading (OTC) Guidelines

- a. The Authorised Participant will submit CP transaction instructions/details to the CSD via the authorised data-exchange platform.
- b. CP transactions are to be submitted to the CSD by the applicable cut off time on the settlement date and the Authorised Participant is to state the particular account number where the CP(s) should be traded from or deposited into.
- c. The CSD shall deliver securities and send confirmation of transfers via the authorised platform by 2.00pm on the settlement date to the Nigeria Inter-Bank Settlement System ("NIBSS") and to the Exchange simultaneously.
- d. NIBSS shall transfer settlement amounts to respective accounts and send confirmation to the CSD, and the Authorised Participant simultaneously.
- e. Transactions for standard settlement (T+2) shall stop five (5) Business Days before the Maturity Date. Therefore, the last applicable settlement shall be before close of business on the date which is five Business Days before the Maturity Date.

Reporting

- a. The CSD will effect the transfer of CPs on the settlement date as advised by the buyer and seller ("Transaction Parties") and also keep records of consideration for each transaction.
- b. The CSD will advise the Authorised Participant or the FMDQ Exchange for onward communication to the Authorised Participant, as applicable, of successful and failed transactions on each settlement day.
- c. The Authorised Participant and Noteholders can ascertain their CP balances after each day's trade via the CSD's website (if applicable).

Transfer of Notes

Title to beneficial interest in the Notes 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.

Cash Settlement

Transaction parties will be responsible for effecting the payment transfers either via Real Time Gross Settlement, National Electronic Funds Transfer or any other transfer mode agreed by the Transaction Parties and recognised by the CBN.



DANGOTE CEMENT PLC

RC 208767

Issue of [Aggregate Nominal Amount of Series/Tranche] [Title of Notes]

**Under its ₦300,000,000,000
Domestic Commercial Paper Issuance Programme**

This Pricing Supplement must be read in conjunction with the Programme Memorandum dated 12 August 2021 and subsequently amended on 13 July 2023 issued by Dangote Cement PLC in connection with its ₦300,000,000,000.00 Commercial Paper Issuance Programme, as amended and / or supplemented from time to time (the "**Programme Memorandum**").

Any capitalised terms not defined in this Pricing Supplement shall have the meanings ascribed to them in the Programme Memorandum.

This document constitutes the Pricing Supplement relating to the issue of Commercial Paper Notes ("**CPs**" or the "**Notes**") described herein. The Notes described herein are issued on and subject to the Terms and Conditions as amended and / or supplemented by the Terms and Conditions contained in this Pricing Supplement. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Programme Memorandum, the provisions of this Pricing Supplement shall prevail.

This document has been prepared in accordance with the Central Bank of Nigeria (the "**CBN**") Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers, issued on 11 September 2019, the CBN letter to all deposit money banks and discount houses dated 12 July 2016 on Mandatory Registration and Listing of Commercial Papers (together the "**CBN Guidelines**") and the Commercial Paper Registration and Quotation Rules (the "**Rules**") of FMDQ Exchange in force as at the date thereof.

The document is not required to be registered with The Nigerian Exchange or the Securities and Exchange Commission. This document is important and should be read carefully. If any recipient is in any doubt about its contents or the actions to be taken, such recipient should consult his / her banker, stockbroker, accountant, solicitor or any other professional adviser for guidance immediately.

PARTIES

1.	ISSUER	Dangote Cement PLC
2.	ARRANGER AND DEALER	Stanbic IBTC Capital Limited
3.	ISSUING, CALCULATION AND PAYING AGENT	Stanbic IBTC Bank PLC
4.	SPONSOR TO THE QUOTATION ON FMDQ EXCHANGE	Stanbic IBTC Capital Limited
5.	AUDITOR	KPMG Professional Services
6.	CENTRAL SECURITIES DEPOSITORY	[●]
7.	LEGAL COUNSEL	Banwo & Ighodalo

PROVISIONS RELATING TO THE NOTES

8.	SERIES NUMBER	[●]
9.	TRANCHE NUMBER	[●]
10.	PROGRAMME INFORMATION	[●]
	(a) PROGRAMME SIZE	₦300,000,000,000

PRO FORMA APPLICABLE PRICING SUPPLEMENT

	(b) ISSUED AND OUTSTANDING AT THE DATE OF THIS PRICING SUPPLEMENT	[●]
11.	AGGREGATE NOMINAL AMOUNT	[●]
12.	FACE VALUE	[●]
13.	DISCOUNTED VALUE	[●]
14.	MINIMUM SUBSCRIPTION AMOUNT	[●]
15.	NOMINAL AMOUNT PER NOTE	[●]
16.	TENOR	[●]
17.	MATURITY DATE	[●]
18.	FINAL REDEMPTION AMOUNT	[●]
19.	SPECIFIED DENOMINATION	[●]
20.	SPECIFIED CURRENCY	[●]
21.	STATUS OF NOTES	[●]
22.	FORM OF NOTES	[●]
23.	SOURCE(S) OF REPAYMENT	[●]
24.	QUOTATION	[●]
25.	TAXATION	[●]
26.	METHOD OF OFFER	[●]
27.	BOOK CLOSED PERIOD	The Register will be closed from [●] to [●] (until the Maturity Date)
28.	SOURCE OF REPAYMENT	The CPs will be repaid from the cash flows of the Issuer
29.	USE OF PROCEEDS	[The net proceeds will be used to support the Issuer's short-term working capital and funding requirements]

ZERO COUPON NOTES

30.	(a) DISCOUNT RATE "D"	[●]
	(b) IMPLIED YIELD	[●]
	(c) ANY OTHER FORMULA OR BASIS FOR DETERMINING AMOUNT(S) PAYABLE	[●]
31.	DAY COUNT FRACTION	[●]
32.	BUSINESS DAY CONVENTION	[●]

PROVISIONS REGARDING REDEMPTION

33.	REDEMPTION/PAYMENT BASIS	[Redemption at par] [other (specify)]
34.	ISSUER'S EARLY REDEMPTION	[Applicable/Not applicable]
35.	ISSUER'S OPTIONAL REDEMPTION	[Applicable/Not applicable]
36.	OTHER TERMS APPLICABLE ON REDEMPTION	[●]

GENERAL

37.	OFFER OPENS	[●]
38.	OFFER CLOSES	[●]

PRO FORMA APPLICABLE PRICING SUPPLEMENT

39. ALLOTMENT DATE [●]
40. NOTIFICATION OF ALLOTMENT All applicants will be notified through an email and/or telephone of their allotment by no later than [●]
41. ISSUE DATE [●]
42. PAYMENT DATE [●]
43. SETTLEMENT DATE [●]
44. DETAILS OF BANK ACCOUNT(S) TO WHICH PAYMENTS ARE TO BE MADE IN RESPECT OF THE NOTES [●]
45. SETTLEMENT PROCEDURES AND SETTLEMENT INSTRUCTIONS [●]
46. DELIVERY DATE [●]

[MATERIAL ADVERSE CHANGE STATEMENT]

[Except as disclosed in this document,] there has been no significant change in the financial position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts.]

RESPONSIBILITY

The Issuer and its Board of Directors accept responsibility for the information contained in this Applicable Pricing Supplement, which when read together with the Programme Memorandum [and supplemental Programme Memorandum, if any], contains all information that is material in the context of the issue of the Notes.

Signed at _____ on this _____ day of _____ [●]

For and on behalf of
Dangote Cement PLC

Name
Capacity: Director
Who warrants his/her authority hereto

Name
Capacity: Director
Who warrants his/her authority hereto

1. BUSINESS DESCRIPTION

Dangote Cement was incorporated as a public limited liability company on 04 November 1992 as Obajana Cement PLC and commenced operations in January 2007. The Company subsequently changed its name by virtue of a special resolution dated 14 July 2010 and its shares were listed on Nigerian Exchange Limited (“NGX”) on 26 October 2010. In August 2015, the Company became one of the first three companies to be listed on the Premium Board of NGX.

The Company is involved in the preparation, manufacture, bagging, distribution, and sale of cement; cement grinding; limestone mining; coal and power production; and manufacture of ceramic products, as well as providing contracting services. Dangote Cement is Sub-Saharan Africa’s largest cement producer with an installed capacity of 52.0Mta capacity across 10 African countries – Nigeria, Cameroon, the Republic of Congo, Ethiopia, Ghana, Senegal, Sierra Leone, South Africa, Tanzania and Zambia.

Through its investments, Dangote Cement has eliminated Nigeria’s dependence on imported cement and has transformed the nation into an exporter of cement serving neighbouring countries. The Company is a subsidiary of Dangote Industries Limited, a diversified and fully integrated conglomerate as well as a leading brand across Africa in businesses such as cement, sugar, salt, flour, pasta, beverages, and real estate, with new multi-billion-dollar projects underway in the oil and gas, petrochemical, fertilizer and agricultural sectors.

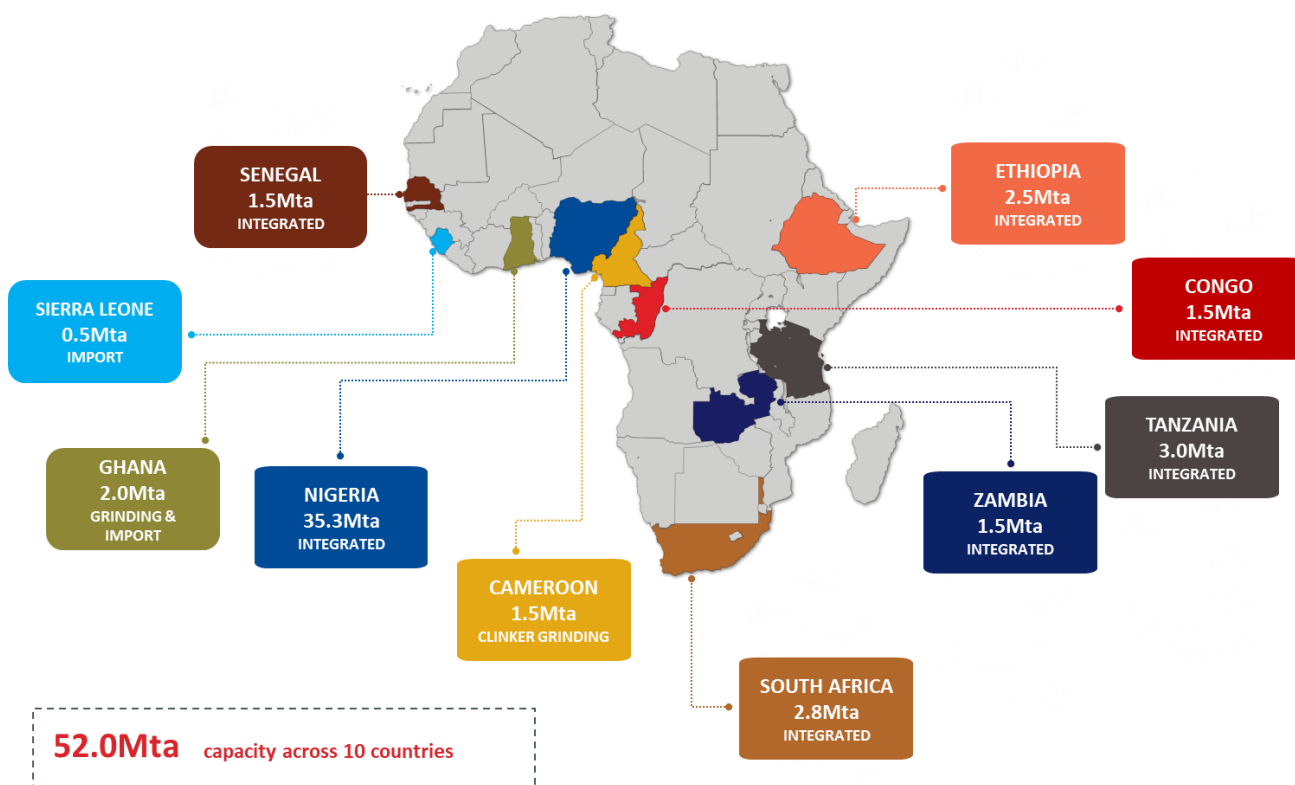
2. SHAREHOLDING STRUCTURE

Shareholder	Number of shares held	Percentage Holding (%)
Dangote Industries Limited	14,621,387,610	85.80
Stanbic IBTC Nominees Nigeria Limited	961,790,939	5.64
Others	1,457,328,855	8.58
Total	17,040,507,404	100.00

As at 31 December 2022

3. 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 Ghana and an import and distribution facilities for bulk cement in Sierra Leone. Together, these operations make Dangote Cement the largest cement producer in Sub-Saharan Africa. The Company’s cement operations across Africa are represented in the illustration below:



4. PRODUCTS

The Company's primary business activity is the manufacture and marketing of cement products and providing business solutions. 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.

5. NIGERIAN OPERATIONS

Dangote Cement is the leading supplier of cement in Nigeria, operating a total of 35.3 Mta capacity as at 31 December 2022, 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, LPFO, 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, LPFO, 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-fuelled plant in Benue State, with two production lines.
 - Located in Benue State.
 - On-site diesel generators and a 90MW coal-fired power plant.
 - Own quarries with 133Mt limestone and other essential raw materials.
- **Okpella Plant**
 - 3Mta capacity
 - Located in Edo State.
 - Powered with a 60MW power plant produced at the site

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 has Depot Distribution Trucks to aid distribution around depots and to customers.

6. 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. The total Pan-African volume represents over 36% of group volumes.

A. CAMEROON

Key drivers for cement demand in Cameroon are infrastructure projects including port development, power generation, new roads and dams. The country lacks sufficient native limestone to support cement production and is an obligatory importer of cement. Dangote Cement commenced business in Cameroon in 2015 with a 1.5Mta

clinker-grinding facility in Douala. In 2020, the Company 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 and as of 31 December 2022, the Company had an estimated market share of 32%.

B. REPUBLIC OF CONGO

Drivers for cement consumption include 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 satisfied through importation. The Company's 1.5Mt plant in Mfila, was the largest and most modern production facility in the country following its commissioning in 2017. As of 31 December 2022, the Company had an estimated market share of 62%.

C. ETHIOPIA

Dangote Cement has a 2.5Mt cement plant in Mughher, which opened in 2015. As of 31 December 2022, the plant remained Ethiopia's largest and most modern cement plant, giving it significant advantages. In addition, the Company has ~400 trucks for cement distribution into key markets. As of 31 December 2022, the Company had an estimated market share of 42%.

D. GHANA

Dangote Cement was the first foreign entrant into the Ghana cement market. The Company has a 1.5Mtpa import and distribution facility in Tema, Ghana. Dangote Cement Ghana sold 264Kt of cement for the full year 2022 and as of 31 December 2022, the Company had an estimated market share of 5%.

E. SENEGAL

Dangote Cement has a 5Mt integrated factory in Pout, Senegal which opened in 2014. Upon entry, The Company established itself as a major entrant into a market dominated by two well-entrenched incumbents. Dangote Cement achieved success by selling 42.5-grade cement at a competitive price, against the incumbents' 32.5-grade cement. As of 31 December 2022, the Company had an estimated market share of 12%.

F. SIERRA LEONE

Dangote Cement's has a 0.7Mt import and distribution facility in Freetown, Sierra Leone. Given the country's low cement consumption at present, the Company's import facility is capable of satisfying the demand for the entire country. As of 31 December 2022 the Company had an estimated market share of 15%.

G. SOUTH AFRICA

The Company's South African operation, Sephaku Cement, is a joint venture between Dangote Cement and Sephaku Holdings. Sephaku Cement's facilities, Aganang and Delmas, which opened in 2014, have a 2.8Mtpa cement production capacity.

H. 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 2016, Tanzania's cement market was transformed by the entry of Dangote Cement's 3.0Mta factory in Mtwara. As of 31 December 2022, the Company had an estimated market share of 23%.

I. ZAMBIA

Dangote Cement's 1.5Mta plant at Ndola is Zambia's largest and is based in the Copperbelt region near the border of the Democratic Republic of Congo. The plant, which opened in 2015, has been the country's most modern and efficient. As of 31 December 2022, the Company had an estimated market share of 30%.

7. COMPETITIVE ADVANTAGES

Dangote Cement believes it has several competitive advantages when producing cement in Sub-Saharan Africa, which enable 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 enable Dangote Cement 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 use innovative construction techniques as well as pre-fabrication to reduce building costs. This improves returns 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 outdated 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 for 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 coal that is either sourced from third parties in Nigeria or from mines operated by its parent, Dangote Industries Limited. Own-mined coal is cheaper than gas per tonne of finished cement. Furthermore, sourcing coal in Nigeria insulates a major cost line from a devaluing Naira and reduces the need for foreign exchange to buy imported coal.
- Dangote Cement has a strong focus on product quality and uses advanced quality control systems to ensure consistency and excellence 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 factories are equipped with auto-loading systems that enable rapid throughput of trucks to convey bagged cement.
- Dangote Cement's large size enables it to be the price setter in the key market of Nigeria, Sub-Saharan Africa's largest market for cement.
- Dangote Cement has distribution capabilities across Africa that are superior to many competitors that cannot afford to procure and manage large fleets of trucks for distribution.

8. GROUP STRUCTURE

Dangote Cement PLC is a subsidiary of Dangote Industries Limited, one of the most-diversified business conglomerates in Africa. As at 31 December 2022, the Company has forty-nine subsidiaries in Africa and Europe, made up of thirty nine direct subsidiaries and ten indirect subsidiaries.

9. DIRECTORS AND EXECUTIVE MANAGEMENT PROFILES

DIRECTOR PROFILES

Alhaji Aliko Dangote, GCON – Chairman

Alhaji Dangote was appointed to the Board on 04 November 2002. He 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 is a graduate of Business Studies from Al-Azhar University, Cairo (Egypt). He also obtained Honorary Doctorate degrees from Coventry University in the United Kingdom and the University of Ibadan in Nigeria in 2016 and Ahmadu Bello University (2019).

Mr Arvind Pathak – Group Managing Director / Chief Executive Officer

Mr Arvind Pathak was appointed as Group Managing Director of Dangote Cement PLC on 01 March 2023. With more than 37 years' experience in the cement industry. He was the Chief Operating Officer and Deputy Group Managing Director of Dangote Cement Plc until 2021. Mr Pathak is an experienced business leader who worked as MD and CEO of Birla Corporation Ltd before this appointment. Prior to joining Dangote Cement he was the Chief Executive Officer, Reliance Cement from 2008 to 2015. He was previously the Regional CEO of Associated Cement Company Limited.

He obtained a degree in Electrical Engineering in 1980 and a postgraduate degree in Industrial Engineering and Management in 1982.

Mr Philip Matthew – Deputy Group Managing Director

Mr Philip Mathew joined Dangote Cement in 2021, as the Deputy Group Managing Director. Mr Matthew is a professional with 35 years of experience in large global and regional cement industries and has been involved in project management from feasibility to commissioning and stabilization. He has worked with multicultural teams in different countries and held several roles including Process Engineer, Optimisation Manager, Plant Manager, Technical Director, Director Performance and Progress, Chief Manufacturing Officer and recently, Head of Cement Excellence Manufacturing for the Asia-Pacific region; defining the strategic goals and ambitions for cement manufacturing at regional level for a global cement company.

Mr Ernest Ebi, MFR – Independent Non-Executive Director

Mr Ebi was appointed to the Board on 30 January 2014. He has over 40 years of banking experience and has served in various capacities including: Chairman, Fidelity Bank PLC (2016– 2020); Deputy Governor (Policy and Corporate Services), CBN, Chairman, UNIC Insurance PLC; Executive Director (Corporate Banking), African Continental Bank PLC; Deputy Managing Director and Chief Operating Officer, Diamond Bank Limited; Managing Director / CEO, New Nigeria Bank PLC. He also served as Chairman of Deputies, Group of 24 (G-24) countries.

He holds a Bachelor of Business degree in Marketing and a Masters' Degree in Business Administration, both obtained from Howard University, Washington DC in 1978 and 1979 respectively. He is a Fellow of the Chartered Institute of Bankers.

Mr Emmanuel Ikazoboh – Independent Non-Executive Director

Mr Ikazoboh was appointed to the Board on 30 January 2014. He has over 25 years' experience in senior management roles across Nigeria, Côte d'Ivoire, Cameroon and South Africa. He served as Managing Partner for Francophone offices in Cote d'Ivoire and Cameroon and later became the Managing Partner / CEO of Deloitte West and Central Africa. He has served on the Boards of several organisations including: Hedonmark Management Services, Ecobank Transnational Incorporated, ARM Pension Managers Limited, International Institute for Sustainable Development and Nampak Limited, amongst others.

He obtained an MBA in Financial Management and Marketing from Manchester University Business School (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.

Mrs Dorothy Ufot, SAN – Independent Non- Executive Director

Mrs Ufot was appointed to the Board on 19 April 2016. She has over 26 years' experience in commercial litigation. Mrs Ufot is the Managing Partner of Dorothy Ufot & Co, a firm of legal practitioners and Arbitrators. She served on the boards of several organisations including: Chevron Oil Nigeria PLC, SO&U Limited, MRS Oil Nigeria PLC. She was admitted to the Nigerian Bar in 1989 and to the Inner Bar as a Senior Advocate of Nigeria in 2009. In 2006, she was appointed member of the International Chamber of Commerce's (ICC) International Court of Arbitration, Paris and in 2014, she became one of eight Global Vice-Presidents of the ICC Commission on Arbitration.

She obtained a Bachelors Degrees in Political Science (1983) and Law (1988) from the University of Calabar and the University of Lagos respectively. She also obtained a Master's Degree in Law (1996) and an Advanced Diploma in Commercial Law Practice from the University of Lagos (1998). She also qualified as a Chartered Arbitrator at the Chartered Institute of Arbitrators, London (2003).

Mrs Cherie Blair CBE, QC – Independent Non-Executive Director

Mrs Blair was appointed to the Board on 20 April 2018. She 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, Omnia Strategy LLP, Matrix Chambers and Allele Fund. She served as Chancellor of the Asian University for Women; Chancellor Emeritus, Liverpool John Moores University; President, Loomba Foundation; Honorary Vice President, Barnardo's. She is a co-founder of the Africa Justice Foundation and was appointed as an Independent Director on the Board of Groupe Renault (2015 – 2019)

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

Mr Viswanathan Shankar – Non-Executive Director

Mr Shankar was appointed to the Board on 10 December 2017. He served on the Boards and management teams of several organisations including: Gateway Partners, Standard Chartered PLC, Standard Chartered Private Equity Limited, Bank of America (Asia and USA), BA Asia Limited, Standard Chartered Private Bank, Majid Al Futtaim Holding LLC, Nuovobanq (Seychelles), Inland Revenue Authority (Singapore), Export-Import Bank (United States). 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 (1977) and a Masters' degree in Business Administration from the Indian Institute of Management, Bangalore (1979).

Mr Olakunle Alake – Non-Executive Director

Mr Alake was appointed to the Board on 22 July 2005. He has over 30 years' experience across the banking and management consultancy industry. He is the Group Managing Director of Dangote Industries Limited and has served on the Boards and management teams of several organisations including: Pioneer Group, Dangote Sugar Refinery PLC, Dangote Flour Mills PLC (formerly Tiger Branded Consumer Goods PLC), Nascon Allied Industries PLC, Benue Cement Company PLC.

He started his working career at Pricewaterhouse before leaving to join Liberty Merchant Bank Limited as Financial Controller. He holds a Bachelors degree in Civil Engineering from Obafemi Awolowo University, Ile-Ife and is a Fellow of the Institute of Chartered Accountants of Nigeria.

Mr Abdu Dantata – Non-Executive Director

Mr Dantata was appointed to the Board on 22 July 2005. He serves on the Boards of Agad Nigeria Limited (a trading and transportation company operating throughout Nigeria) and Nascon Allied Industries PLC. He is the Executive Director in charge of Logistics and Distribution for Dangote Industries Limited.

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

Mr Edwin was appointed to the Board on 22 July 2005. Prior to joining the Dangote Group, he had over 14 years' experience in industrial management, with a focus on industrial engineering, cost reduction, human capital management, general management and project management. Within the Dangote Group, he has served in several capacities, including: Chief Executive Officer, Dangote Cement; Group Executive Director, Business Development, Dangote Industries Limited; Managing Director / CEO, Obajana Cement PLC; Benue Cement PLC, amongst others.

He is a Chartered Engineer, holding Graduate (1978) and Masters (1980) degrees in Engineering from the Madras University, India. He also holds a Post-Graduate Diploma in Management from Indian Institute of Technology Madras, Holland (1986).

Mr Douraid Zaghouani – Non-Executive Director

Mr Zaghouani was appointed to the Board on 29 April 2015. He held a number of senior general management, sales and marketing roles across Europe and North America. He serves as the Chief Operating Officer of the Investment Corporation of Dubai (ICD). He has served as the Chairman of the Board of several Xerox companies (having worked with Xerox for over 25 years) and currently 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 (1983) and obtained a certification as a Graduate in Business Administration from Ecole Supérieure des Sciences Economiques et Commerciales Business School, Paris (1985).

Ms Berlina Moroole – Non-Executive Director

Ms Moroole was appointed to the Board on 24 July 2020. She has several years of experience in audit, risk management and governance principles across multiple industries. She is currently the Chief Risk Officer for Rand Mutual Assurance and has served in senior management roles at several organisations including Chief Internal Auditor; Risk and Sustainability Officer, 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 also served as a Partner at Deloitte up till 2009.

She obtained a Bachelor of Commerce Degree from University of North West, South Africa (1994), a Bachelor of Accounting Science from University of South Africa (2000). In 2007, she became qualified as a Chartered Accountant. She is a member of the South African Institute of Chartered Accountants and The Institute of Directors in South Africa.

Ms Halima Aliko Dangote – Non-Executive Director

Ms Halima Aliko-Dangote is currently the Group Executive Director, Commercial Operations at Dangote Industries Limited, where she is responsible for leading the development and execution of Dangote Groups' Customer and Shared services strategy with specific oversight for the following functions: Commercial, Strategic procurement, Branding & Communications and Corporate Services.

Ms. Dangote also served as Executive Director of Dangote Flour Mills, where she led the successful turnaround and recent sale of the business. Prior to then, she served as Executive Director of NASCON and continues to serve as a Non-Executive Director of NASCON. She started off her career as an Analyst at KPMG and has over 13 years of professional experience, holds a Bachelors' Degree in Marketing from American Intercontinental University, London, and a Master of Business Administration from Webster Business School.

EXECUTIVE MANAGEMENT PROFILES

Mr Arvid Pathak – Group Managing Director / Chief Executive Officer

Please see profile above.

Philip Matthew – Deputy Group Managing Director

Please see profile above.

Dr Gbenga Fapohunda – Acting Group Chief Financial Officer

Dr Fapohunda is a finance professional with 17 years of experience. His expertise spans the United Parcel Services (UPS), British American Tobacco (BAT), PricewaterhouseCoopers, KPMG and Japan Tobacco International (JTI), where he was the Executive Director and Chief Finance Officer (CFO) for the West African region. He is a Chartered Accountant (ACA) and holds an MBA in Finance from London Business School U.K and a Doctor of Philosophy (Marketing) from Delta State University.

He is also an Associate Member of the Institute of Credit and Risk Management (ICMA) and the Chartered Institute of Taxation of Nigeria. He also held the position of Company Secretary/Legal Adviser in an Oil & Gas/ Shipping firm, among others, before joining DCP.

Mr Kashinath Bhairappa – Director of Projects

Mr 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 Rabiu Umar – Group Sales and Marketing Director

Mr Umar has over 20 years of experience in senior and executive functions within the downstream petroleum and cement manufacturing sectors with a focus on transformational leadership. Prior to joining DCP, he served as Managing Director of Ashaka Cement PLC, spearheading the turnaround of the business. He started his career in Oando PLC, holding several management roles within the marketing business. He also served as the Energy and Power Director at Lafarge Africa and subsequently managed Strategy and Business Development portfolio for West.

He is a graduate of Accounting from Bayero University, Kano and an Alumnus of Harvard Business School. He is also a member of the Institute of Directors.

Sada Ladan Baki – Head International Trade/Export

Alhaji Sada Ladan-Baki is a graduate of Economics from Ahmadu Bello University, Zaria, Nigeria and he holds a Masters Degree in Business Administration.

He has 30 years of experience in public service and fund administration. He sits on the board of several companies and belongs to many professional associations including the Institute of Logistics and Distribution (Chartered Fellow), Institute of Directors (Chartered Fellow) and the Nigerian Institute of Marketing (Chartered Member).

Mr Knut Ulvmoen, MFR – Supply Chain Director

Mr Ulvmoen is a management professional with over 40 years of experience that spans across finance and administration. He served as a Director at Dangote Cement until October 2010. He joined Dangote Industries Limited in 1996 as Finance Director and had previously worked in several 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. He was also involved in the development of Dangote Industries Limited's flour and sugar operations.

He is a Member of the Norwegian Association of Authorized Accountants and holds a Master's in Business Administration from the Norwegian School of Economics, Oslo (1970).

Gloria Byamugisha – Group Chief Human Resources Officer

Gloria Byamugisha joined Dangote Cement in October 2021 as the Group Chief Human Resource Officer with over 20 years' experience in Human Resources, of which 15 were in C-suit roles.

She holds an undergraduate degree in Business Administration & Management from Uganda Martyrs University. She has a Post Graduate Diploma in Human Resources from University of Bedfordshire and an MBA in Finance & Management from the University of Westminster with Strategic Business Analysis at the London Business School.

Mr Edward Imoedemhe – Ag Company Secretary

Edward Imoedemhe is the Acting Company Secretary/ General Counsel of Dangote Cement Plc. He has over 22 years' post-call experience and joined the Dangote Group of companies in 2013. He 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. Prior to joining Dangote Cement, he had served in the capacity of Head Legal & Secretariat in a telecoms firm and Company Secretary/Legal Adviser in an Oil & Gas/Shipping firm, among others. He holds a Master's Degree in Maritime and Commercial Law which he obtained in 2013.

Mr Oliver Obu – Group Financial Controller

Mr Obu is a key member of Dangote Cement's finance team and has been instrumental in shaping the internal reporting & planning framework, working on the development of financial models for numerous projects embarked upon by the Dangote Group. He is also very active in the corporate finance Dangote Cement is engaged in. He joined Dangote Cement in 2015 Head of Internal Reporting & Planning.

He 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, 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. She is a finance professional with over 13 years' experience and a demonstrated history of working in the investment banking industry. She is skilled in Capital Markets, Portfolio Management, Corporate Finance and Investments, amongst others. Prior to joining Dangote Cement, Mrs Aduroja occupied several roles at Standard Chartered Bank, PricewaterhouseCoopers, Renaissance Capital and the Standard Bank Group.

She obtained a Bachelors' Degree in Physics and Computer Science from the University of Ghana, Legon (2010).

Rajesh Kumar Kothari – Director of Operation, Pan Africa

Rajesh joined Dangote Cements as the Director Operations (Pan Africa) in October 2019. He is a competent technical professional with 39 years of wide and varied experience in cement manufacturing process. Prior to Dangote Cement he has worked in companies like Shree Digvijay Cement Co. Ltd for 20 years, Saurashtra Chemicals Limited for two years and Ambuja Cements Limited – a flag ship company of Lafarge Holcim for 18years.

He is a qualified Mechanical Engineer B.E. (Mechanical) from Sardar Patel University, W Nagar, Gujarat, India in 1978.

Jonathan Ogiku – Group Chief Internal Auditor

Jonathan Ogiku is the Group Chief Internal Auditor for Dangote Cement. He holds a Master's Degree (Executive MBA) from Lagos Business School, Pan Atlantic University and is a Fellow of the Institute of Chartered Accountants of Nigeria. M Ogiku started his career with the British American Tobacco (BAT) Company Plc, as a management trainee in 1989 and held various senior roles as Operations Finance Manager, Treasurer and Head of Audit.

Jonathan joined Dangote Cement Group from BAT 8 years ago as General Manager, Internal Audit responsible for Nigerian Operations.

Dr Igazeuma Okoroba – Head Sustainability

Dr Igazeuma Okoroba joined Dangote Cement in October 2021 as the Head, Sustainability, overseeing DCP's Sustainability function. Her professional experience spans over 18 years in Civil Society, Media, Oil and Gas and Telecommunications sectors. She has worked at United Nations Institute for Training and Research (UNITAR), Total Exploration and Production Nigeria, and is joining DCP from IHS Towers Nigeria where she was Sustainability Strategy Manager, leading the company's sustainability thought leadership programme.

Dr Okoroba holds an M.Sc in Sustainable Development from the University of Exeter in the UK and a Ph.D in Development Sociology, from the University of Port Harcourt.

Adenike Fajemirokun – Group Chief Risk Officer

She is a renowned Risk Management & Insurance specialist with over 21 years diverse experience in developing and implementing Risk Management strategies in Financial, Engineering, Manufacturing and other Industries. She served in top management roles at Deutsche Bank AG, UK and Director of the Management Group for leverage finance at the Corporate and Investment Bank. Dr Fajemirokun holds a B.Eng. in Civil, Structural and Fire Engineering and a PH.D in Risk Informed Engineering both from the University of Manchester. A Fellow of the Engineering and Physical Sciences Research Council (EPSRC) and Specialist member (SIRM) of the Global Institute of Risk Management.



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dangote Cement Plc.

Report on the Summary Financial Information

Opinion

The accompanying summary financial information, which comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss;
- the consolidated and separate statements of cash flows;

as contained in pages 36 to 38 of the ₦300,000,000,000 Domestic Commercial Paper Issuance Programme, are derived from the audited consolidated and separate financial statements of Dangote Cement Plc for the year ended 31 December 2022.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with the audited consolidated and separate financial statements, as at 31 December 2022, in accordance with the Companies and Allied Matters Act (CAMA), 2020.

Summary Financial Information

The summary financial information do not contain all the disclosures required by IFRS Standards issued by the International Accounting Standard Board (IFRS Standards), the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011. Reading the summary financial information and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary financial information and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 25 February 2023. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

Directors' Responsibility for the Summary Financial Information

The Directors are responsible for the preparation of the summary financial information in accordance with the Companies and Allied Matters Act (CAMA), 2020.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020

- We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books.

Signed:

Goodluck C. Obi, FCA
 FRC/2012/CAN/00000000442
 For: KPMG Professional Services
 Chartered Accountants
 27 June 2023
 Lagos, Nigeria

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 Registered in Nigeria No BN 988925

Partners:

- | | | | | |
|--------------------|-----------------------|-------------------------|-----------------------|----------------------|
| Adigoke A. Oyelami | Bolarin S. Afolabi | Kabi O. Oluwalola | Olufermi A. Babem | Tolope A. Oduka |
| Adiole P. Adesemi | Boluwal O. Apanja | Lawrence C. Amadi | Oluwale O. Olayinka | Uzochukwu N. Obienu |
| Adewale K. Ajeji | Chibuzor W. Anenachi | Martins I. Arogie | Oluwajun A. Sowande | Uzodimma G. Nwanikwa |
| Ajakai O. Olorinla | Chineme B. Nwigo | Muhammed M. Adama | Oluwafemi I. Ogunbiwo | Victor U. Onyentpe |
| Akinwale O. Alao | Dunni D. Okagbemia | Nneka C. Eluma | Oluwafemi O. Awotaye | Williams I. Erimone |
| Akinwemi J. Ashade | Ejeh O. Obedunmoye | Ogunlatajo I. Ogunbemis | Oluwafemi A. Gbaj | |
| Ayobami L. Salami | Geoffrey G. Ode | Oladimeji S. Akolade | Omolola O. Ogun | |
| Ayodele A. Soyinka | Ibezomi M. Adesoji | Oladimeji I. Salaudeen | Oseme J. Olojede | |
| Ayodele H. Othiwa | Ijeoma T. Emaze-Ezibo | Olanike I. James | Temtope A. Oniri | |

HISTORICAL FINANCIAL INFORMATION

The financial information set out on pages 36 to 38 of this Programme Memorandum has been extracted from the audited annual financial statements of the Issuer and is available at the specified office(s) of the Issuer. This section should be read and construed in conjunction with the audited financial statements for the years ended 31 December 2022, 2021 and 2020 and with any audited interim financial statements published subsequently, for the financial year prior to each issue of Notes under this Programme.

Statement of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2022, 2021 and 2020

	2022	2021	2020
	"million	"million	"million
Revenue	1,618,323	1,383,637	1,034,196
Production cost of sales	(662,890)	(551,019)	(437,970)
Gross profit	955,433	832,618	596,226
Administrative expenses	(79,879)	(64,349)	(60,339)
Selling and distribution expenses	(295,234)	(191,658)	(153,719)
Other income	5,333	6,221	4,754
Impairment of financial assets	223	(341)	(188)
Operating profit	585,876	582,491	386,734
Finance income	38,715	20,765	29,814
Finance costs	(130,370)	(65,707)	(43,988)
Gain on monetary assets	29,022	-	-
Share of profit from associate	759	817	750
Profit before tax	524,002	538,366	373,310
Income tax (expense) / credit	(141,691)	(173,927)	(97,242)
Profit for the year	382,311	364,439	276,068
Other comprehensive loss	23,074	265	(509)
Total comprehensive income for the year	405,385	364,704	275,559
Earnings per share			
Basic and diluted earnings per share (NGN)	22.27	21.24	16.14

HISTORICAL FINANCIAL INFORMATION

Statement of Financial Position for the years ended 31 December 2022, 2021 and 2020

	2022	2021	2020
	"million	"million	"million
Non-current assets			
Property, plant and equipment	1,527,293	1,472,859	1,390,687
Intangible assets	6,225	5,122	4,554
Right of use assets	23,551	18,566	12,594
Investment in associate	2,580	6,528	5,711
Lease receivables	17,085	5,980	9,846
Deferred tax assets	14,193	5,163	11,708
Prepayments	1,267	4,759	37,213
Receivables from subsidiaries	-	-	-
Total non-current assets	1,592,194	1,518,977	1,472,313
Current Assets			
Inventories	239,563	167,205	108,270
Trade and other receivables	45,490	47,469	35,194
Prepayments and other current assets	447,149	311,722	248,561
Lease receivables	5,981	3,752	5,249
Current tax assets	1,435	3,051	7,029
Cash and cash equivalents	283,843	339,843	145,835
Total current assets	1,023,461	873,042	550,138
Total assets	2,615,655	2,392,019	2,022,451
Non-current liabilities			
Deferred tax liabilities	154,026	135,003	122,980
Financial liabilities	333,498	176,562	158,908
Lease liabilities	8,057	8,019	7,772
Provisions	10,575	8,428	8,049
Deferred revenue	320	636	374
Employee benefit obligations	8,547	3,219	3,581
Total non-current liabilities	515,023	331,867	301,664
Current liabilities			
Trade and other payables	334,899	371,224	349,388
Lease liabilities	1,713	2,187	2,073
Current tax liabilities	167,971	153,385	59,781
Financial liabilities	392,378	401,393	335,011
Derivatives	-	-	104
Other current liabilities	124,724	148,294	83,460
Total current liabilities	1,021,685	1,076,483	829,817
Total liabilities	1,536,708	1,408,350	1,131,481
Equity			
Share capital	8,520	8,520	8,520
Share premium	42,430	42,430	42,430
Treasury Shares	(45,156)	(9,833)	(9,833)
Capital contribution	2,877	2,877	2,877
Currency translation reserve	76,220	53,102	52,681
Retained earnings	969,478	868,274	779,271
Equity attributable to owners of the company	1,054,369	965,370	875,946
Non-controlling interest	24,578	18,299	15,024
Total equity	1,078,947	983,669	890,970
Total equity and liabilities	2,615,655	2,392,019	2,022,451

HISTORICAL FINANCIAL INFORMATION

Statement of Cash Flows for the years ended 31 December 2022, 2021 and 2020

	2022	2021	2020
	"million	"million	"million
Profit before tax	524,002	538,366	373,310
Adjustments for:			
Depreciation & amortisation	120,390	100,766	89,538
Write off & impairment of PPE and intangibles	1,972	1,338	1,850
Interest expense	75,242	56,326	43,971
Interest and dividend income	(38,715)	(20,765)	(13,183)
Net exchange loss/(gain) on borrowings and non-operating assets	25,958	7,924	(19,229)
Gain on monetary assets	(29,022)	-	-
Change in fair value of derivatives	-	(104)	104
Share of income from associate	(759)	(817)	(750)
Change in deferred revenue	(332)	227	(148)
Provisions	2,147	379	4,365
Provision for employee benefits obligations	5,328	(362)	3,581
Other adjustments	-	-	118
(Gain)/Loss on disposal of PPE & right of use assets	(21)	(378)	4
	686,190	682,900	483,531
Changes in working capital:			
- Inventories	(70,345)	(60,526)	3,677
- Trade and other receivables	457	(11,173)	(4,775)
- Trade and other payables	(22,429)	26,846	51,446
- Prepayments and other current assets	(42,316)	(79,404)	(51,519)
- Other current liabilities	(23,570)	63,404	43,129
Cash generated from/(used in) operating activities	527,987	622,047	525,489
Change in lease receivables	10,614	8,070	7,393
Income tax paid	(150,766)	(33,408)	(20,997)
Net cash generated from / (used in) operating activities	387,835	596,709	511,885
Cash flows from investing activities			
Interest received	37,097	11,249	8,438
Dividend income received	4,707	-	-
Acquisition of intangible assets	(307)	(848)	(551)
Repayment by subsidiaries	-	-	-
Loan given to parent company	-	-	(70,000)
Net loan (obtained)/repaid by parent company	(93,812)	20,000	-
Proceeds from disposal of property, plant and equipment	106	1,238	-
Acquisition of property, plant and equipment	(74,613)	(158,508)	(210,370)
Net cash used in investing activities	(126,822)	(126,869)	(272,483)
Cash flows from financing activities			
Interest paid	(68,840)	(52,558)	(48,288)
Lease payment	(3,421)	(2,110)	(1,202)
Shares buy-back	(35,323)	(9,833)	-
Dividends paid	(337,471)	(272,005)	(272,693)
Loans obtained	338,454	329,115	500,786
Loans repaid	(267,178)	(324,831)	(377,861)
Net cash (used in)/ generated from financing activities	(373,779)	(332,222)	(199,258)
Increase/(decrease) in cash and cash equivalents	(112,766)	137,618	40,144
Cash and cash equivalents at beginning of year	263,368	141,039	112,091
Effects of exchange rate changes	252	(15,289)	(11,196)
Cash and cash equivalents at end of year	150,854	263,368	141,039



Public Credit Rating Report | Nigerian Corporate Analysis | December 2022*

Dangote Cement Plc

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook / Watch
Dangote Cement Plc	Long Term Issuer	National	AA+(NG)	Stable Outlook
	Short Term Issuer	National	A1+(NG)	-
N100bn Series 1 Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook
N3.64bn Series 1 Tranche A Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook
N10.45bn Series 1 Tranche B Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook
N35.91bn Series 1 Tranche C Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook
N4.269bn Series 2 Tranche A Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook
N23.335bn Series 2 Tranche B Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook
N88.396bn Series 2 Tranche C Senior Unsecured Bond	Long Term Issue	National	AA+(NG)	Stable Outlook

Strengths

- Leading market share, with strong franchise
- Solid geographical footprints, with increased focus on export strategy within Africa
- Very strong earnings, robust cash flows and sustainable leverage

Weaknesses

- High exposure to Nigeria's challenging operating environment
- Large portion of foreign currency debt

Rating Rationale

The rating affirmation balances Dangote Cement Plc's ("DCP") competitive position as Africa's leading integrated cement manufacturer, with very strong earnings, robust cash flows and solid gearing metrics, against the relatively weaker creditworthiness of Dangote Industries Limited ("DIL"), its parent company, which establishes a group ratings cap.

DCP's substantial production capacity across ten countries in Sub-Saharan Africa, its diversified market and extensive distribution networks continue to support strong competitive advantage in the African market. However, the business assessment remains constrained by the very high concentration to the Nigerian market, accounting for about 92% of group EBITDA and over 68% of capacity at end-June 2022. DCP is focussed on promoting cement independence within West and Central Africa, which should continue to support the advancement of its competitive positioning across the African continent, albeit marginally offset by the higher risks in many of the target markets.

Notwithstanding the rising competitive pressure within its domestic and Pan-African markets, DCP has sustained a sound earning base and cash flows, with the EBITDA margin registering at 47% over the last five years to FY21, well above the industry average. However, higher inflationary pressure, gas supply shortages, and extended plant maintenance during 1H FY22 saw sales volume and earnings margin decline slightly, albeit revenue increased 17% y/y supported by higher selling price in December 2021 to offset rising costs. GCR expects the elevated inflation and the foreign currency shortages (particularly in Nigeria) to continue to weigh adversely on production costs and operating expenses, but

* The last rating announcement was published on 29 August 2022. Rating reports are updated at least once a year from the date of the last rating announcement.



CREDIT OPINION

6 February 2023

Update

Send Your Feedback

RATINGS

Dangote Cement Plc

Domicile	Lagos, Nigeria
Long Term Rating	Caa1
Type	LT Corporate Family Ratings
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

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Dangote Cement Plc

Update of Key Credit Factors Following Sovereign Rating Action

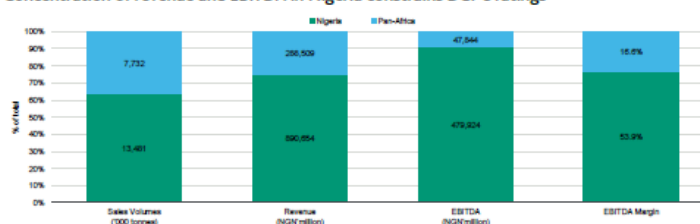
Summary

On 1 February 2023, [Dangote Cement Plc's](#) (DCP or the company) corporate family rating (CFR) was downgraded to Caa1 from B3 and probability of default rating was downgraded to Caa1-PD from B3-PD. The rating action directly followed the downgrade of the long term issuer rating of the [Government of Nigeria](#) to Caa1 from B3 and change of outlook to stable and the lowering of the foreign currency ceiling to Caa1 from B3. The company's national scale rating (NSR) has been repositioned to Baa3.ng from A3.ng. DCP's Caa1 CFR is constrained by DCP's sizable operational concentration in Nigeria that generated 76% of total revenue and 91% of total EBITDA in the nine months to September 2022 (YTD Sep-2022) which exposes the company to the heightened risks associated with the operating environment in the country.

DCP's Caa1 and Baa3.ng ratings are supported by the company's (1) strong market presence in Nigeria and other African markets in which it operates; (2) high gross margins of above 60% on a Moody's-adjusted basis; (3) low leverage of 1.0x, as measured by gross debt/EBITDA, and high interest coverage of 8.7x, as measured by EBIT/interest expense, for LTM September 2022; and (4) prudent financial policies that ensure credit metrics remain strong through operating and project build cycles.

The ratings also factor (1) the relatively small scale level of cement production when compared to global peers, with production of 28.5 million tons (mt) for 2021; (2) single product exposure being cement; (3) a concentration of production in Nigeria (Caa1, Stable); (4) high reliance on short term debt funding exposing the company to liquidity risk; and (5) an aggressive dividend policy.

Exhibit 1
Concentration of revenue and EBITDA in Nigeria constrains DCP's ratings



Revenue and EBITDA mix and EBITDA margin as of YTD September 2022. Excludes central administrative costs and eliminations. Source: Company financials



July 13, 2023

Stanbic IBTC Capital Limited

I.B.T.C Place
Walter Carrington Crescent
Victoria Island
Lagos
Nigeria

Dear *Sir*,

DANGOTE CEMENT PLC – INCREASE OF SIZE OF THE EXISTING COMMERCIAL PAPER PROGRAMME FROM ₦150,000,000,000 (ONE HUNDRED AND FIFTY BILLION NAIRA) TO ₦300,000,000,000 (THREE HUNDRED BILLION NAIRA) AND THE RENEWAL AND/OR EXTENSION OF THE DURATION OF THE PROGRAMME

1. INTRODUCTION

1.1. Basis of Instructions

We have acted as Transaction Counsel to Dangote Cement PLC (the “**Issuer**”) in connection with: (a) the increase of the size of the commercial paper programme established by the Issuer from ₦150,000,000,000 (One Hundred and Fifty Billion Naira) to ₦300,000,000,000 (Three Hundred Billion Naira) (the “**Transaction**”); and (b) the preparation, review, and negotiation of the documents listed in paragraphs 1.2.1 and 1.2.2 below (collectively, the “**Transaction Documents**”).

This opinion is rendered pursuant to the Amended and Restated Dealer Agreement dated July 13, 2023 between the Issuer and Stanbic IBTC Capital Limited (the “**Dealer**”) (the “**Amended and Restated Dealer Agreement**”).

Words and expressions used in this opinion and not otherwise defined herein shall have the meanings attributed to same in the amended and restated programme memorandum for the Transaction (the “**Programme Memorandum**”).

1.2. Documents

1.2.1 In rendering this legal opinion, we have reviewed the Programme Memorandum which incorporates the pro forma Pricing Supplement (that sets out the terms and conditions applicable to any series or tranche of Notes that will be issued under the Transaction);

Attorney list at www.banwo-ighodalo.com

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Afr-Investment House, 50, Aquiyi-Ironsi Street, Maitama, Abuja, Nigeria
T +234 8139841360; 8139841361; 8139841362; 8139841363
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1.2.2 We have prepared the following documents in connection with the Transaction and confirm that same will be valid upon their due execution in their forms as of the date of this opinion:

- (a) The Amended and Restated Dealer Agreement;
- (b) The Amended and Restated Issuing, Calculation and Paying Agency Agreement dated July 13, 2023 entered into between the Issuer and Stanbic IBTC Bank PLC (the "ICPA" or "Agent") (the "Amended and Restated ICPA Agreement"); and
- (c) The Deed of Covenant to be executed as a deed poll by the Issuer in favour of the Noteholders (the "Amended and Restated Deed of Covenant").

1.2.3 We have examined the following corporate documents of the Issuer:

- (a) A copy of a Certificate of Incorporation of the Issuer dated July 14, 2010 confirming that the Issuer was incorporated on November 4, 1992.
- (b) a copy of the Memorandum and Articles of Association of the Issuer certified as a true copy of the original by the Corporate Affairs Commission ("CAC") on February 5, 2020 ("MemArts");
- (c) a copy of the Issuer's Form CAC 2A (Return of Allotment – Post Incorporation) certified as a true copy of the original by the CAC on May 27, 2020;
- (d) a copy of the Issuer's Form CAC 7A (Notice of Change of Directors) certified as a true copy of the original by the CAC on March 15, 2021;
- (e) a copy of the resolution of board of directors of the Issuer dated June 10, 2021, authorising the establishment of the Programme, the issuance of Notes in series and execution of the Transaction Documents;
- (f) a copy of the resolution of the board of directors of the Issuer dated July 3, 2023, authorizing the increase of the Programme size from ₦150,000,000,000 (One Hundred and Fifty Billion Naira) to ₦300,000,000,000 (Three Hundred Billion Naira) (the "Increase") and the extension and/or renewal of the Programme; and
- (g) such other documents and records as we have deemed necessary in order for us to render this opinion.

1.3. Assumptions

For the purpose of this opinion, we have assumed, without our own independent verification, each of the following:

- (a) the authenticity or genuineness of all seals and signatures on all documents and the completeness and conformity to original documents of all copies of the documents made available to us in physical or electronic form and that any document submitted to us continues in full force and effect;
- (b) save for contracts provided to us for review and in respect of which we have satisfied ourselves that there are no contractual restrictions, there are no contractual or similar restrictions binding on the Issuer which would affect the conclusions arrived at in this opinion, affect the Issuer's ability to establish the Programme and to issue the Notes and there are no contractual or similar restrictions contained in any agreement or arrangement (other than those in the Transaction Documents) that are binding on any party to such Transaction Document which would affect the opinions expressed herein;
- (c) each of the material contracts we reviewed, set out in the schedule to this Opinion:
 - (i) where same is supplied as a copy, conforms in all respects with its original version;
 - (ii) is complete and authentic;
 - (iii) is in full force and effect, incorporates all amendments that have been made to it, and has not been terminated; and
 - (iv) has been validly executed and is valid and binding on each of the parties to it and each of the parties has complied and continues to comply (to the extent that same is still in force), with the relevant provisions of such document.
- (d) other than the Issuer, each person which is expressed to be party to the Transaction Documents:
 - (i) is duly incorporated and is validly existing;
 - (ii) is not the subject of any insolvency proceedings (which includes without limitation, those relating to bankruptcy, liquidation, administration, administrative receivership and reorganisation) in any jurisdiction;
 - (iii) has the capacity to execute each Transaction Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it;
 - (iv) has taken all necessary corporate action to authorise it to execute each Transaction Document to which it is expressed to be a party and to perform the obligations it is expressed to assume under it; and
 - (v) has duly executed each Transaction Document to which it is expressed to be a party.

- (e) the accuracy of all the representations and warranties as to factual matters contained in, and made by the Issuer under, the Transaction Documents;
- (f) there are no other facts relevant to this opinion that are not contained in the documents referred to in paragraph 1.2 (*Documents*);
- (g) the Transaction Documents will be approved by the FMDQ Securities Exchange Limited ("FMDQ") substantially in their forms as at the date of this opinion and prior to execution by the relevant parties;
- (h) the lack of bad faith and absence of fraud, coercion, duress or undue influence on the part of any of the parties to the Transaction Documents, their respective directors, officers, employees, agents and advisers and none of the Parties to the Transaction Documents has executed same on the basis of mistake of fact or law or believing it to be fundamentally different in substance or in kind;
- (i) no Notes will be issued with a tenor of more than 270 days (inclusive of any rollover); and
- (j) that there is no other information known to the Issuer which has not been disclosed to us which would affect the opinions expressed below.

1.4. Scope and Purpose of the Opinion

- (a) This opinion is given on the basis of the assumptions set out in paragraph 1.3 (*Assumptions*) above and is subject to the qualifications set out in paragraph 3 (*Qualifications*) below.
- (b) This opinion is confined to matters of Nigerian law and the affairs of the Issuer as at the date hereof and we have no duty to keep you informed of subsequent developments which might affect this opinion.
- (c) We express no opinion and have taken no account of the laws of any jurisdiction other than the Federal Republic of Nigeria ("Nigeria").
- (d) We express no opinion on matters of fact.
- (e) Our opinion is limited to the matters expressly stated in paragraph 2 (*Opinion*) below and it is not extended by implication. In particular, we express no opinion on the accuracy of the assumptions contained in paragraph 1.3 (*Assumptions*). A statement in the said paragraph which has the effect of limiting our opinion is independent of any other statement and is not to be impliedly restricted by it. As far as we are aware, none of our assumptions are incorrect.

2. OPINION

Based on the foregoing, and subject to the qualifications below, we are of the following opinion:

2.1 Status, Power and Authority, Legal Validity

- 2.1.1 The Issuer: (a) is a public limited company, duly incorporated under the laws of the Nigeria; (b) is validly existing and duly authorised to carry on its business as currently conducted, under the laws of Nigeria; (c) has the capacity and power to issue the Notes, enter into the Transaction Documents to which it is a party and to exercise its rights and perform its obligations thereunder; and (d) has perpetual corporate existence and the capacity to sue and be sued in its own name.
- 2.1.2 All corporate actions required to authorise the establishment of the Programme, the issuance of the Notes, the Increase, the execution by the Issuer of the Transaction Documents to which it is a party, the exercise by the Issuer of its rights and the performance by it of its obligations under the Notes and the Transaction Documents have been duly taken.
- 2.1.3 The Transaction Documents and the Notes (when issued) constitute valid, legal, binding and enforceable obligations of the Issuer and are enforceable against it in accordance with their terms.
- 2.1.4 The issuance of the Notes in dematerialised form is valid and legal under the laws of Nigeria.
- 2.1.5 The obligations expressed to be assumed by the Issuer under the Notes and the Transaction Documents to which it is a party constitute its legal, valid, binding and enforceable obligations and are enforceable against the Issuer in accordance with their terms.
- 2.1.6 The holders of the Notes shall be entitled, severally to enforce the Deed of Covenant.
- 2.1.7 Pursuant to Rule 6.4 of the FMDQ Commercial Paper Registration and Quotation Rules, April 2021 ("FMDQ Rules"), where an issuer revises the offer documents and other relevant transaction documents and such revision is material, the issuer shall execute an amended and restated version of the transaction documents as stand-alone documents. The Issuer, in compliance with this provision, has executed the Transaction Documents

2.2 Insolvency

To the best of our knowledge, the Issuer is not in liquidation, administration, receivership or administrative receivership; and no winding-up petition, dissolution or similar procedure has been presented against the Issuer. Subject to insolvency laws generally applicable to Nigerian companies, if insolvency proceedings involving the Issuer were to be instituted, the obligations of the Issuer under the Transaction Documents will remain valid, binding and enforceable.

2.3 Immunity

Neither the Issuer, nor any of its assets, is entitled to any right of immunity on the grounds of sovereignty or otherwise from any legal action or proceeding that may be brought in Nigerian courts arising out of or relating to the Transaction Documents (which shall include, without limitation, suit, attachment, judgment, execution or other legal process).

2.4 No Conflict and Compliance with Laws

2.4.1 The issuance of the Notes, the execution and the delivery of the Transaction Documents and/or performance of the obligations of the Issuer under the Transaction Documents do not conflict with or will not conflict with:

- (a) any term of the MemArts;
- (b) to the best of our knowledge, any instrument binding on it or its assets or constitute a default or termination event (however described) under any such instrument; or
- (c) any present law or regulation in Nigeria and applying generally to companies or the issuance of commercial papers.

2.4.2 Specifically, the Notes will be issued and the Transaction Documents have been executed and delivered in compliance with the Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers issued by the Central Bank of Nigeria (the "CBN") on September 11, 2019 (the "CBN Guidelines"), the CBN Circular of July 12, 2016 on Mandatory Registration and Listing of Commercial Papers ("CBN Circular"), and the FMDQ Rules.

2.5 Registration of the Notes

Save for the registration of the Notes with a registered Central Securities Depository (the "CSD"), which shall serve as the custodian of the Notes and the registration of the Notes on the FMDQ for quotation, the Notes are not required to be registered under the Investments and Securities Act No. 29 of 2007 (as amended) ("ISA"). Section 313(1)(h) of the ISA provides that the Securities and Exchange Commission ("SEC") may, from time to time, make rules and regulations for the purpose of giving effect to the ISA and may, in particular, make rules and regulations, among other things, prescribing that the provisions of the ISA shall not apply or shall apply with such modifications, if any, as may be specified in the regulations to any person or any securities or to any transaction. Rule 8 of the Rules and Regulation of the SEC, 2013 (as amended) (the "SEC Rules") provides that the provisions of the ISA and the SEC Rules requiring registration shall not apply to, among other things, any note, bill of exchange or banker's acceptance which arises out of a current transaction or the proceeds of which have been or are to be used for current transactions and which has a maturity, at the time of issuance, not exceeding nine (9) months exclusive of days of grace, or the maturity of which is likewise limited. This means that commercial

papers (such as the Notes) which have a maturity of two hundred and seventy (270) days or less are not required to be registered with the SEC.

Despite the foregoing, section 42 of the Business Facilitation (Miscellaneous Provisions) Act 2023 (the "BFA") amended section 67 of the ISA by introducing a new subsection 1 which amongst others provides that no allotment shall be made of any securities of a company offered to the public for subscription unless in the case of a private company, through any lawful means, as the SEC may by regulation prescribe. Whilst this provision seems to suggest that issuance of securities to the public by a private company is generally prohibited unless by a lawful means as prescribed by the SEC, we note that the SEC is yet to issue any regulation under the BFA, and thus, the existing provisions of the ISA and the SEC Rules authorises the issuance of the Notes. Furthermore, to the extent that the Notes will be offered only to Eligible Investors and Qualified Institutional Investors as defined in the FMDQ Rules, and no invitation will be offered to members of the public, we are of the view that the Notes can be issued pursuant to the FMDQ Rules.

2.6 Regulatory Approvals

Save as provided in paragraph 2.7 (*Stamp Duty and Taxes*) of this opinion, under Nigerian law it is not necessary that the Notes or the Transaction Documents be filed, recorded, registered or enrolled with any court or other governmental or regulatory authority or other public body, or that any consent, approval or authorisation be obtained from any such governmental or regulatory authority (including the SEC), by the Issuer to ensure their legality, enforceability, validity or admissibility in evidence or to enable the Issuer lawfully enter into, exercise its rights or perform its obligations under the Notes and the Transaction Documents to which it is a party.

2.7 Stamp Duty and Taxes

2.7.1 Section 22(4) of the Stamp Duties Act, Cap S8 Laws of the Federation of Nigeria ("LFN") 2004 ("Stamp Duties Act") as amended¹ requires instruments executed in Nigeria, or relating, wheresoever executed, to any property situate or to any matter or thing done or to be done in Nigeria to be stamped in order for same to be admissible in evidence before Nigerian courts and to be enforceable by the said courts. Stamp duty is payable in Nigeria either at a flat rate or an *ad valorem* rate. Thus, the Stamp Duties Act provides that the Transaction Documents will be liable to stamp duty; and are required to be stamped within forty (40) days from the date they are first executed or if such Transaction Document is subject to *ad valorem* rate within thirty (30) days after they are first executed or have been received in Nigeria (including electronic documents), if executed outside Nigeria, in order to render same enforceable and admissible in evidence in Nigerian courts.

2.7.2 Historically, each of the Transaction Documents attracted a nominal stamp duty of N500.00 (Five Hundred Naira) for the original and N50.00 (Fifty Naira) for each counterpart. The Transaction Documents will be assessed and stamped at the prevailing stamp duties rate as of the time of stamping.

¹ The Finance Acts of 2019, 2020, 2021 and 2023 amended the Stamp Duties Act, amongst other tax legislations in Nigeria.

- 2.7.3 The Notes will be issued in a dematerialised form and as book entries in the register of the CSD. Historically, notes did not attract stamp duty, as same were not in certificated form and therefore did not qualify as “instruments” as previously defined under the Stamp Duties Act. However, the Finance Act, 2019 has amended the definition of “instruments” in the Stamp Duties Act to include “electronic instruments”. As such it is unclear whether the electronic form of the dematerialised Notes will qualify as “electronic instruments” within the context of the Finance Act, thereby attracting stamp duties. Where the Federal Inland Revenue Service is of the opinion that the Notes qualify as “electronic instruments”, the Notes may attract stamp duty at a flat rate of 0.1%.
- 2.7.4 Save for the payment of the aforementioned stamp duty which is assessed and payable in respect of the Transaction Documents (other than the Programme Memorandum and/or Pricing Supplement) and the Notes (where so assessed as noted in paragraph 2.7.3 above), to the Commissioner for Stamp Duties, no other stamp duty is payable, and no filing or registration is required in Nigeria in connection with the execution, delivery, performance and enforcement of any of the Notes or the Transaction Documents.

2.8 Withholding Tax

Under Nigerian law, interest payments on debt obligations are subject to withholding tax. Section 78 of the Companies Income Tax Act Cap C21, LFN 2004 (as amended) and Section 70 of the Personal Income Tax Act, Cap P8, LFN 2004 (as amended), require companies to withhold tax on interest payments.

Given that the Notes will not bear interest², the Issuer is not required by any law or regulation or any relevant taxing authority in Nigeria to make any withholding or deduction from any payment due to the Noteholders under the Notes or any Transaction Document to which the Issuer is a party. However, the discount on the Notes may be construed as income and taxed in accordance with applicable Nigerian tax laws.

The section entitled “Tax Considerations” provided in the Programme Memorandum is a fair summary of Nigerian law applicable to such Notes and Transaction Documents.

2.9 Capital Gains Tax

There is currently capital gains tax on the disposal of debt instruments that are not issued by the Government of Nigeria. The Capital Gains Tax Act, Chapter C1 LFN 2004 (as amended by the Finance Acts of 2019, 2020, 2021 and 2023) (“**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. Gains realized by Noteholders that are not resident in Nigeria from the disposal, sale, exchange or transfer of the Notes will not be subject to capital gains tax. 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 capital gains tax at the rate of 10 per cent if the period or sum of the periods for which he is present in Nigeria in that year of assessment exceeds 182 (one hundred and eighty-two) days.

² Save for default interest payable on late payments.

2.10 Foreign Exchange Control

- 2.10.1 Pursuant to Section 15 of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act Cap F34 LFN 2004, any person may invest in a Nigerian enterprise with foreign currency imported into Nigeria through an authorised dealer (usually a Nigerian bank licensed to deal in foreign exchange). The relevant authorised dealer is then required to issue a Certificate of Capital Importation ("CCI"), evincing receipt of such investment capital within twenty-four (24) hours of receipt of imported funds. Foreign currency imported into Nigeria and evidenced by a CCI is guaranteed unconditional transferability or remittance of both capital and profit through an authorised dealer in freely convertible currency.
- 2.10.2 Non-residents who bring funds into Nigeria through an authorised dealer for the purpose of purchasing the Notes and obtain CCIs can, upon maturity or liquidation of their investments, fully repatriate the proceeds of said investments, upon presentation of their CCIs.
- 2.10.3 Save for the foregoing, there are no foreign exchange control consents, licenses or approvals that are required for the entry into and performance by the Issuer of its obligations under the Transaction Documents or the Notes.

2.11 Pari passu ranking

The Notes are unsecured and no security interests have been created in favour of the Noteholders by any Transaction Documents. The obligations of the Issuer under the Transaction Documents to which it is a party and the Notes (when issued) will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than those claims which are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application.

2.12 Domicile/license to carry on business

It is not necessary under the laws of Nigeria (i) in order to enable Noteholders enforce their respective rights under the Notes, or (ii) by reason only of the holding of the Notes, that any of the Noteholders should be licensed, qualified or entitled to carry on business in Nigeria or prior to enforcement, be required to comply with any requirement as to foreign registration or qualification in Nigeria or be required to make any filing with any court or other agency in Nigeria, prior to the commencement of any enforcement action under the Transaction Documents (including the Notes). Noteholders that are not resident or domiciled in Nigeria will not be deemed to be resident, domiciled or carrying on business by reason only of their holding of the Notes.

The due performance by any party of any of its rights, duties, obligations or representations under the Transaction Documents (including the Notes), subject to complying with applicable Nigerian securities laws, the CBN Guidelines, the CBN Circular and the FMDQ Rules, will not violate any existing applicable law or regulation in Nigeria (subject to the requirements of such party's constitutional documents (other than the Issuer)).

2.13 Choice of Law and Jurisdiction

The choice of Nigerian Law as the governing law of the Transaction Documents is a valid choice of law and a Nigerian court or arbitral tribunal will apply same to give effect to the provisions of the Transaction Documents.

2.14 Dispute Resolution

The submission to arbitration by the parties under the Dealer Agreement and the ICPA Agreement is permitted under the laws of Nigeria and an arbitral award rendered by a recognised arbitral tribunal would be enforced by the courts of Nigeria as a legal, valid and binding submission to arbitration subject to the provisions of the Arbitration and Mediation Act, 2023.

3. QUALIFICATIONS

This opinion is subject to the following qualifications and limitations:

- (a) The validity and enforceability of rights and remedies under the Transaction Documents may be subject to limitations imposed by applicable Nigerian bankruptcy, insolvency, reorganisation, administration, moratorium, limitation, prescription and time-bar or other laws affecting the rights of creditors in general and to any provision generally applicable under Nigerian law regarding the invalidation or revision of unfair contract terms. In particular, equitable remedies such as injunctions and specific performance are discretionary and are not generally available in circumstances where damages are considered by the courts in Nigeria to be an adequate remedy.
- (b) This opinion relates only to the laws of Nigeria as of the date first written above and as will likely be applied by Nigerian courts; and is given on the basis that it will be governed by and construed according to the said laws of Nigeria.
- (c) Save to the extent outlined in paragraphs 2.7 to 2.9 above, we express no opinion as to the tax treatment or consequences of the Transaction Documents or the transactions contemplated therein.
- (d) This opinion is expressly limited to the matters set forth above and we render no opinion whether by implication or otherwise as to any other matters.
- (e) We assume no obligation to update or supplement any opinion contained herein to reflect any fact or circumstance that may hereafter come to our attention or any changes in law that may hereafter occur or become effective.

3. BENEFIT


This opinion is provided in connection with the satisfaction of the conditions precedent under the Dealer Agreement and is given solely for the benefit of the Dealer in connection with the Transaction and cannot be relied upon or disclosed by the Dealer for any other purpose or relied

upon by any other person without our prior written consent, save that our opinion may be disclosed without such consent (provided that in doing so it is acknowledged that we shall not owe any duty, nor assume any liability to any such person in relation to it and that in preparing this opinion we only had regard to the interests of the Dealer):

- (a) to any persons seeking to invest in the Notes;
- (b) to professional advisers in connection with the Transaction;
- (c) to any additional dealers appointed under the Dealer Agreement;
- (d) to any person to whom disclosure is required to be made by applicable law or court order or arbitral award or pursuant to the rules or regulations of any supervisory or regulatory body, or the rules of any applicable securities exchange or any rating agency or in connection with any judicial or arbitral proceedings;
- (e) to the affiliates, officers, employees, auditors, regulators and professional advisers of the Dealer;
- (f) in connection with any actual or potential dispute or claim to which the Dealer is a party in relation to the Transaction;

on the basis that such disclosure is made solely to enable any such person to be informed that an opinion has been given and to be made aware of its terms but not for the purposes of reliance.

Yours faithfully,


AZEEZAH MUSE-SADIQ
PARTNER
BANWO & IGHODALO

GENERAL INFORMATION

Authorisation

The establishment of this CP Programme and the issuance of Notes thereunder was approved by the resolution of the Board of Directors Dangote Cement PLC dated 10 June 2021. Pursuant to the resolution of the Board dated 03 July 2023, the Board resolved to increase the size of the CP Programme from ₦150,000,000,000 to ₦300,000,000,000.

Going Concern

The Directors have made an assessment of the Issuer's ability to continue as a going concern and have no reason to believe the Issuer will not remain a going concern in the year ahead. If any event occurs as a result of which the above statement is no longer true and accurate, the Issuer will give notice thereof to the Noteholders in accordance with Condition 8.

Auditors

KPMG Professional Services acted as auditor of the annual financial statements of the Issuer for the financial year ended 31 December 2022 and was responsible for the audit and issued an unqualified report.

Litigation

Dangote Cement Plc is involved in 201 (Two Hundred and One) litigation matters as of July 3, 2023, based on the Litigation Schedule made available to us by the Company.

In the context of the contemplated Transaction, the Solicitors to the Transaction set a materiality threshold of N200,000,000 (Two Hundred Million Naira) (the "Materiality Threshold") with regards to the monetary reliefs claimed in the cases against the Company. Of the 201 (Two Hundred and One) cases in the Litigation Schedule, the Solicitors to the Transaction identified 26 (Twenty-Six) cases within and above the Materiality Threshold. These cases represent a very substantial value of the total claims against the Company. We were, however, only provided with the case files for 25 (Twenty-Five) of these cases which now form the basis of this report.

Of the said 25 (Twenty-Five) cases, the Company is: (i) an Appellant in one (1) case in which judgment had previously been delivered against its interest; and (ii) a Respondent in one (1) case in which judgment had been delivered in its favour. Notably, the Company did not file a counterclaim to any of the identified cases. The Company has however filed an interlocutory appeal in one (1) of the cases.

The total value of monetary claims against the Company in the identified 25 (Twenty-Five) cases instituted against it, are approximately the following sums: (i) N337,760,912,000 (Three Hundred and Thirty-Seven Billion, Seven Hundred and Sixty Million, Nine Hundred and Twelve Thousand Naira); (ii) US\$1,520,670.38 (One Million, Five Hundred and Twenty Thousand, Six Hundred and Seventy United States Dollars, Thirty-Eight Cents); and (iii) £41,930 (Forty-One Thousand, Nine Hundred and Thirty Pound Sterling). The amounts referred to herein, do not include interests, costs, and other unliquidated monetary claims which can only be ascertained after final resolution of the cases. Ultimately, the Company's actual liability in these cases, including final awards for costs, will be as determined by the courts upon conclusion of the relevant suits.

The judgment sum in two (2) cases in which judgment had previously been delivered against the Company, are approximately N21,471,000 (Twenty-One Million, Four Hundred and Seventy-One Thousand Naira) and N2,376,580 (Two Million, Three Hundred and Seventy-Six Thousand, Five Hundred and Eighty Naira), excluding interests which may accumulate on the judgment sum until same is finally liquidated. It is pertinent to note that both judgments are the subject of ongoing appeal at the Court of Appeal. On the other hand, the court dismissed a claim of approximately N255,000,000 (Two Hundred and Fifty-Five Million Naira) against the Company. Another claim of around N2,700,000,000 (Two Billion, Seven Hundred Million Naira) against the Company was also set aside by the Court of Appeal on the grounds of the trial court's lack of jurisdiction to hear and determine the suit. A claim of around N328,000,000 (Three Hundred and Twenty-Eight Million Naira) was also struck out by the court for want of diligent prosecution.

The Solicitors to the Transaction are of the opinion that most of the cases instituted against the Company within the Materiality Threshold are exaggerated, frivolous, and speculative.

Therefore, the Solicitors to the Transaction are of the view that the contingent liability that may arise from the cases involving the Company where same are competently and diligently defended, is not likely to have a material adverse effect on the Company or the Transaction.

Save for the foregoing, the Solicitors to the Transaction are not aware of any claim or litigation pending or threatened against the Company which (i) materially or adversely affects the Company's ability to fulfill its obligations under the Transaction; and/or (ii) affect the validity of the proposed Transaction or restrict the proceedings or actions of the Company with respect to the Transaction.

Material Contracts

The following agreements have been entered into and are considered material to this Programme:

- i. the amended and restated Issuing, Calculation and Paying Agency Agreement dated 13 July 2023 between the Issuer and Stanbic IBTC Bank PLC;
- ii. the amended and restated Deed of Covenant dated 13 July 2023 executed by the Issuer as a deed poll in favour of the Noteholders; and
- iii. the amended and restated Dealer Agreement dated 13 July 2023 executed by the Issuer and the Arranger and Dealer.

GENERAL INFORMATION

Other material contracts in respect of any issuance of Notes under the Programme will be disclosed in the Applicable Pricing Supplement issued in respect of that Series or Tranche.

Ultimate Borrower

The Issuer is the borrower in respect of the Notes.

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Arvind Pathak

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