DANGOTE CEMENT

CONFLICT OF INTEREST & RELATED PARTY TRANSACTION POLICY

Policy History

Version	Year/Approval	Remark
3.0	April, 2023	Third version (reviewed)

This Policy has been reviewed and approved by the Board:

S/N	Name	Designation	Signature
1.0	Aliko Dangote, GCON	Chairman, Board of Directors	
2.0	Emmanuel Ikazoboh	Chairman, Remuneration, Governance and Nomination Committee	

TABLE OF CONTENTS

1.0. Introduction

1.1. **Policy Statement:** The Conflict of Interest and Related Party Transaction Policy has been developed to provide a framework for the Board and Executive Management to proactively identify, disclose and manage actual and perceived conflict of interest.

1.2. The policy provides guidance on what constitutes a conflict of interest and how it will be managed and monitored by Dangote Cement Plc ("DCP" or "the Group").

2.0. Policy Objectives

This policy was created and adopted by the Board of Directors of the Group to:

a. Provide guidance to the Directors of the Group to assist them in recognizing and dealing with actual or perceived conflicts of interests.

b. Assist the Board in understanding, reviewing, approving and ratifying related party transactions.

c. Ensure that all related party transactions are conducted at arm's length.

d. Ensure that relevant legislation, rules and regulations in respect of conflict of interest/related party transactions are adhered to.

e. Set forth disclosure requirements for related party transactions in accordance with regulatory requirements and leading corporate governance standards.

f. Protect the Group from reputational damage and fines that may be imposed by the various regulators as a result of improper management of conflict of interest.

g. This Policy should be read together with DCP's Anti-Bribery and Corruption Policy, Securities Trading Policy, Insider Trading Policy and Code of Conduct & Ethics.

3.0. Scope

This policy applies to the Board of Directors/Executive Management of Dangote Cement Plc.

4.0. Conflict of Interest

Conflict of interest refers to situations in which personal, occupational or financial considerations may affect, or appear to affect, a Director or Employees objectivity, judgment or ability to act in the best interests of the Group.

Examples of conflict of interests include but are not limited to the following:

- Acceptance or provision of gratification from/to customers, intermediaries or potential service provider.
- Disclosing confidential information received in the course of the service on the Board to obtain any benefit for the Director or for any other person or entity, or using or misappropriating the Group's confidential or trade secret information for personal gain or benefits.
- Non-disclosure of any interests in an entity which provides services or competes in some way with the Group.
- Financial interest in outside activities, other employment and directorships without disclosing to the Board.
- Having potential interest or financial gain in the transaction of the Group.
- A Director or Senior Management Executive participating in discussions and deciding matters relating to him/herself.
- Having advisory relationship with the Group or having interest in an advisory firm that provides material services to the Group.
- Operating, managing or otherwise involved in a business that directly competes with the business of DCP.
- Insider Trading.
- Negotiating on behalf of the Group for the purchase of materials etc. from a Group in which the Director, Employees, or any close family member, has a financial interest without disclosing to the Board; and
- Acceptance of substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interests of the Group.

4.1. Al Directors and Employees are encouraged to seek clarification from the

Company Secretary when they are in doubt to clarify whether a particular act constitute a conflict of interest or not.

4.2. In order to avoid conflicts of interest, affected persons must not place themselves in a position where their personal interest conflicts with the interests of the Group.

4.3. This policy further distinguishes and elaborates on three (3) major conflicts of interest as it relates to the Directors which will be addressed separately in this document. They include the following:

- Related Party Transactions comprising contracts and credit transactions such as credit sales and intercompany loans.
- Family Directorship and;
- Independent Director Conflicts of Interest.

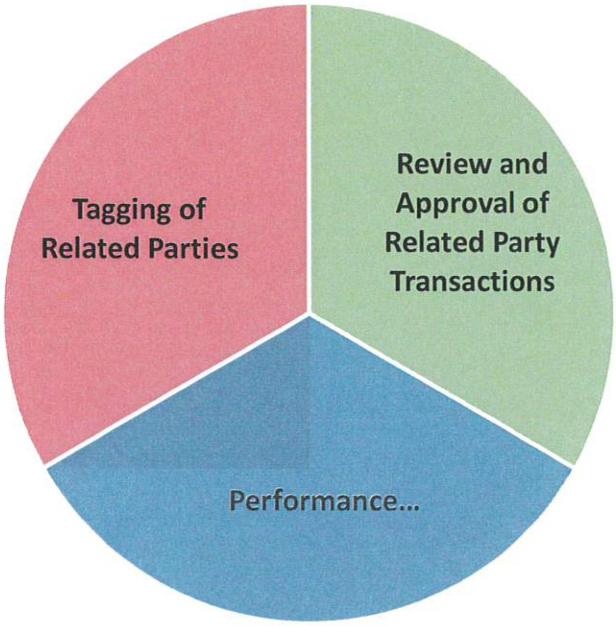
5.0. Related Party Transactions

5.1. A related party refers to any Director of the Group, any nominee for directorship, any shareholder owning more than 0.1% of the total equity of the Group, associate companies and any close family member of a Director, or shareholder.

5.2. A related party transaction refers to the transfer of resources, services or obligations between a related party and the Group, regardless of whether a price is charged. Related party transactions comprise provision of contracts or services by related parties or provision of credit limits to related parties. Examples of related party transactions include but are not limited to:

- Services or sales of goods by the Group to any Director or any close family member of a Director to the Group.
- Contracts/services provided by related parties to the Group or any of its subsidiaries.
- Personal loans and credit lines made or maintained by the Company to a Director, or a close family member of the Director to the Group; and
- Any charitable contribution by the Group to a charitable organisation or foundation where a related person is an employee.

Procedure for Addressing Related Party Transactions



Tagging of Related Parties

Tagging enables the Group to identify, monitor and report related party transactions. It involves capturing related transactions carried out by a related party with regards to a Director. The following procedures will be carried out to ensure adequate identification of Director related party interests:

a. On appointment, Directors shall be expected to declare their interests in institutions, companies or partnerships in which he or she is a Director, officer, servant, creditor or a holder of substantial shares (>0.1%) or other securities. Directors shall make subsequent declarations of interest at least annually. (See Appendix I for Declaration of Interest Form).

b. Directors that provide services to the Group or whose immediate family members do, shall also declare such services and the names of the companies involved. (See Appendix I).

c. Directors that receive goods on credit from the Group or whose immediate family members do, shall also declare credit limits and the names of the companies involved. (See Appendix I).

d. The Company Secretary shall collate the information provided in sections A, B and C above and maintain a register of Directors' interests which shall be updated regularly. The list shall be kept with the Company Secretary and be available for reference when business transactions are considered. (See Appendix II for the Conflict-of-Interest Register).

e. Directors will be expected to promptly notify the Company Secretary of any change or updates in their interest using the 'Declaration of Interest Form' prior to the commencement of each Board meeting.

f. Directors are also required to notify existing or perceived conflicts of interest using the 'Conflict of Interest Form' prior to the commencement of each Board meeting.

g. If the Director was not present at the meeting at which the related transaction was discussed, he shall at the earliest reasonable opportunity, not later than the next Board meeting, state his interest in the proposed transaction. Where the Director becomes interested in any transaction after it has been approved, the disclosure shall be made at the first Board meeting held after he becomes interested.

h. The Company Secretary will respond to disclosures by:

- Recording in the minutes of the meeting a member's disclosure on related party transactions.
- Updating the conflict of interest register with periodic disclosures.
- Forwarding a list of related party transactions where a Director has interests to the relevant units of the Group for adequate monitoring and review. These units include internal audit, risk management, procurement for contracts and finance function for credit transactions.

Process (tagging of Related Parties):

i. All related party transaction shall be approved as follows:

Activity	Frequency	Level of Approval

Approval of related party for registration and transactions e.g., registration of related party vendor or credit customer.	Quarterly	Board
Approval of transactions e.g., approval of vendor payments, credit sales, intercompany loans, etc.	Routinely	Subject to Limit
Review and ratification of all related party transactions by type, company and value	Quarterly	Board

ii. In assessing a related party contract, the Board shall consider such factors as it deems appropriate, including:

- The benefits of the transaction to the Group. If the terms of the related party transaction are fair to the Group and on the same basis as it would apply if the transaction did not involve a related party.
- The materiality of the related party transaction to the Group.
- The Director's related company(ies) performance on prior transactions approved by the Board.

iii. Any director who has an interest in the related transaction being discussed shall excuse himself or herself from any reporting, discussions and voting on the transaction and, if necessary, from the section of the Board or relevant Board Committee meeting.

iv. The Board will not approve a related party transaction unless it is determined that, upon consideration of all relevant information, the transaction is in the best interests of the Group and its shareholders.

v. All related party transactions shall be approved and granted at arm's length and in the normal course of business.

Performance

a. All related party transactions shall be subject to performance reviews on a quarterly basis based on defined key performance indicators as defined in the contracts.

b. All related party credits shall be subject to an ageing analysis along with other credit transactions in the Group's portfolio on a quarterly basis.

c. Where payment on a related party credit has been outstanding for up to 30 days or beyond the Group's collection period, the related party shall be notified and asked to facilitate the rectification of the performance of such credit.

d. A director shall be disqualified from the Board if any of the credit granted to a company related to him is classified non-performing by the Group.

Un-tagging of Related Party Transactions

a. On resignation or retirement of a Director from the Board (whichever is applicable), related party transactions shall continue to be disclosed in the Group's annual report, regulatory returns and any other required media in accordance with and in the manner required by the relevant laws, rules and regulations necessitating the disclosure, until all obligations have been made by the Director or related company with respect to the related party transaction.

b. No related party credit shall be written-off except with the approval of shareholders.

Interlocking Directorship

a. To safeguard the objectivity and independence of the Board, cross memberships of Directors on the boards of two or more companies will be presented to the full Board through the Chairman for approval.

b. Cross-memberships of Directors on boards of competing companies in not allowed.

Independent Director Conflict of Interest

An Independent Director shall be free of any relationship with the Group or its management that may lead to potential conflicts of interest and thus impair, or appear to impair, the Director's ability to make independent judgments. In accordance with the provisions of the SEC Guidelines, Nigerian Code of Corporate Governance, and Companies & Allied Matters Act 2020, Independent Directors should not:

a. Be a substantial shareholder of the Group that is one whose shareholding, directly or indirectly, does not exceed the regulatory threshold.

b. Be a representative of a shareholder that has the ability to control or significantly influence management.

c. Have been employed by the Group or has served in any executive capacity in the Group for the preceding three (3) financial years.

d. Be a member of the immediate family of an individual who is or has been in any of the past three (3) financial years, employed by the Group in an executive capacity.

Disclosure in the Annual Report

a. All Conflicts of Interest shall be disclosed in the Group's Annual Report, regulatory returns and any other required media in accordance with and in the manner required by the relevant laws, rules and regulations necessitating the disclosure.

b. The disclosures on related transactions shall at a minimum, include the following:

- The name of the related party.
- Details of the transaction and the Director's interest in transaction with the Group.

c. The value of the amount involved in the transaction and of the related person's interest in the transaction; and a statement whether the transaction was conducted at arm's length.

d. The disclosures required to be made for related party transactions shall be made separately for each of the following categories:

- The Group.
- Entities with joint control or significant influence over the entity.
- Affiliates.
- Associates.
- Joint ventures in which the entity is a partner.
- Key management Personnel of the Group.
- Directors

Disclosures on related party credits in financial statements shall be made as follows:

- The amount of the transactions.
- The aggregate amount of related party credits or loans, and advances, outstanding as at the financial year-end.
- Notes to the accounts on guarantees, commitments and other contingent liabilities on transactions arising from related-party transactions.
- Details on the non-performing credits or loans further analysed by security, maturity, performance, provision and name of borrowers.
- The expense recognised during the period in respect of bad or doubtful debts from related parties; and
- A statement whether the transaction was conducted at arm's length.

Procedure for Handling conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, the following must be done:

a) In the case of a Director, Directors shall promptly disclose any real or potential conflict of interest that they may have regarding any matter that may come before the Board or its Committees.

b) A Director shall abstain from discussions and voting on any matter in which the Director has or may have a conflict of interest and shall be requested to exit the meeting during the discussions.

c) Where a Director is uncertain as to whether he or she is in a conflict-of-interest situation, such a Director shall be required to seek guidance from the Chairman of the Board or the Company Secretary.

d) Where any question arises before the Board as to the existence of any real or perceived conflict, the Board shall by simple majority determine if the conflict exists.

e) The Director(s) potentially in the conflict-of-interest situation shall not participate in any discussion nor vote on the issue.

f) Disclosure by a Director of a real, potential or perceived conflict of interest or a decision by the Board as to whether a conflict of interest exists shall be recorded in the minutes of the meeting.

g) It must also be entered into DCP's register of interests, as well as being raised with the Board. Where all of the other Board members share a conflict, the Board should refer to governance standard guideline to ensure that proper disclosure occurs. The register of interests must be maintained by the Company Secretary, and information related to a conflict of interest recorded therein (including the nature and extent of the conflict of interest and any steps taken to address it).

h) In the case of Staff, Senior Management personnel, Employees shall promptly disclose all material facts relating to the conflict of interest to the Company Secretary. The Company Secretary shall record such report in DCP's register of interests and the Company Secretary/Management would conduct proper investigation and material fact to determine whether a conflict of interest has occurred and give directives on how the conflict would be restored.

Duty to Raise Concerns

- Employees are encouraged to notify the Company Secretary of any actual or perceived conflict of interest as soon as they become aware of same.
- Directors who are aware of any real, potential or perceived conflict of interest on any fellow Director shall have a responsibility to raise the issue promptly for clarification either with the Director concerned, the Chairman of the Board or with the Company Secretary.

Roles and Responsibilities of Stakeholders

a. Board of Directors

   i. Assess the conflict-of-interest situations.

   ii. Ensure that conflicts are managed appropriately.

   iii. Approve or otherwise all related party transactions.

   iv. Approve the conflict-of-interest policy and ensure that it is adhered to.

   v. Review and take disciplinary actions in violations of the conflict-of-interest policy.

   vi. Review the inclusion of a related party in the Group's approved supplier list i.e., a company/entity controlled/managed by the Group's Director(s) or substantial shareholder(s) (including their family members); and

   vii. Recommend to the Board for approval, related party transactions with respect to Directors' contracts.

b. **Company Secretary**

The Company Secretary is to ensure that disclosure by Directors is adequately documented by:

i. Recording in the minutes of the meeting, a member's disclosure on related party transactions. This shall include a complete description of the transaction including:
   - The name of the related person and the basis on which the person is a related person.
   - The amount involved in the transaction; and
   - The purpose and timing of the transaction.

ii. Record in the minutes of the next meeting, a member's conflict of interest disclosure made outside of meeting times.

iii. Keep copies of declarations and standing declarations of conflict of interest in a conflicts of interest register.

iv. Maintain the conflict of interest register by updating it with periodic disclosures by Directors along the subsequent actions and resolutions to the conflict.

v. Provide updates to the Procurement and Finance Units of the Group, on Directors periodic disclosures.

c. **Board Audit, Compliance and Risk Management Committee**
   - Recommend or otherwise, credit limits granted to Directors and other entities related to the Directors for Board approval.
   - Ensure that concentration of credit risks exposures as they relate to related party transactions are within the approved limits of the Group.
   - Review periodic reports from the internal audit and risk management units on credit exposures to related party transactions and ensure that exposures are maintained at prudent levels.

d. **Procurement Unit**
   - Ensure the development of an approved suppliers list for the Group and ensure periodic updates are made with respect to related party transactions.
   - Ensure that adequate procedures are put in place to notify the Group of potential related party transaction and inform the Company Secretariat of any potential conflict of interest that they may have been identified during the course of their operations.

e. **Finance Unit**

- Maintain a database of related party transactions.
- Carry out quarterly periodic reviews of related party transactions and notify the Board Audit and Risk Committee of any exceptions. e.g., long overdue obligations.
- Notify the Board with respect to accounting implications of related party transactions, especially with respect to subsidiaries and affiliate companies.
- Compile information on related party transactions for disclosure in the Financial Statements.

f. **Employees**

- Employees shall be expected to declare conflict of interests (in the Declaration of Interest form in Appendix A of the Conflict of Interest for Employees) upon employment and subsequently as they may occur.
- The Company Secretary shall collate the information provided above and maintain a Conflict of Interest register for all staff which shall be updated regularly. The list shall be kept in the Company Secretariat of the Company and available for reference when business transactions are considered.
- Staff will be expected to promptly notify the Company Secretary or the Legal & Compliance Manager of any changes or updates in their interest during the year.

6.0. Breach of Policy

Breach of this policy may result in the following consequences for Directors or Employees to the extent permitted by applicable laws.

Any sanction determined by a properly constituted meeting of the Board of the Group; which sanction may include suspension from or termination of office; and Civil liability for profit made or loss avoided as a result of contravention of this policy.

7.0. Policy Review

This policy may be reviewed and updated every three (3) years or as the need may arise, to ensure that it remains current and consistent with best practices and applicable laws.'

Appendix I

General Notice of Declaration of Interest

FULL NAME: **NATIONALITY:**

RESIDENTIAL ADDRESS: **DATE OF BIRTH:**

BUSINESS ADDRESS: **OCCUPATION:**

POSTAL ADDRESS:

In line with the Conflict of Interest and Related Party Transactions Policy, I hereby give notice that I am interested in the companies/enterprises listed hereunder including:

NAME OF COMPANY OUTSIDE DANGOTE CEMENT PLC	REGISTERED ADDRESS	REGISTRATION NUMBER	NATURE OF INTEREST (I.E DIRECTOR OR SHAREHOLDER IF >0.1%)	DATE OF APPOINTMENT OR SHARE ACQUISITION	NUMBER OF Shares >0.1%	Relationship OF COMPANY WITH DCP (IF ANY)

Note: you can attach an extra sheet where the companies/enterprises are more than can be accommodated above

- ✓ All institutions where I am a Director.
- ✓ All institutions where I have significant shares (>0.1%).
- ✓ All institutions where my immediate family member has interests as indicated above

I am to be regarded as interested in any transaction that the Dangote Cement Plc may enter with those companies/enterprises.

DATE OF NOTICE

SIGNATURE

Appendix II

Conflict of Interest Register

The Conflict-of-Interest Register enables the Board to maintain a central record of declared conflicts of interest by the Board of Directors. It is to be used for the purpose of determining whether the risk of a potential conflict of interest has been appropriately managed by Board.

The Conflict-of-Interest register is to be maintained by the Company Secretary.

S/N	Name of Director	Directorship	Date of Disclosure	Disclosed Company	Nature of interest in Disclosed Company	Relationship of Company with DCP