



Dangote Cement Plc. RC 208767

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THE FEDERAL REPUBLIC OF NIGERIA
THE COMPANIES AND ALLIED MATTERS ACT 2020
COMPANY LIMITED BY SHARES

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN to every member of **Dangote Cement PLC** (the “**Company**”), in accordance with Section 239 (1) and 243 (1) of the Companies and Allied Matters Act 2020 (as amended), that the Extraordinary General Meeting (“**EGM**”) of the Company will be held at **Zinna Hall, Eko Hotel and Suites, Plot 1415 Adetokunbo Ademola Street, Victoria Island, Lagos, Nigeria** on **Tuesday, the 13th day of December 2022 at 11:00 am (WAT)** prompt, for the purpose of transacting the following:

SPECIAL BUSINESS

1. To consider and if thought fit, pass the following sub-joined resolutions as a Special Resolution of the Company:
 - a) *That, the Company be and is hereby authorized to undertake a share buy back of up to 10% of its issued shares as of the date of this resolution (excluding any treasury shares in the Company's share capital), on such terms and conditions, in such volumes and at such times as the Board of Directors (“Board”) deems fit, provided that the authority granted herein shall continue to be in force until the Company has acquired up to an aggregate 10% of its issued shares as stated above.*
 - b) *That, unless otherwise required under applicable laws and regulations or directed by the appropriate regulatory authorities, the Company may cancel such number of issued shares repurchased pursuant to the share buy back or otherwise held by the Company in its issued share capital, as confirmed by the Company's registrar, and to diminish the amounts of its share capital by the amount of the shares so cancelled, in accordance with all applicable laws and regulations.*
 - c) *That, the Memorandum and Articles of Association of the Company be amended (as applicable), upon completion of the share buy back, to reflect the Company's share capital, following the cancellation (if any) of the shares acquired and/or otherwise held by the Company.*
 - d) *That, the Board be and is hereby authorised to do all such acts and deeds as well as take all such steps (including but not limited to executing such agreements and documents, appoint professional advisers and other parties, complying with directives of any regulatory authority) which may be incidental, ancillary, supplemental, or otherwise necessary to give full effect to the above resolutions and for the aforesaid purpose, on behalf of the Company.*

EXPLANATORY NOTE

Pursuant to Section 184 of the Companies and Allied Matters Act, 2020 ("**CAMA**") and Rule 398 of the Securities and Exchange Commission Consolidated Rules and Regulations, 2013 (as amended) ("**SEC Rules**"), the Company intends to undergo a Share Buy Back Programme in respect of up to 10% of its issued shares (excluding the treasury shares) (the "**Programme**"), which is in line with the Company's corporate strategy to, *inter alia*, improve the Company's Return on Equity and shareholder value in order to facilitate future long term growth. The relevant shares will be repurchased out of the profits of the Company and any such number of shares bought under the Programme may be held by the Company as treasury shares in accordance with the provisions of CAMA, which must not be more than 15% of the Company's issued share capital, or be cancelled in accordance with the SEC Rules and the Nigerian Exchange Limited's Rulebook 2015 ("**NGX Rulebook**"), subject to complying with the procedure set out in CAMA, which will consequently lead to a reduction in issued share capital.

In light of the above, the Company has convened an EGM to consider, and if thought fit, approve the Programme and all matters incidental thereto.

The Explanatory Statement on the Share Buy Back Programme dated November 18, 2022, which contains all information reasonably necessary to enable each shareholder make an informed decision on whether to vote for or against the Programme is enclosed with this notice of meeting. A member entitled to attend the meeting who does not receive a copy of the Explanatory Statement within 14 days of the date of this notice can obtain copies of same at the office of the Company's Registrars, Coronation Registrars Limited, at Plot 009, Amodu Ojikutu Street, off Adeola Odeku Street, Victoria Island, Lagos

In accordance with Rule 13.18(f) of the NGX Rulebook, the Explanatory Statement is also available on the Company's website. To access the Explanatory Statement, kindly copy this link -<http://www.dangotcement.com/investor-relations/> unto a secure internet browser.

By Order of the Board of Directors.



Edward Imoedemhe

(Deputy Company Secretary)

FRC/2021/002/00000022594

Registered Office
Union Marble House
1, Alfred Rewane Road, P.O Box 40032
Falomo, Ikoyi, Lagos

Dated this 20th day of November 2022.

PROXY: *A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company. A proxy for an organization may vote by a show of hand and on a poll. To be valid, executed and stamped forms of proxy (a form of proxy is attached hereto) should be deposited at the registered office of the Company or with the Registrars, Coronation Registrars Limited, Plot 009, Amodu Ojikutu Street, of Adeola Odeku Street, Victoria Island, Lagos, not later than 48 hours before the time fixed for the EGM. A blank proxy form is attached to this Notice.*

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or any action to be taken, it is recommended that you consult your Stockbroker, Banker, Solicitor, Accountant or any other independent professional adviser duly registered under the Investments and Securities Act No. 29 of 2007 immediately.

If you have sold or otherwise transferred all your shares in Dangote Cement Plc, please give this document and the accompanying proxy forms to the purchaser or transferee or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee whose name is duly entered into the register of members of Dangote Cement Plc. In the alternative, kindly return this document to the Registrars – Coronation Registrars Limited at Plot 009, Amodu Ojikutu Street, Off Saka Tinubu Street, Victoria Island, Lagos.

The distribution of this document in jurisdictions other than Nigeria may be restricted by law and therefore persons to whom possession of this document comes should inform themselves about, and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

SHARE BUY BACK PROGRAMME

(Under Section 184 of the Companies and Allied Matters Act ("**CAMA**") 2020)



DANGOTE CEMENT PLC

INCORPORATING AN EXPLANATORY STATEMENT ON THE PROPOSED SHARE BUY BACK PROGRAMME

(In compliance with Rule 13.18(f) of the Nigerian Exchange Limited Rulebook 2015)

Vetiva Capital Management Limited ("**Vetiva**") and Banwo & Ighodalo ("**B&I**") are acting as Financial Advisers and Legal Advisers, respectively to Dangote Cement Plc ("**Dangote Cement**", "**DCP**" or the "**Company**") in connection with the proposed Share Buy Back Programme.

The notice convening the Extraordinary General Meeting of the shareholders of DCP is attached to this circular. To be valid, the Proxy Form must be completed, signed and duly stamped by the Commissioner of Stamp Duties, Federal Inland Revenue Services, where applicable (together with the powers of attorney or other authority, if any, under which it is signed and in accordance with the instructions printed thereon) and must be returned to the Registrar of DCP, not later than 48 hours before the time set for the meeting.

Dated 18TH day of November, 2022

EXPLANATORY STATEMENT

Friday , 18th day of November 2022

To the Shareholders of:

Dangote Cement Plc

Dear Sir/Madam,

PROPOSED SHARE BUY BACK PROGRAMME

A. INTRODUCTION

The Notice of the Extraordinary General Meeting (“EGM”) of Dangote Cement Plc (“**Dangote Cement**”, “**DCP**” or the “**Company**”) attached to this circular contains information on the Company’s intention to execute a Share Buy Back Programme (the “**Share Buy Back Programme**” or the “**Programme**”). It is intended that the Programme be effected pursuant to section 184 of the Companies and Allied Matters Act 2020 (“**CAMA**”), Rule 398 of the Securities and Exchange Commission (“**SEC**”) Consolidated Rules and Regulations, 2013 (as amended) (“**SEC Rules**”) and Rule 13.18(f) of the Nigerian Exchange Limited Rulebook 2015.

The proposed Programme is being undertaken in line with the Company’s corporate strategy to make the Company more attractive in the near term and to position DCP for long-term growth. The Board of Directors (“**Board**” or “**Directors**”) is of the opinion that it is in the best interest of Shareholders to proceed with the proposed Programme. A Share Buy Back Programme may result in an increase in the earnings per share, in the absence of any other mitigating factors.

As you may recall, the Company purchased 40,200,000 million ordinary shares of 50 Kobo each in the period from 30th December, 2020 to 31st December 2020 and 126,748,153 million ordinary shares of 50 Kobo each in the period from 19th January, 2022 and 20th January, 2022, under the authority granted to it by the shareholders at the Extraordinary General Meeting held on the 22nd January 2020 and the Annual General Meeting held on the 26th May 2021.

The Board has now approved a proposal for this Programme by the Finance and Investment Committee of the Company. The Board has also appointed and authorised Vetiva Capital Management Limited and Banwo & Ighodalo as Financial Advisers and Legal Advisers, respectively, to provide detailed advice to the Company in respect of the Programme and effect of the Programme which are summarised herein.

B. DESCRIPTION

The table below presents the indicative details of the proposed Programme:

| | |
|---|--|
| Current Issued and Outstanding Shares: | 16,873,559,251 fully paid up ordinary shares of 50 each ¹ |
| Programme Size: | Up to 1,687,355,925 fully paid up ordinary shares of 50 Kobo each, representing 10% of the total issued shares of the Company less the treasury shares in the Company's capital (the "Buy Back Shares"). The Share Buy Back Programme will be undertaken subject to the availability of shares and the Company is not obliged to buy all or any of the Buy Back Shares. |
| Timing: | Subject to the terms of the resolution passed by the shareholders, the timing of the buy back will be determined by the Directors at the relevant time having regard to the circumstances then pertaining, provided that unless otherwise approved by the regulator, the Company shall not implement the Programme within fifteen (15) days prior to the publication of its annual or interim results. |
| Mode: | Open Market and/or Self-Tender Offer |
| Price: | <ul style="list-style-type: none">▪ Open Market: prevailing market price▪ Self-Tender Offer: price shall be determined by the Board, but it shall not be more than 5% above the average calculated market price over the five (5) days preceding the offer |

C. JUSTIFICATION FOR THE PROGRAMME

The Board has considered and recommended the proposed Share Buy Back Programme based on the following reasons:

Increase Long Term Shareholder Value

Based on a review of DCP's stock market performance, prevailing equity market conditions and macroeconomic backdrops, the Board is of the opinion that at the current market valuation levels, a share buy back programme which seeks to repurchase DCP shares is considered an appropriate capital allocation decision to improve shareholder value in the long term.

Valuable tool for Managing Capital Structure and Balance Sheet Efficiency

¹ This number excludes the treasury shares in the Company's capital

The proposed Share Buy Back Programme supports the Company's continuous capital structure and balance sheet optimisation process. Repurchasing the Company's shares while improving financing, capital and balance sheet efficiency is expected to reduce the average cost of capital and therefore enhance shareholder value in the long term.

Window to Return Cash to Shareholders

The Company has different types of investors with varying preferences and peculiarities. Certain classes of investors prefer cash distributions, while others want to stay invested in the Company. A combination of dividends distribution and share buy backs would be used to strike the right balance. A share buy back reduces the number of shares outstanding and increases the proportional rights of any single share. Thus, assuming a certain amount of earnings, the earnings per share would be higher due to the reduced number of shares outstanding resulting from the share buy back and shareholders who want to continue to remain invested in the company in the long term would benefit from this.

D. SOURCE OF FUNDS

The Company recorded a Profit After Tax of N364.44bn for the year ended 31 December, 2021 while the Company recorded Profit for the Period of N213.10bn for the nine (9) month period ended 30 September, 2022. DCP's Retained Earnings stood at N868.27bn as at 31 December, 2021 and N740.32bn as at 30 September, 2022. The Company intends to fund the Programme from its distributable reserves.

There will be brokerage fees and other costs, fees and charges incurred during the execution of the proposed Programme.

E. IMPACT ON WORKING CAPITAL AND GEARING RATIO

The Directors are of the opinion that the proposed Share Buy Back Programme would not have any material adverse impact on the Company's working capital position and gearing ratio in the long term.

F. DIRECTORS' DECLARATION OF INTENTION TO SELL

The table below details the direct and indirect shareholding of all Directors of the Company as at the date of this Explanatory Statement:

| Director | Direct | Indirect | Total |
|----------------------|------------|----------------|----------------|
| Aliko Dangote, CON | 27,642,637 | 14,621,387,610 | 14,649,030,247 |
| Halima Dangote | 500,000 | 0 | 500,000 |
| Olakunle Alake | 8,000,000 | 0 | 8,000,000 |
| Abdu Dantata | 8,680 | 0 | 8,680 |
| Devakumar V.G. Edwin | 6,000,000 | 0 | 6,000,000 |
| Ernest Ebi, MFR | 100,000 | 0 | 100,000 |
| Emmanuel Ikazoboh | 0 | 0 | 0 |
| Douraid Zaghouni | 0 | 243,540,000 | 243,540,000 |
| Viswanathan Shankar | 0 | 128,560,764 | 128,560,764 |
| Dorothy Udeme Ufot | 0 | 0 | 0 |
| Mick Davis | 0 | 0 | 0 |

Directors: Mr. Aliko Dangote, GCON (Chairman); Mr. Michel Puchercos, GMD (French); Mr. Philip Mathew, DGMD (Indian); Mr. Olakunle Alake; Mr. Abdu Dantata; Mr. Devakumar V.G. Edwin (Indian); Mr. Ernest Ebi, MFR; Mr. Emmanuel Ikazoboh; Mr. Douraid Zaghouni (French); Mrs. Dorothy Udeme Ufot, SAN; Mr. Viswanathan Shankar (Singaporean); Mrs. Cherie Blair, CBE QC (British); Sir Michael Davis (British); Ms. Berlina Moroole (South African); Ms. Halima Aliko-Dangote

| | | | |
|------------------|---|---|---|
| Cherie Blair | 0 | 0 | 0 |
| Michel Puchercos | 0 | 0 | 0 |
| Berlina Moroole | 0 | 0 | 0 |
| Philip Mathew | 0 | 0 | 0 |

As of the date of this Explanatory Statement, no Director of the Company who currently holds DCP shares would be participating in the Share Buy Back Programme.

G. CONSEQUENCES OF THE PROGRAMME

The Programme, when effected, is not expected to give rise to any consequences under the Takeover Rules of the SEC.

H. ELEMENTS OF THE PROGRAMME

i. Conditions Precedent

The Programme will become effective and binding if:

- a. The shareholders authorise the Programme;
- b. To the extent applicable, the Programme is authorised by the Federal High Court pursuant to Sections 184 (2) and (3) of CAMA; and
- c. The SEC approves the Programme.

ii. Notification to the Nigerian Exchange Limited ("NGX")

The NGX would be duly notified upon receipt of the approval of the SEC, prior to actual commencement of Share Buy Back Programme.

Action to be taken

The appropriate proxy form for the EGM is enclosed. It is particularly important that as many votes as possible are cast at the EGM so that the court may be satisfied that there is a fair representation of shareholders' opinion. If you are unable to attend the meeting in person, you are requested to complete the proxy form in accordance with the instructions therein and ensure the same is delivered to the Registrar, to arrive not later than forty-eight (48) hours before the time appointed for the meeting.

The lodging of a proxy form, which is only valid when appropriately stamped (where applicable), does not prevent you from attending in person and voting at the EGM or any adjournment thereof, should you so wish. However, in such an instance, your proxy will not be entitled to attend or vote.

Conclusion and Recommendation

Your Board considers the ability to repurchase issued shares in suitable circumstances is an important part of the Company's financial management tool, and is in the company's and its shareholders' best interest in the long term. The Board considers it desirable to have the authority to make purchases as contemplated in the resolutions and therefore recommends that the shareholders vote in favour of the relevant resolutions.

The Directors will only repurchase ordinary shares under the authority sought under the resolutions set out in the attached Notice when, in the light of prevailing market conditions, they consider that such purchase would result in an increase in earnings per share and would be in the best interest of the shareholders generally. There can be no

certainty as to whether the Company will repurchase any of its ordinary shares, or as to the amount of any such buy backs or the prices at which such buy backs may be made. The Board is making no recommendation as to whether shareholders should sell their ordinary shares in the Company. Ordinary shares purchased by the Company pursuant to the authority granted by the shareholders under the authority granted at the EGM will either be cancelled or held in treasury. Treasury shares are shares in the Company which are owned by the Company itself and are therefore not deemed outstanding .

By order of the Board



Aliko Dangote, GCON

Chairman, Dangote Cement Plc