



DANGOTE CEMENT PLC

Subsidiary Company Governance Framework

Version 2.0

Policy History

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This Policy has been approved by the Board:

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Table of Contents	<u>Page</u>
Glossary of Terms	4
Abbreviation	4 -5
1 Introduction.....	6
2 Subsidiary Governance	9
3 Subsidiary Delegation of Authority Matrix	24
4 Reporting Framework	36
5 APPENDIX I Subsidiary Board Charter	43
6 APPENDIX II Subsidiaries' Performance Reporting Template	64

Glossary of Terms

Term	Abbreviation	Definition
Annual Strategic Review	ASR	A periodic review of a subsidiary's medium-term strategy, performance, and alignment with Group objectives.
Board Nominations Committee	BNC	A committee of the DCP Group responsible for nominating directors to the boards of subsidiaries.
Chief Executive Officer	CEO	The most senior executive in a company, responsible for overall management.
Group Chief Executive Officer	GCEO	The CEO of the parent company (DCP), overseeing all subsidiaries.
Dangote Cement PLC	DCP	The parent company of all subsidiaries covered by this framework.
Director	–	A person appointed by shareholders to oversee and direct the affairs of a subsidiary company.
Executive Director	ED	A director involved in the day-to-day management of the company.
Executive Committee	EXCO	The senior management team of DCP responsible for strategic and operational decisions.
Group Managing Director/Chief Executive Officer	GMD/CEO	The top executive of DCP, responsible for Group-wide leadership and performance.
Human Resources	HR	The function responsible for managing people, policies, and organisational culture.
Internal Nominee	–	A DCP Group executive or director nominated to serve on a subsidiary board.
Key Performance Indicator	KPI	A measurable value that demonstrates how effectively a company is achieving key objectives.
Subsidiary Company	–	An entity wholly or partly owned by DCP, with operational cement facilities (bagging, grinding, or integrated).

Term	Abbreviation	Definition
Managing Director	MD	The chief executive of a subsidiary company, responsible for its operations.
Non-Executive Director	NED	A board member not involved in daily operations, providing independent oversight.
Parent Company	–	A company that holds controlling interest in one or more subsidiaries.
Securities and Exchange Commission	SEC	The regulatory authority overseeing capital markets and corporate governance.
The Group	–	Refers to Dangote Cement PLC and all its subsidiaries.

1 Introduction

1.1 Background

A Subsidiary may be established when Dangote Cement PLC (“DCP” or “the Group”):

- Invests the entire amount of the capital, thus becoming the only shareholder of a fully owned Subsidiary; and
- Contributes to the initial capital or acquires majority shares in an already existing company thus becoming the majority shareholder of the Subsidiary Company, along with other minority shareholders.

This manual presents the Subsidiary Governance Framework for DCP. It articulates the structures, policies and processes that will assist DCP’s Board of Directors (“the Board”) in the governance and control of its Subsidiary Companies with the goal of enhancing its shareholder value and achieving DCP’s vision, strategic objectives and business goals.

This manual also provides a platform for direction setting, determining accountabilities for tasks and setting parameters for directing and monitoring the performance of Subsidiary Companies.

1.2 Purpose

The purpose of the Subsidiary Company Governance Framework is to:

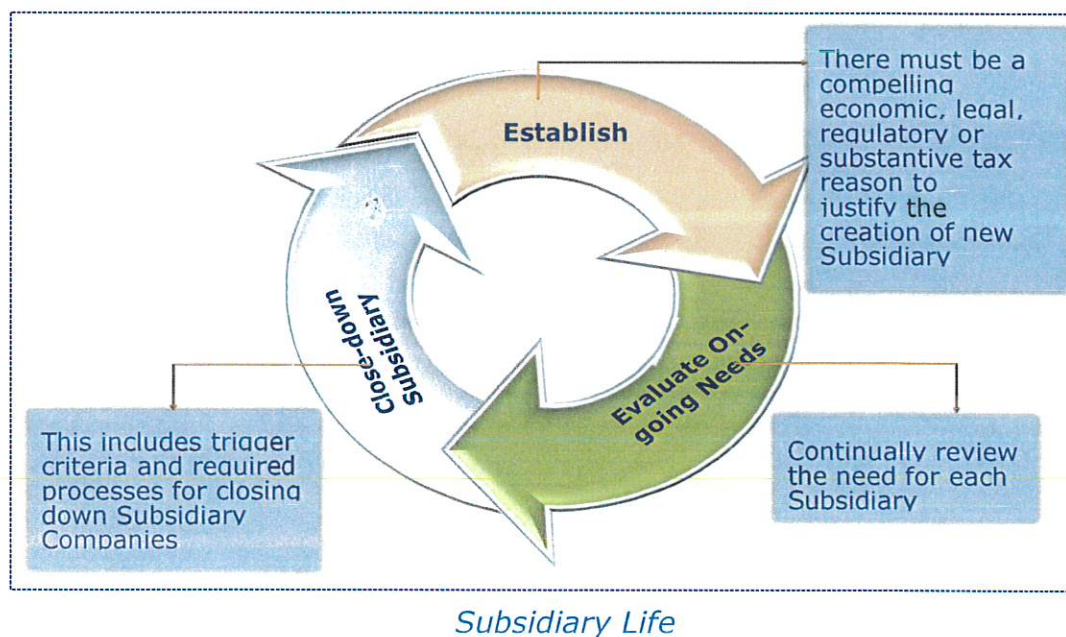
- Establish an effective corporate governance system in Subsidiary Companies that reflects leading corporate governance practices;
- Set out expectations, roles and responsibilities of the Board and the Boards of Subsidiary Companies (“Subsidiary Board”);
- Assist the Board and the Subsidiary Boards in discharging their roles and responsibilities in an effective manner;
- Determine the Subsidiary Board structures that would assist it to exercise adequate oversight of the activities of Subsidiary Companies; and
- Set out monitoring and accountability arrangements between the Board and the Subsidiary Board.

1.3 Subsidiary Company Life Cycle

Subsidiary Companies are part of the organisational make-up of the Group. They are often created to achieve the following:

- create tax efficiencies;
- mitigate risk and/or liability;
- enable expansion into broader geographic or regulated areas;
- make business units or divisions more autonomous thereby increasing accountability; and
- execute transactions with third parties.

Subsidiary Company lifecycle defines the stages in the life of a Subsidiary Company from establishment stage, to evaluating on-going needs and close-down of the Subsidiary Company as shown below:



1.3.1 Establishing New Subsidiary Companies:

A new Subsidiary, joint venture, partnership or trust may only be established upon recommendation by the Board of DCP.

In requesting for approval for the establishment of a Subsidiary Company, the initiator must present to the Board a detailed business case on how value will be returned to DCP's shareholders over time. The business case should include, but not be limited to, sections addressing strategic direction, capital structure, financial forecasts, dividend policy, risk management and tax implications.

In establishing a Subsidiary Company, the Board must assure itself that a compelling reason exists for the formation of a Subsidiary Company to be considered. The Board shall make final approval on the establishment of all Subsidiary Companies.

1.3.2 Pre-Operational Phase of Subsidiary Companies:

DCP Management in consultation with DIL Project Management shall be responsible for managing the Subsidiary Companies (including the management of their records) until they become fully operational and shall report directly to appropriate Group Vice President during this period. Upon becoming fully operational, such records shall be transferred to the relevant managers in the Subsidiary Companies.

1.3.3 Capitalisation of Subsidiary Companies:

During the pre-operational phase, the Group may grant loans and/or make payments on behalf of the Subsidiary Companies and maintain such separate financial records to account for all activities of the Subsidiary Companies in the period. When fully operational, DCP may make a deposit of funds towards the operations of the Subsidiary Companies either as a capital investment or borrowings and transfer all costs from its books to the books of the Subsidiary Companies as may be required.

1.3.4 Evaluating On-going Needs of Subsidiary Companies:

The Board shall ensure that existing Subsidiary Companies maintain their 'going concern' status. This is because a base cost is associated with keeping an inactive Subsidiary Company.

The Group shall evaluate the operating result of each Subsidiary Company on a quarterly and annual basis, comparing actual results with previously agreed budgets/strategic plans. The result of such evaluation shall be considered in determining necessary business development and transformation actions to be taken and the need for the continued existence of each Subsidiary Company.

The Group Executive Management shall ensure that the Group Board is kept informed through timely and balanced disclosure of all material matters concerning the Subsidiary Company.

1.3.5 Closing Subsidiary Companies:

A Subsidiary Company may be closed down as a result of one of the following:

- Difficulty in achieving sustainable growth in present market conditions;
- Optimization of management resources and the establishment of a more efficient operating system to better respond to customer needs;
- Inability to fulfill the original purpose of the Subsidiary Company; or
- Structural reforms throughout DCP aimed at maximizing growth potential and improving profitability.

A detailed business case on the proposal to close a Subsidiary Company shall be presented to the Board after deliberation and endorsement by DCP's Executive Management. This business case will include the regulatory, legal and tax implications of the proposed close-down. The business case shall be accompanied by a report from the Subsidiary Board on the proposed close-down.

The Board shall consider these reports before endorsing the closure of the Subsidiary Company. Approval for the closing down shall be obtained from the shareholders at a general meeting.

On closing a Subsidiary Company, the Board shall issue public statements on the reason for the close-down as it deems necessary and ensure adequate disclosures in the annual report.

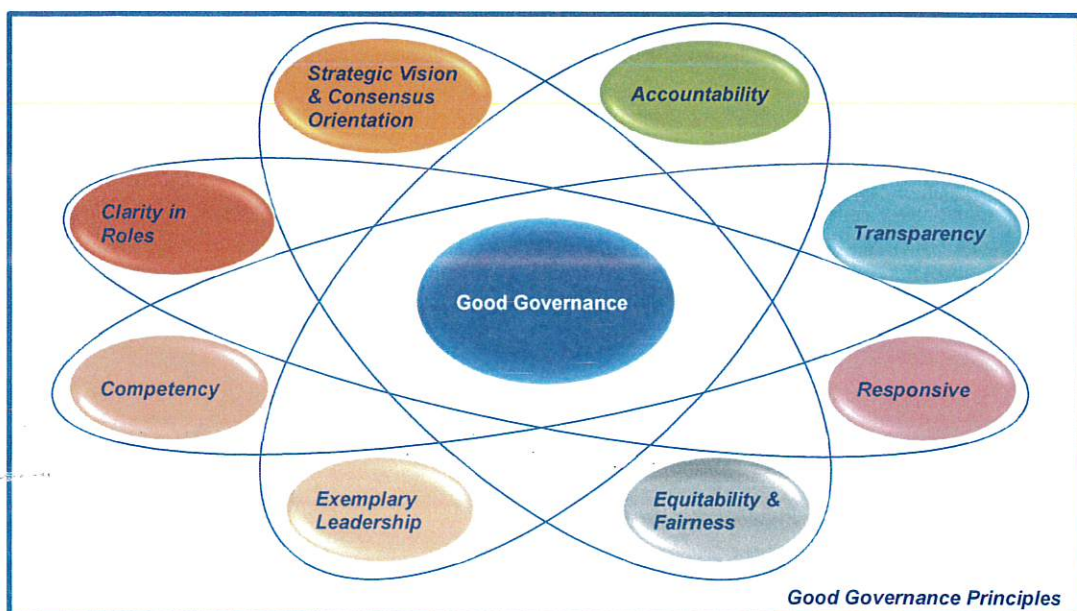
The Board may divest all or some of its interests in a Subsidiary Company in line with DCP's investment strategy.

1.4 Review and Update

The Board Remuneration and Governance Committee shall review and re-assess this framework at least every three (3) years or earlier as required and make recommendations to the Board in relation to required changes.

2 Subsidiary Governance

Corporate governance is a key element in enhancing investor confidence, promoting competitiveness, and ultimately increasing shareholder funds. Good corporate governance should be an all-pervading attribute and the basis for decision making within the Subsidiary Companies. Below are key elements of good governance:



The Group Board has put in place several mechanisms to ensure proper control and governance of the Subsidiary Companies during its lifecycle. These mechanisms are classified into two (2):

- Subsidiary Board Operations
- Subsidiary Management Operations

2.1 Subsidiary Board Operations

2.2 Subsidiary Management Operations

2.1.1	High-level Subsidiary Governance Structure	2.1.1	Subsidiary Human Resource s Management
2.1.2	Appointment and Removal of Directors	2.1.2	Subsidiary Business Performance Management
2.1.3	Subsidiary Board Composition	2.1.3	Intra-Group Transactions
2.1.4	Subsidiary Board Committees		
2.1.5	Governance Responsibilities		
2.1.6	Board Evaluation		
2.1.7	Tenure & Re-election		

2.1 Subsidiary Board Operations

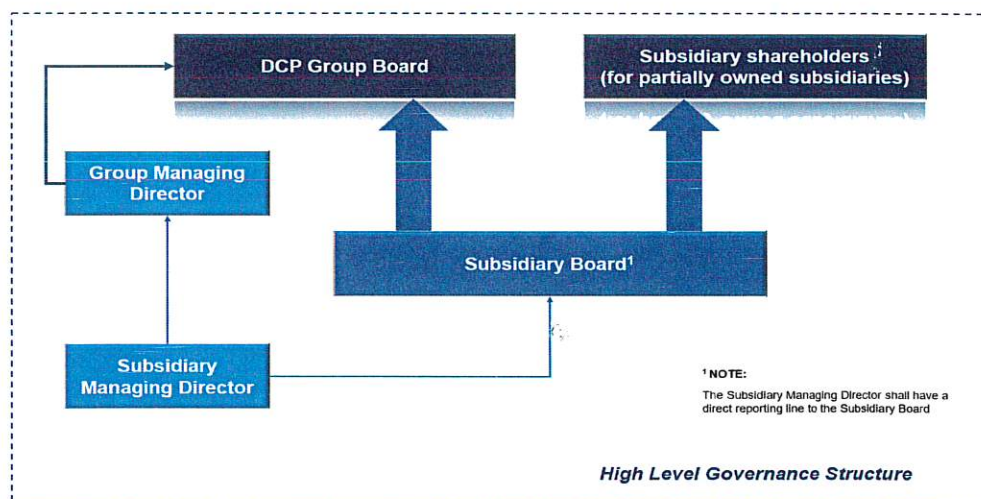
For the purpose of this framework, a *Subsidiary Company* refers to any entity in which Dangote Cement PLC holds a controlling interest, and which is engaged in one or more key activities within the cement value chain. This includes, but is not limited to, the extraction of raw materials (such as limestone and gypsum), clinker production, cement grinding, bagging and packaging, logistics and distribution, and the commercial sale of cement or any related by-products.

Each Subsidiary Company will have its own Board which would be responsible for the general supervision of the management and affairs of the Subsidiary Company and monitoring the overall performance of the Subsidiary Company's Executive Management.

Each Subsidiary Board shall be governed in line with the provisions of the Subsidiary Board Charter in Appendix I, subject to the statutory and corporate governance requirements of the country in which each Subsidiary Company operates. Key provisions are highlighted in the sections below:

2.1.1 High-Level Subsidiary Governance Structure

This governance structure has been developed around the need to set out the relationship between the Group Board, Subsidiary Board, Management and other shareholders. It establishes clearly defined role, responsibility, decision and authority structures and ensures adequate balance of power, with an inbuilt system of checks and balances at the key levels.



2.1.2 Appointment and Removal of Directors

The Group Board has a responsibility of nominating its representatives as directors to the Subsidiary Boards. This will help ensure that any nominated candidate meets the minimum requirements of the Subsidiary Boards as to skills, experience, background and other relevant attributes.

When a vacancy exists on the Subsidiary Board, the Group Board, through its Board Nominations Committee shall identify candidates with the appropriate expertise and experience, using external consultants, if necessary to shortlist and interview the candidates.

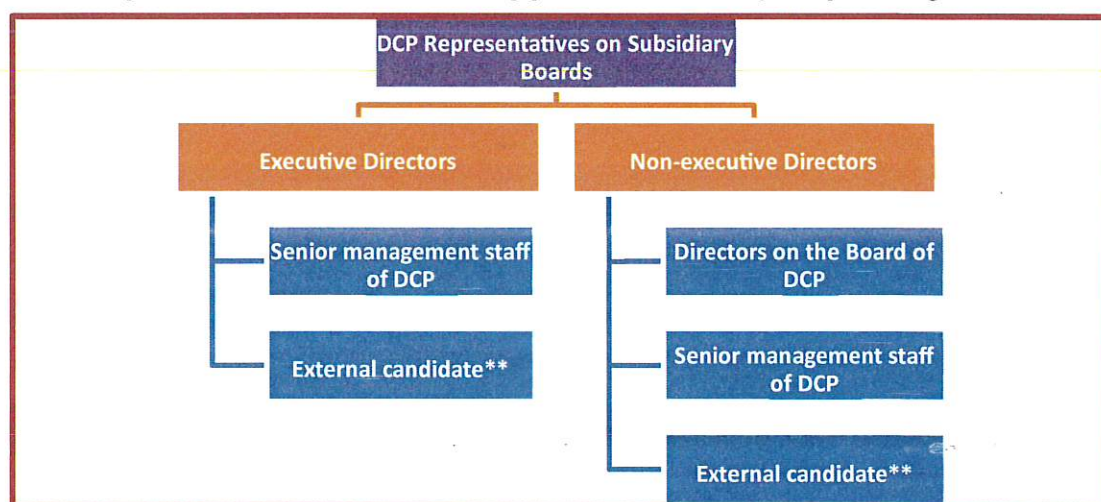
The nomination process shall be based on a careful analysis of the existing Subsidiary Board's strengths and weaknesses, its skills and experience gaps, diversity, etc. Nominees for appointments would be subjected to fit and proper checks to ensure that they are qualified to hold office, and their appointment will not have a negative impact on the Group and Subsidiary Company's reputation.

Below is a summary of Subsidiary appointment related decisions required from relevant stakeholders:

TYPE OF SUBSIDIARY BOARD APPOINTMENT	DECISION- MAKING ENTITY						
	Subsidiary MD	DCP GMD	DCP EXCO	BNC	DCP Board	Subsidiary Board	Minority shareholder
Managing Director representing DCP		I	C	I and E	E	A	INF
Executive Directors representing DCP	I	I/E	C	I and R	E	A	INF

Non-executive Directors representing DCP		C		I and R	E	A	INF
Chairman representing DCP		C		I and R	E	A	INF
Independent Directors		C		I and R	E	A	INF
Non-executive Directors representing minority shareholders (if any)		C		R	E	A	I/R
A – Approve; I – Initiate; C – Consult; E – Endorse; R –Recommend; INF – Inform							

The list of potential candidates for Directorship positions at subsidiary companies is given below:



** External candidates are candidates sourced outside DCP Group for Directorship positions on subsidiary company boards.

Qualification for Appointment:

- Persons being considered to serve on the Subsidiary Boards of DCP shall be qualified for appointment if they possess the requisite knowledge, experience and competencies to add value and appropriately discharge the duties for which they have been nominated.
- The Board may nominate Directors and Executive Management Staff of DCP Group (internal nominees) as a Director on a Subsidiary Board.
- The appointment of internal nominees as Directors of Subsidiary Companies should only be after careful consideration of their existing roles and responsibilities in DCP. In addition, an internal nominee:
 - ✓ must be a full-time executive management staff or a serving director who has served for at least one full year as a staff or director of DCP;
 - ✓ must be a General Manager in DCP Group at the minimum;
 - ✓ must not have open / unsatisfactorily resolved disciplinary or performance issues; and
 - ✓ shall not, following appointment, hold more than three subsidiary directorships in addition to their role at DCP.
- The Board may also nominate persons outside DCP as director on the Subsidiary Board where the Board considers it necessary in the interest of the Group and Subsidiary Company to nominate an outside person.
- Eligibility for appointment as director shall be subject to the statutory and corporate governance requirements of the country in which each Subsidiary Company operates.

2.1.3 Subsidiary Board Composition

The board composition of each Subsidiary Company shall be defined based on the provisions of this framework, except otherwise defined in the laws and regulations of the Subsidiary's host country, in which case the composition of the Board of each subsidiary company must comply with the legal requirements of the host country.

The Board of each Subsidiary Company shall consist of at least five (5) Directors and shall not exceed a maximum of nine (9) Directors. The Board size shall depend on the size of the operations in each Subsidiary.

Each Board shall consist of a majority of Non-Executive Directors and at least one (1) Independent Director. Preference shall be given to host country nationals, when sourcing for Directors for each Subsidiary Board.

The Group Board shall nominate its representatives on the Board of its Subsidiary Companies. The representatives may comprise Directors and Executive Management Staff of DCP Group, and the level of Group representation on a Subsidiary Board shall depend on the materiality of that

Subsidiary Company. The Group Managing Director shall be a member of the Board of all operational and material subsidiary companies.

For Subsidiary Companies that have minority shareholders with substantial shares for Board representation, the minority shareholders may nominate candidates to represent their interests. However, the Group Board shall nominate more than half of the Directors (representatives) on the Board of Subsidiary Companies.

The Subsidiary Managing Director shall be an Executive Member of the Subsidiary Board. DCP Board may also appoint other Senior Management Staff of the Subsidiary Companies as Executive members of the Subsidiary Board.

2.1.4 Subsidiary Board Committee Structure

Subsidiary Boards will deliberate on all matters until it is big enough to constitute committees and may delegate part of their functions to committees as they deem fit.

2.1.5 Subsidiary Governance Responsibilities

2.1.5.1 Responsibilities of Dangote Cement PLC Board of Directors (“the Group Board”)

The Group Board shall exercise strategic oversight and control over its Subsidiary Companies. The Group Board shall be responsible for the following:

Board Operations

- Nominate candidates to represent the Group on the Boards of the Subsidiary Companies based on the recommendation of the Group Board Nominations Committee, subject to the approval of the Subsidiary Board.
- Review and approve the annual evaluation of the performance of the Boards of Subsidiary Companies by the Group Board Remuneration and Governance Committee;
- Review and endorse the recommendations of the Group Board Remuneration and Governance Committee in relation to changes to the Subsidiary charters and governance practices;
- Review and endorse the recommendations of the Subsidiary Boards and the designated Group Board Committee in respect of the recruitment of Executive Management Staff of the Subsidiary Companies;
- Review and approve the recommendations of the Subsidiary Board in relation to remuneration of directors of Subsidiary Companies. This includes the review of the following:
 - Ensure relative uniformity in the remuneration of Non-executive Directors across the Group in line with relevant corporate governance codes; and
 - Ensure that the remuneration of the Executive Management of Subsidiary Companies is performance driven, risk-adjusted and is restricted to base salaries, performance bonuses and share options (if any).

Monitoring and Evaluation

- Ensure the Boards of Subsidiary Companies act in compliance with all relevant and applicable legislative and regulatory rules, in carrying out the duties;
- Promote and protect the interest of the Group's stakeholders;
- Monitor Subsidiary Companies' operations and performance, ensuring competent and prudent management, sound planning, proper procedures for the maintenance of adequate accounting and systems of internal control, and for compliance with statutory and regulatory obligations;
- Set key performance indicators for the Subsidiary Companies such as profitability, target rates of return on capital and assets and other financial ratios;
- Consider emerging issues which may be material to the business and affairs of the Subsidiary Companies and ensure such issues are adequately dealt with by the Subsidiary Boards;
- Ensure monitoring and review of Subsidiary Companies' capital and liquidity positions;
- Review and approve proposals for the allocation of capital and other resources for the Subsidiary Companies;
- Receive quarterly operational and financial reports from the Subsidiary Companies and review actual performance in the light of the Group's strategy, objectives, corporate and business plans and budget;
- Ensure the establishment, implementation and monitoring of an enterprise-wide risk management framework to identify, assess and manage risks facing the Subsidiary Companies;
- Ensure the development and implementation of a sound system of internal control in the Subsidiary Company, to safeguard DCP's investment and the assets;
- Establish and maintain appropriate accounting policies for the Group;
- Endorse the appointment of the Subsidiary Company's external auditors; and
- Review periodically the executive summary of the internal audit reports of Subsidiary Companies noting significant audit and compliance issues and proposed action and remediation plans.

Strategy

- Consider strategic issues and risk, and approve expenditure over certain limits in respect to material business decisions as articulated in the delegation of authority matrix;
- Review and endorse the Subsidiary Companies' strategic plan;
- Ratify material acquisitions and disposals of assets and share acquisitions and disposals which are significant in terms of the business of the Group; and
- Ratify material joint ventures, strategic partnerships and alliances by the Subsidiary Companies which are significant to the Group.

These responsibilities do not however suggest that, the Group Board should assume the responsibilities for the performance of specific duties of the boards of Subsidiary Companies.

2.1.5.2 Responsibilities of Subsidiary Boards

The Subsidiary Board is responsible for protecting the interest, preserving and enhancing the value of the Group. The Subsidiary Board shall oversee management of the Subsidiary Companies while ensuring independence in the day-to-day running of the business.

The responsibilities of the Subsidiary Board to the Group are as follows:

- Approve the Subsidiary Company's vision, mission and proposed amendments in line with the Group's vision and mission;
- Approve the Subsidiary Company's strategy and annual budgets and ensure alignment with the Group strategy;
- Monitor the level of implementation of the approved strategy by the Subsidiary Management;
- Monitor the performance of the Subsidiary Company against the approved annual budget and strategic plan;
- Review and approve proposals for the allocation of capital and other resources in the Subsidiary Company subject to endorsement by the Group Board;
- Review and approve the appointment, retention and removal of the Subsidiary MD and other Executive Directors in the Subsidiary Company subject to the endorsement of the Group Board;
- Review and approve the appointment, retention and removal of the Subsidiary Non-executive Directors subject to the endorsement of the Group Board;
- Review on a regular and continuing basis, the succession planning for the Subsidiary Board, Subsidiary MD and its Senior Management Staff;
- Approve the appointment, promotion and removal of the senior management staff within the Subsidiary Company subject to endorsement of the Group Board;
- Approve disciplinary actions to be carried out against senior management staff from SM grades and above within the Subsidiary Company subject to endorsement of the Group Board;
- Review and approve the performance of the Subsidiary MD, and inform the Group Board as appropriate;
- Oversee the implementation and monitoring of the Group's risk management framework in the Subsidiary Company;
- Oversee the Subsidiary Company's financial position including the size, nature and term of its significant debt facilities and its ability to meet its debts as and when they fall due;
- Approve the annual, and/or interim financial statements and annual reports of Subsidiary Companies and ensure the statements have been prepared in accordance with the Group's accounting policies;

- Review and recommend changes to the charters/terms of reference for directors on the Subsidiary Board based on consultation with the Group Governance Committee;
- Regularly review the Subsidiary Company's processes and procedures to ensure the effectiveness of its system of internal controls to safeguard shareholders' investment and the assets of the Subsidiary Company;
- Review significant audit and compliance issues and approve action and remedial plans;
- Promote and protect the interest of the all stakeholders (the Group, other investors outside the Group, staff, government, etc.); and
- Have ultimate responsibility for systems of financial, operational and regulatory compliance of the company.

2.1.5.3 Responsibilities of Directors of the Subsidiary Board

Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. Broadly, Directors' responsibilities include:

- Acting in good faith and in the best interests of the Subsidiary Company;
- Acting with care and diligence and for proper purpose;
- Avoiding conflicts of interest; and
- Refraining from making improper use of information and taking improper advantage gained through the position of Director.

2.1.5.4 Responsibilities of a Subsidiary Managing Director

The Subsidiary Managing Director is the head of the executive team and manages the day-to-day operations of the Subsidiary Company. He/she implements the Subsidiary Board's strategy and ensures that the organization's structure, processes and reporting requirements meet the strategic and cultural needs of the Subsidiary Company. The Subsidiary Managing Director shall also:

- Collaborate with the Board to define and articulate the Company's vision and to develop the Company's overall business strategy.
- Create annual operating plans that support the strategic direction set by the Subsidiary Board.
- Create and maintain procedures for implementing plans approved by the Subsidiary Board of Directors.
- Stay abreast of current trends related to the Company's products and services and anticipate likely future impacts.
- Develop and maintain procedures/avenues to keep abreast with the performance of the Subsidiary's functions. This can be achieved through:
 - Monthly Management Meetings;
 - Reports from various functional heads; and

- Annual management strategy sessions.
- Evaluate the performance of his/her management team and divisional heads on a regular basis.
- Keep under review the integrity of all control systems and management processes including risk management.
- Support the Chairman and the Company Secretary to ensure compliance with the Subsidiary Board's approved procedures.
- Oversee the operations of the Company and ensure compliance with legal and regulatory obligations.
- Provide the Subsidiary Board and Board committees with prompt, thorough, sufficient and accurate information to enable them to maintain effective oversight of the Company activities.
- Serve as the primary spokesperson and representative for the Subsidiary Company.

2.1.6 Subsidiary Board Performance Management

The Subsidiary Board of Directors shall undertake a formal annual evaluation of their own performance and that of their Committees and individual Directors. The evaluation process shall be a constructive tool for improving the Board's performance.

The process shall be objective, independent, fair and shall ensure maximum confidentiality of the results including feedback received from peers.

A summary of the appraisal process and results of the board evaluation shall be disclosed to the Group Board through its Remuneration and Governance Committee.

The evaluation process shall be in line with the provisions of the Subsidiary Board Charter in Appendix I.

2.1.7 Tenure and Re-election of Directors

The tenure and re-election processes and policies applicable at the Group level shall also apply to Directors of Subsidiary Companies (Appendix I), subject to the statutory and corporate governance requirements of the country in which each Subsidiary Company operates.

2.1.8 Subsidiary Directors' Remuneration

The Group Board shall establish consistent remuneration framework for Directors within its Subsidiary Companies using a formal and transparent process in line with the Group's Board Remuneration Policy.

Directors' remuneration shall be set at levels that enable Subsidiary Companies attract, motivate and retain the right caliber of Directors required to efficiently direct the operations and growth of the business.

Each Subsidiary Board shall recommend Directors' remuneration in line with the Group's remuneration framework, for approval by the Group Board (and shareholders where there are minority shareholders other than the Group).

The remuneration of the MD and other EDs seconded from the Group shall be determined by the Group and defined in their employment contract with the Group.

The remuneration of the MD and EDs shall be performance driven and in line with their individual contracts. Their performance-based incentive programs shall be aligned to both individual and overall performance of the Subsidiary Company. It shall comprise the following:

Component	Payment Frequency
Base salary	Monthly
Benefits and allowances	Monthly/Quartely/Annually
Performance incentive	Annually

The remuneration of Non-Executive Directors on Subsidiary Boards shall be set at a level that is in the minimum, at par with peer companies and market development. It shall comprise the following:

Component	Payment Frequency
Director's fees	Annually
Sitting allowance	Per Sitting
Training Allowance/Per Diem/Reimbursable Expenses	As required

Payment of sitting allowance shall be determined by the local laws of each subsidiary and the remuneration process shall be in line with the provisions of the Subsidiary Board Charter in Appendix I.

2.2 Subsidiary Management Operations

Each Subsidiary Company will have its own management team which would be responsible for managing the day-to-day affairs of the Subsidiary Company.

The management operations of each Subsidiary Company shall be governed in line with the provisions highlighted in the sections below:

2.2.1 Subsidiary Human Resource Management

Staff Hiring/Secondment

- The MD/CEOs of the Subsidiary Companies shall be employed by the Group and seconded to the Subsidiary Companies.
- Other functional heads of the Subsidiary Companies can be direct employees of the Subsidiary Company or seconded from the Group where the Group has the required talents that are available for such positions.

However, the overriding factor in hiring management staff should be based on relevant experience, competence and ability to deliver.

- The Group's conditions of service, including salaries and allowances, would apply to the staff deployed to occupy key positions at a Subsidiary Company.
- In addition, the personal remuneration attached to the grades in the Group and some other benefits may be given to the officers as considered appropriate by the Subsidiary Company to facilitate the performance of their functions.
- All the remuneration and any added benefits of the officers seconded to the Subsidiary Companies would be borne by the Subsidiary Company.

Staff Remuneration

- The management of each Subsidiary Company will determine the salaries and allowances of the staff of the Subsidiary Companies, considering:
 - The respective industry/local practice;
 - Group Remuneration Policy;
 - Subsidiary Company's capability to pay; and
 - Any other factor(s) that may be deemed necessary.
- The management of the Subsidiary shall determine staff salaries and allowances with the guidance of the Group Chief HR Officer.
- Changes in foreign exchange rates between the Subsidiary's host country and home country of staff shall be considered when determining the remuneration of seconded Staff.

Appraisals/Disciplinary Actions

- The management of the Subsidiary shall be responsible for the appraisal of its entire staff including those seconded by the Group.

However, the appraisal of seconded staff from the Group should be sent to the Group Chief HR Officer and the relevant Group functional head for record update before the promotion of such staff is announced by the Subsidiary Company.

- The appraisal of the MD of the Subsidiary Company shall be performed by the respective Subsidiary Board, with input from the Group Managing Director/CEO.

Where the Subsidiary MD has been seconded by the Group, the approved evaluation should be sent to the Group Chief HR Officer for record purposes.

- The Board and management of each Subsidiary Company will be responsible for all disciplinary issues including those involving employees seconded by the Group.

However, decisions regarding disciplinary matters involving seconded employees should be submitted to the Group Chief Human Resources Officer for record-keeping purpose.

2.2.2 Subsidiary Business Performance Management

The Group shall monitor the business activities of the Subsidiary Companies through the following processes as described below:

Group Management Oversight

The Group Executive Committee through the Group Managing Director/CEO shall exercise management oversight over the performance of the Subsidiary Companies. The Group Executive Committee should seek to improve the performance of Subsidiary Companies in order to improve the overall performance of the Group; and also to identify areas of synergy in order to harness and maximize the Group's resources.

The Group Executive Committee can direct the Group's internal audit/internal control function to carry out a specific audit of a Subsidiary Company and make appropriate recommendations to the Subsidiary MD, Subsidiary Board and/or Group Board for implementation as may be deemed appropriate.

Regular Business Review

Each Subsidiary Company will present its annual budget through the Group Managing Director/CEO to the Group Executive Committee for review and endorsement before sending it to their respective Boards for final approval.

Monthly Executive Committee (EXCO) meetings and Annual Strategy Review (ASR) sessions will be organised within the Group. The EXCO meetings will focus mainly on examining the performance and level of implementation of the short-term business strategy of the Subsidiary Companies. The session will also be used to review the performance of the Subsidiary Companies, identify areas where the Group Executive Management can support each Subsidiary Company, articulate areas of synergy between the Group and the Subsidiary Companies on one hand and among the Subsidiary Companies on the other, and agree on plans of action for the Group's optimal benefit.

The ASR will assess each Subsidiary Company's medium-term strategy in the light of development within the operating environment and business prospects, as well as the overall Group strategy.

Overall, the meetings will assist in facilitating the realization of the Group objectives, especially in relation to exploiting Group synergy.

Functional Oversight

The Heads of Finance, Internal Audit, Legal Services and Risk Management Units shall have a direct reporting line to their Functional Group Heads in DCP Group and a dotted reporting line to their Subsidiary Managing Director. The Head of HR of the Subsidiary company shall have a direct reporting line to the designated HRBPs and a dotted line to the subsidiary Managing Director.

All other relevant key functional heads of the Subsidiary Companies shall have a dotted reporting line to Group Officers in DCP Group and a direct reporting line to the Subsidiary Managing Director.

Dotted reporting lines will help to enhance the following:

- Regular reporting to the Group on the activities of the Subsidiary Companies;
- Compliance with corporate governance and regulatory requirements;
- Optimization of resource utilization;
- Ensuring optimal Group risk management; and □ Enhancing overall Group performance.

2.2.3 Intra-group Transactions

Companies within the Group shall be preferred service providers to one another i.e. the services/products rendered by companies within the Group shall be utilised where required.

Where the Group/Subsidiary renders the type of services required by the Group or vice versa, the Group/Subsidiary is mandated to engage the other party to provide such services; however, the following conditions shall apply:

- The service provided by the Subsidiary must be comparable in cost and service quality to services provided by peer companies;
- The service provided shall be at arm's length and satisfy the provisions of the Group's Transfer Pricing policy (if applicable)
- The business transaction with the Subsidiary Company shall be governed by a contract agreed to by both parties; and
- The business transaction between DCP Group and its Subsidiary Companies shall be disclosed in the related party transaction report presented quarterly to the Board of DCP, even though such transaction is eliminated upon consolidation in the annual report.

DELEGATION OF AUTHORITY MATRIX

- ❖ Strategy and Policy Matters
- ❖ Material Business Decisions
- ❖ Financial
- ❖ Human Resource
- ❖ Governance
- ❖ Risk Management

3 Subsidiary Delegation of Authority Matrix Key Principles

Certain decisions due to their materiality shall be reserved for endorsement of DCP Group's Board and shall be acted upon in line with the Delegation of Authority Framework between DCP Board and Management.

For the intent and purpose of this Framework, the following actions shall be defined as follows:

Action	Definition
I – Initiate	To commence a decision-making process
ADT – Adapt	To adjust or modify Group-wide decisions or policies to suit a local subsidiary without altering the intent of the decision or policy
C – Consult	To seek view and opinion of other authorities before taking decisions.
R – Recommend	To qualify proposed decision for approval. The divergent view of a recommending party invalidates a matter from being presented to higher authority for approval.
E – Endorse	To pre-approve a recommended decision before it is presented to a higher authority for final approval. It is typically used where more than one party is required to approve a decision or where higher approval is required from a governance perspective. The divergent view of endorsing party invalidates a matter from being presented to higher authority for approval.
A – Approve	To officially accept a decision
I – Inform	To notify a party of a decision that has been made

3.1 Matters Reserved for the Group

Certain matters shall be reserved for DCP Group, in order to promote consistency across the Group, while the Subsidiary Companies reserve the right to adapt the Group-approved decisions for their local use. The delegation of authority for such matters are highlighted below:

	DECISION- MAKING ITEM	DECISION- MAKING ENTITY					
		DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary MD	Subsidiary Board	Subsidiary Shareholders
1.1	Definition and amendments to mission, vision & values	I	R	E	ADT endorsed statements	A adapted statements	
1.2	Approval of key policies (e.g. HR, Accounting, Budgeting, Dividend, Tax, Production, etc.) of the Subsidiary or any significant change therein	I	R	E	ADT endorsed policies	A adapted policies	
1.3	Approval of financial/ non-financial approval limits*	I	R	E	ADT endorsed limits	A adapted limits	
*NOTE: The Subsidiaries shall be subject to the procurement, treasury and cash call policies to be established by DCP Group							

1.4	New product concept and development/launch/commercialisation and removal	I	R	E	ADT		
	DECISION- MAKING ITEM	DECISION- MAKING ENTITY					
		DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary MD	Subsidiary Board	Subsidiary Shareholders
1.5	Approval of risk philosophies, risk strategies and risk policies	I	R	E	ADT endorsed policies	A adapted policies	
1.6	Approval of Corporate Governance Framework including Board and Committee Charters, governance policies, etc.			I/A Governance Framework		ADT and Approve adapted Framework	

3.2 Other Matters

This relates to other matters that may be initiated either at the Group or Subsidiary level. The delegation of authority for such matters are highlighted below:

DECISION- MAKING ITEM	DECISION- MAKING ENTITY
------------------------------	--------------------------------

		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary Shareholders
1.1	Material Business Decisions – Policy Matters						
1.1.1	Changes to the Memorandum & Articles of Association	I	E	C	C	E	A
1.2	Material Business Decisions – Corporate Transactions and Restructuring						
1.2.1	Mergers, acquisitions, joint ventures and disposals	I	E	I/C	C	E	A
1.2.2	Disposal of intangible assets e.g. right to mines	I	A	I/C	C	E	
1.2.3	Approval to embark on capital projects	I	A	I/C	C	E	
1.2.4	Changes to capital structure including raising new capital, share issue, share allotment, etc.	I	E	C	C	E	A

DECISION- MAKING ITEM	DECISION- MAKING ENTITY
-----------------------	-------------------------

		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary Shareholders
1.3	Material Business Decisions – Operational Strategy						
1.3.1	Strategy formulation and approval	I	A	C	E	E	
1.3.2	Selection of technical partners and agreement of technical /royalty fees		A	I	C	E	
1.3.3	Relocation of Subsidiary office	I	A	C	C	E	
1.3.4	Change of name of the Subsidiary Company	I	A	C	C	E	
1.3.5	Initiating and defending or settling of material litigation	I	A	C	E	E	
2.1	Financial Matters – Budgeting						
2.1.1	Approval of annual budget	I	A	C	E	E	
2.2	Financial Matters – Accounting						

2.2.1	Approval of Annual Report and Accounts	I	E	C	E	E	A
DECISION- MAKING ITEM		DECISION- MAKING ENTITY					
		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary Shareholders
2.2.2	Approval of interim financial statements	I	A	C	E		
2.3	Financial Matters – Taxation						
2.3.1	Significant tax restructuring exercise	I	A	C	C	E	
2.4	Financial Matters – Asset Management						
2.4.1	Approval to acquire fixed asset	I/A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	
2.4.2	Disposal of fixed assets	I	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	

2.4.3	Approval of credit limit	I	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit
2.4.4	Write-off of bad debts	I	A* subject to Authority limit	E	E	E

DECISION- MAKING ITEM		DECISION- MAKING ENTITY				
		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees
						Subsidiary Shareholders
2.5	Financial Matters – Treasury					
2.5.1	Significant borrowing and financing by Subsidiary Company	I	A	C	E	E
2.5.2	Guarantees to related companies and third parties	I	A	R	C	E
2.5.4	Approval of interim and final dividend	I	E	R	C	E
						A

2.5.5	Opening and closing of bank accounts	I	A		E		
2.5.6	Intra –bank transfers	A					
2.6	Financial Matters – Expenditure						
2.6.1	Capital and operating expenditure within budget	I	A* subject to Authority limit	A* subject to Authority limit	A* subject to Authority limit	A	

DECISION- MAKING ITEM		DECISION- MAKING ENTITY					
		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary Shareholders
2.6.2	Capital and operating expenditure outside budget	I	E	R	R	A	
3	Human Resource						

3.1	Approval of organisational structure or changes to it	I	A	C	E	E	
3.3	Recruitment, discipline and removal of Executive Directors	I	A	C	E	E	
3.4	Recruitment, discipline and removal of Senior Management Staff	I	A	C	E		
3.5	Approval of significant staff rationalisation including severance payment	I	A	C	E	E	
3.6	Approval of staff salary structure, bonus and share schemes	I	A	C	C	E	
4	Assurance						

	DECISION- MAKING ITEM	DECISION- MAKING ENTITY					
		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary Shareholders

4.1	Internal Control/Audit Arrangements	I/INF	A	C	I (Done by GHIA)	I/E	
5	Governance						
5.1	Appointment, discipline and removal of Managing Director		I/E	I/C	E	E	A
5.1	Appointment, discipline and removal of other Executive Directors	I	E	C	I/E		A (for appointment)
5.2	Approval of performance evaluation of Subsidiary Board/Board Committees		I and A			E	
5.4	Determination and approval of performance criteria and evaluation of Managing Director		A	I		C	
5.5	Determination and approval of performance criteria and evaluation of Executive Directors	I	A	E			
5.6	Succession planning for the Board and senior management	I	A	C		E	
	DECISION- MAKING ITEM	DECISION- MAKING ENTITY					

		Subsidiary MD	Subsidiary Board	DCP MD	DCP Executive management	DCP Board/ Committees	Subsidiary Shareholders
5.7	Approval of director's fees	I	E	C		E	A
5.8	Approval of MD and Executive Director salary and bonus	I	A	C		E	
5.9	Appointment, remuneration and removal of external auditors		I and A	C	C	E	A
5.10	Related party transactions	I	A	C	E	INF	
5.11	Approval of press releases concerning matters decided by the Board	I	A	C	INF	C	
5.12	Changes to Board structure and composition		I and A			E	
5.13	Appointment (or removal) of Company Secretary	I	A	C		C	

KEY

I – Initiate

A – Approve

C – Consult

E – Endorse

INF – Informed

* – Limit shall be set from time to time for different Authorities

REPORTING FRAMEWORK

- ❖ Group Board Oversight
- ❖ Group Strategy Oversight
- ❖ Group Management Oversight
- ❖ Group Assurance Oversight
- ❖ Group Functional Oversight

4 Reporting Framework

Introduction

The Board has identified the need to develop a Group reporting framework to support and enhance its governance practices, decision making process and measure business performance.

Specifically, the objective of the Group Reporting framework includes:

- To provide the Group with information to monitor and support decision making and facilitate effective and efficient allocation of financial resources;
- To facilitate transparency and accountability within the Group;
- To monitor revenue and operational cost for improved profitability;
- To evaluate business performance against key performance indicators;
- To facilitate the accurate and timely preparation of relevant information; and □ To promote and support governance practices of the Group.

This reporting framework has been structured to satisfy into five (5) key oversight functions of the Group:

- Board Oversight;
- Strategy Oversight;
- Management Oversight;
- Assurance Oversight; and
- Functional Oversight.

This reporting framework is not meant to be all-inclusive but represents the minimum requirement for reporting in the Group and has taken into consideration the current information needs of Group Board.

It is expected that this framework will be reviewed and revised from time to time based on changes in the Group governance practices and information needs.

Subsidiary Company Governance Framework

Board Oversight

S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
1.	Subsidiary Companies' Performance** (See Appendix II for Sample Format)	- Financial performance of subsidiary companies, including key performance ratios. - High-level update per subsidiary company on: - Socio-political environment - Macro-economic environment - Competitive intelligence - Explanatory note to financial performance - Future outlook - Corporate governance/Board meeting update - Any other relevant update	Quarterly	Group Managing Director	☐ DCP Board

Strategy Oversight

S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient

1.	Subsidiary Plan and Strategy	• Business update • Impact of external drivers on business • Financial projections and growth • Business expansion plan • Market positioning and penetration plan • Business model • Prior year strategy implementation roadmap Strategic intent of the Subsidiary	Annually	Subsidiary Managing Director	• DCP Board Finance and General Purpose Committee • GMD/CEO • DCP Executive Management • Subsidiary Board of Directors
2	Subsidiary Annual Budget	• Projected revenue of the Subsidiary Company • Planned capital and operation expenditure of the Subsidiary Company • Planned expenditure of the Subsidiary Company • Budget assumptions	Annually	Subsidiary Managing Director	• DCP Board Finance and General Purpose Committee • GMD/CEO • DCP Executive Management • Subsidiary Board of Directors

Management Oversight

S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
1.	Regional Management Report	Financial information • Key financial performance indicators and budget variance analysis per Subsidiary Operational information & Others • Sales volume • Plant capacity utilisation • Plant efficiency and loss data • Plant breakdown data • Quality control report • Health & Safety data • Headcount update	Monthly to EXCO Quarterly to Board	Group Managing Director/CEO	• DCP Board of Directors • DCP Executive Committee

S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
2.		Strategic information • Market outlook in the operating environment for the period under review • Summary of activities within the organisation for the period under review • Major issues and challenges • Market outlook for the next period • Summary for key activities for the next period • Status of Implementation of strategic initiatives and agreed-upon activities for the period			

4	Subsidiary Management Report	Financial information • Profit and loss account • Balance sheet statement • Cash Flow Statements	Monthly	Subsidiary Managing Director Subsidiary Finance Executive/Manager	• Group Managing Director/CEO Officer • Regional Chief Financial Officer
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S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
		• Key performance indicators e.g. return on assets, return on capital invested, earnings per share etc. • Comparative analysis of actual against budget Operational and strategic information • Same operational and strategic information needs as Subsidiary Management Report			

5	Regional Operation Performance Reports	Operational information • Plant capacity utilisation • Plant efficiency and loss data • Supply chain management • Energy/fuel consumption • Quality control report • Plant breakdown data • Health & Safety data	Quarterly	Group Managing Director/Chief Executive Officer	DCP Board Technical Committee
S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
		• Issues and challenges • Updates on agreed operational decisions • Headcount data			

Assurance Oversight

S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
5	Internal Audit Plan	• Priorities of internal audit activities (results of risk assessment) • Significant transactions/key processes to be audited • Special requests from Management and/or Board Audit and Risk Committee • Internal audit approach and timing • Reporting timelines	Annually	Group Head Internal Audit/ Subsidiary Internal Audit Unit	• Group Board Audit and Risk Committee • Group Executive Committee • Subsidiary Managing Director • Subsidiary Board of Directors

6	Internal Audit Executive Summary Report	- Executive summary of major internal audit findings per Subsidiary - Management responses and remedial timelines to issues raised - Status of implementation of recommendation for prior period issues	Quarterly	Group and Subsidiary Head Internal Audit	- Group Board Audit and Risk Committee - Group Executive Committee - Subsidiary Managing Director - Subsidiary Board of Directors
S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient

Subsidiary Company Governance Framework

7	Risk Management Executive Summary Report	• Top 5 risks per Subsidiary and mitigation plan • Negative key risk indicator values per Subsidiary • Risk events, causes, impacts and adequacy of the Subsidiary's responses • Market outlook for Subsidiary and potential effect on Subsidiary	Quarterly	Group and Subsidiary Head Risk Management	Group Board Audit and Risk Committee
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Functional Oversight

S/N	Report	Information Needs Addressed	Frequency	Responsibility	Recipient
8	Functional Reports: - Finance - Human Resource - Administration - ICT - Legal/Secretariat	▪ Key activities and achievements for the month ▪ Issues and challenges ▪ Performance against set targets/limits ▪ Key activities planned for the next month	Monthly	Subsidiary Function Heads	▪ Group Function Heads

APPENDIX I

Sample Subsidiary Board Charter

This document has been reviewed and approved by the Board of Directors:

Name	Designation	Signature	Date
	Chairman, Board of Directors		
	Managing Director/Chief Executive Officer		

TABLE OF CONTENTS

1. Introduction	48
2. Purpose	48
3. Responsibilities of the Board	48
3.1 Strategy and Planning	48
3.2 Governance	49
3.3 Risk Management	49
3.4 Succession Planning.....	49
3.5 Audit and Compliance	50
3.6 Human Resources	50
3.7 Remuneration of Directors and Senior Management Staff	50
3.8 Ethical Standards and Compliance with Laws	50
3.9 Whistle blowing	51
4. Board Size and Composition	51
5. Chairman's Eligibility and Responsibility	52
6. Appointment of Directors	53
7. Tenure and Election of Directors	53
8. Remuneration of Board Members	54
9. Board Meetings	56
10. Code of Conduct	57
11. Board Committees	58
12. Induction and Continuing Education	59

13. Access to Independent Advice	59
14. Board Performance Management	59
15. Authority and Accountability	61
16. Access to Information	61
17. Company Secretary	62
18. Review of Charter	63

Glossary of Terms

Acronyms	Definition
AGM	Annual General Meeting
Board	Board of Directors of the Subsidiary Company
Company	Subsidiary Company
Director	Director of the Subsidiary Board
ED	Executive Director
EGM	Extra-ordinary General Meetings
Group Board	Board of Directors of Dangote Cement PLC
INED	Independent Non-Executive Director
MD/CEO	Managing Director of Subsidiary Company of Dangote Cement PLC
NED	Non-Executive Director

1. Introduction

This Charter governs the operations of the Board of Directors (“the Board”) of Subsidiary XXX.

This charter should be adapted to comply with the local laws and regulations of the country in which each Subsidiary operates.

2. Purpose

The purpose of this Charter is to provide mandatory guidelines on how business is to be conducted by the Board in accordance with the principles of good corporate governance practices. The Charter outlines the authority, responsibilities, composition and operations of the Board and forms an integral part of the governance documents presented to the Directors upon appointment unto the Board.

3. Responsibilities of the Board

The Board should assume responsibilities for the following:

3.1 Strategy and Planning

- a) Approve the Company’s strategy and financial objectives and monitor the implementation of those strategies and objectives. This includes the following:
 - i. Review the assumptions and rationale underlying the budget and strategy of the Company on an annual basis.
 - ii. Ensure alignment of the strategy, organisational structure and budget of the Company.
 - iii. On a quarterly basis, monitor management performance and progress against the strategies and objectives of the Company, including assessing the Company’s financial position and performance.
 - iv. Approve any significant changes in the organisational structure of the Company.
 - v. Approve operating plans and actions of the Company.
 - vi. Determine financial/operational authority limits for management and approve expenditure that exceed those limits, subject to the approved Group Delegation of Authority Framework.
 - vii. Ensure that appropriate systems and processes are in place, to give assurance that the Company operates in a safe, responsible and ethical manner and in compliance with all legal and regulatory requirements.
- b) Review and approve policies to maintain and improve the financial health and integrity of the Company.
- c) Review and approve the financial aspects of major proposed transactions, projects, programs and services.
- d) Approve the Company’s budget (subject to the Group’s endorsement) and ensure that it is executed properly.

- e) Oversee the process of ensuring that the Company has in place the appropriate financing strategy to support and enable its growth ambitions.
- f) Review and approve the annual operating budget and annual capital budget consistent with the long-range financial plan and financial policies.

3.2 Governance

- a) Review and approve the Company's Corporate Governance Framework comprising the board and board committee Charters and governance policies.
- b) Review and approve the recommendations of the designated committee with oversight over governance in relation to the following Board nomination matters:
 - i. The appropriate size and composition of the Board and Board Committees, including the mix, skill, knowledge and experience;
 - ii. Governance principles, guidelines, procedures and criteria for selecting new Directors;
 - iii. Removal of Directors; and iv. Board succession planning.
- c) Approve all Directors' appointments for ratification of the Group Board.
- d) Oversee the implementation of good corporate governance practices in the Company
- e) Review recommendations from the annual appraisal of the performance of the Board and Board Committees and approve action steps as required
- f) Approve arrangements for AGM and Extraordinary General Meetings (EGM).
- g) Promote and protect the interest of all the Company's stakeholders including the minority shareholders.
- h) Approve training policy for all Board members and ensure adequate implementation.

3.3 Risk Management

- a) Oversee the establishment, implementation and monitoring of an enterprise-wide risk management framework that identify, assess and manage risks facing the Company. This includes, but is not limited to financial, operational, information technology, legal, strategic, reputation and compliance risks.
- b) Review and approve new or revised risk policies in line with the Group's overall risk management appetite and framework.
- c) Oversee the Company's corporate sustainability practices with regard to its economic, social and environmental impacts.

3.4 Succession Planning

- a) Approve the appointment and removal of the Managing Director and any other Executive Director in the Company subject to the ratification of the Group Board.
- b) Approve the criteria for assessing the performance of the Executive Directors.

- c) Monitor and evaluate the performance of the Managing Director against agreed key performance objectives and targets and ratify the evaluation of Executive Directors as prepared by the Managing Director.
- d) Review regularly, the succession plan for the Board and senior management staff and recommend changes where necessary.

3.5 Audit and Compliance

- a) Oversee the process to ensure that the Company maintains a sound system of internal controls to safeguard shareholders' investment and the assets of the Company.
- b) Review and approve the Company's accounting policies, and any subsequent changes.
- c) Ensure the Company's financial records are prepared in line with the approved accounting policies.
- d) Recommend the appointment of statutory auditors for the Company for approval by the Group Board.
- e) Oversee the Company's key control and assurance functions, including risk management, internal audit, external audit and regulatory compliance.

3.6 Human Resources

- a) Review and approve the appointment, promotion and removal of the senior management staff of the Company.
- b) Approve the Company's performance-based compensation policy initiatives.
- c) Review and approve disciplinary actions to be carried out against senior management staff.
- d) Approve key human resources policies and practices, including recruitment, training, compensation, welfare, performance management, career management, transfer, redeployment and disengagement.

3.7 Remuneration of Directors and Senior Management Staff

- a) Review and obtain approval of the Group Board with relation to Directors' remuneration.
- b) Present Directors' remuneration for shareholders' approval
- c) Ensure that Non-Executive Directors' remuneration is in line with the provisions of leading corporate governance practices.
- d) Ensure that Executive Directors' remuneration is performance driven.
- e) Approve remuneration of senior management staff.

3.8 Ethical Standards and Compliance with Laws

- a) The Board shall provide effective leadership based on ethical foundation. The Board must seek the Company's performance on economic, social and environmental matters.

- b) The Board shall take responsibility for building, sustaining and leading an ethical corporate culture in the Company, ensuring that ethical standards are clearly articulated.
- c) The Board shall ensure that the Company complies with applicable laws.

3.9 Whistle blowing

Oversee the establishment of whistle blowing procedures for the receipt, retention, and treatment of complaints received regarding accounting, internal controls and/or auditing matters, unethical activity/breach of the corporate governance code and the confidential/ anonymous treatment of submission by stakeholders (employees, customers, suppliers, applicants, etc.) with respect to such complaints.

4. Board Size and Composition

- 4.1 The Board shall comprise Directors with a broad range of expertise, skills and experience from a diverse range of background to enable them to discharge their respective duties and responsibilities effectively.
- 4.2 The Board of the Company shall consist of a majority of Non-Executive Directors.
- 4.3 The Board size shall depend on the size of the operations of the Company. It shall have minimum of 7 and a maximum of 9 members, including 1 Independent Director(s) and 1 host-country nationals.
- 4.4 An Independent Director who does not represent any shareholder interest and holds no special business interest in the Company. Except otherwise defined in the laws and regulations of the host country, an Independent Non-executive Director (INED) shall be defined as a Director who is not:
 - a) a substantial shareholder of the Company, that is one whose shareholding, directly or indirectly, does not exceed 0.1% of the company's paid up capital;
 - b) a representative of a shareholder, that has ability to control or significantly influence management;
 - c) employed by the Company of which it currently forms part, or served in any executive capacity in the company for the preceding three financial years;
 - d) a member of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the Company in an executive capacity;
 - e) a financial, legal or consulting service provider to any Company within the DCP Group either currently or within the last five (5) years;
 - f) part of management, executive committee or Board of trustees of an institution, charitable or otherwise, supported by the DCP Group;
 - g) be a significant supplier or customer of any Company within the DCP Group;

- h) have significant contractual relationship with the Company and the DCP Group, and is free from any business or other financial relationship which could materially interfere with his/her capacity to act in an independent manner; and
 - i) be a partner or an executive of the Company's statutory audit firm, internal audit firm, legal or other consulting firm that have material association with the Company and have been a partner or an executive of any such firm for three financial years preceding his/her appointment.
- 4.5 The Board should annually review and reconfirm the independence status of its INEDs. Notwithstanding this review, where a Director becomes aware of the loss of his or her independence, he or she shall promptly notify the Chairman who shall ensure that the matter is discussed at a Board meeting as soon as practicable.
- 4.6 The Group Board shall nominate its representatives on the Board of its Subsidiary Companies. The representatives may comprise Directors and Executive Management Staff of DCP Group, and the level of Group representation on a Subsidiary Board shall depend on the materiality of that Subsidiary Company.
- 4.7 For Subsidiary Companies that have minority shareholders with substantial shares for Board representation, the minority shareholders may nominate candidates to represent their interests. However, the Group Board shall nominate more than half of the Directors (representatives) on the Board of such Subsidiary Companies.
- 4.8 The Subsidiary Managing Director shall be an Executive Member of the Subsidiary Board. DCP Board may also appoint other Senior Management Staff of the Subsidiary Companies as Executive members of the Subsidiary Board.
- 4.9 The Board members shall have appropriate skills and competencies required for the Board to fulfil its goals and responsibilities. These competencies shall include amongst others:
 - a) Relevant industry knowledge
 - b) A track record of achievement in specific areas
 - c) Knowledgeable in Board matters
 - d) Leadership and management experience
 - e) Impeccable personal characteristics
 - f) Business experience in local and international markets
 - g) Technical competence, depending on the needs of the Company

5. Chairman's Eligibility and Responsibility

- 5.1 The Group Board shall appoint the Chairperson of the Board. Such appointee could be an Executive Management Staff or Director of DCP Group or an external party.
- 5.2 The Chairman shall be a NED and shall not be a member of any board committee.

- 5.3 The role of the Chairman shall be separate from that of the MD shall and an individual cannot occupy the two positions at the same time.
- 5.4 Where the Chairman is absent from a meeting, the other Directors present shall have the authority to choose one of the NEDs to chair that particular meeting.

6. Appointment of Directors

- 6.1 The Board shall establish a formal and transparent process for the appointment of Directors to the Board.
- 6.2 The Board recognises that to remain effective, it must appoint and develop members and refresh the overall competency on the Board from time to time.
- 6.3 The Board shall proactively assess the qualities and skills needed to complement the Board, upon the recognition of an exit or vacancy on the Board and develop specifications of the skills, personal attributes, knowledge and experience required to fill the current gap.
- 6.4 All nominations from the Group shall be reviewed and endorsed by the Company's Board.
- 6.5 All endorsements by the Company's Board shall be presented to all shareholders for ratification during its Annual General Meeting. In presenting to shareholders, the Chairman shall present a summary of the profile of the newly appointed Director to the shareholders to enable them make informed decisions about the appointment.
- 6.6 The Board in discharging this obligation may procure the services of a recruitment agency to source for suitable Non-Executive Directors for the Company.
- 6.7 The Board shall conduct a background check on potential candidates in order to ensure that candidates are fit and proper and their appointment as Directors would not tarnish the image of the Company.
- 6.8 The background check could include a criminal record check, employment check and verification of qualification. The result of the background check will be used in determining candidates to be appointed by the Board.
- 6.9 The Managing Director will be engaged on employment contracts with the Group and are subject to regular re-election based on satisfactory performance indicated by the Company Board and approval of the Group Board.
- 6.10 On appointment, Directors are expected to sign and return a written contract or letter of appointment setting out key terms and conditions of appointment which includes duties, rights and responsibilities, the time commitment envisaged and the Board's expectation regarding their involvement with Committee work.

7. Tenure and Re-election of Directors

7.1 The tenure and re-election processes and policies applicable at the Group level shall also apply to Directors of Subsidiary Companies, subject to the statutory and corporate governance requirements of the country in which each Subsidiary Company operates.

7.2 The Group's Tenure Policy is as follows:

- a) The MD shall be appointed for an initial term of three (3) years which may be renewable, subject to satisfactory performance. The retirement age of the MD shall be sixty-five (65) years of age.
- b) NEDs shall be appointed for an initial term of three (3) years which may be renewable, subject to satisfactory performance and approval of the shareholders. Non-executive Directors who are 70 years old or more shall be subject to annual re-election by shareholders. This fact shall be disclosed to members at annual general meetings.
- c) Independent Non-executive Directors (INEDs) shall be appointed for an initial term of three (3) years which may be renewable, subject to satisfactory performance and approval of the shareholders.

The Board shall annually review the independence status of INEDs serving beyond nine (9) years. The independence review shall be in line with the independence requirements of relevant regulators, industry requirements, legislations and relevant Corporate Governance Codes. Where an INED fails to meet the independence requirements, the INED shall be formally designated as a Non-Executive Director.

INEDs who are 70 years old or more shall be subject to annual re-election by shareholders. This fact shall be disclosed to members at annual general meetings.

- d) EDs shall be subject to the retirement age of sixty-five (65) years of age, subject to satisfactory performance as indicated in the ED's performance evaluation.

7.3 The Group's Re-election Policy is as follows:

- a) Every year, at least one-third of the Non-Executive Directors, retire from office at the Annual General Meeting.
- b) Prior to each annual general meeting, the Board will assess the performance of each Director due to stand for re-election based on the result of the Annual Directors' Peer Assessment and propose if the Board will recommend to the shareholders that they vote in favour of the reelection, or otherwise, of each Director eligible for re-election.
- c) The names of Directors submitted for election or re-election would be accompanied by a summary of their biographical details to enable the shareholders take informed decisions on their election.

8. Remuneration of Board Members

- The Board shall establish formal and transparent policies and procedures for determining the remuneration that will attract and retain the right caliber of Directors, consistent within its Subsidiary Companies;

- Each Subsidiary Board shall recommend Directors' remuneration in line with the Group's remuneration framework, for approval by the Group Board (and shareholders where there are minority shareholders other than the Group).
- Remuneration and reward strategies shall be set at levels that enable Subsidiary Companies attract, motivate and retain the right skills required to efficiently manage the operations and growth of the business;
- Performance goals of Directors shall be aligned to DCP Group's interest and ensure that Directors make prudent decisions in deploying resources to generate sustainable growth;
- Performance based incentive programs for the executive management shall be aligned to individual performance and the overall performance of the Subsidiary Company. This approach drives a high-performance culture that rewards individual contributions and the achievement of business results; and
- Subsidiary Boards shall regularly benchmark its remuneration practices against peer institutions whose business profiles are broadly similar to that of the Subsidiary companies, using remuneration surveys, peer reviews etc.
- DCP Group Staff, Subsidiary CEOs and Subsidiary EDs shall not be entitled to Directors' fees and sitting allowances on the Board.

8.1 Components of Executive Directors' Remuneration

- The remuneration of the MD and other EDs seconded from the Group shall be determined by the Group and defined in their employment contract with the Group.
- The Group Board shall provide final approval of the remuneration package of the EDs. EDs shall play no part in determining their remuneration.
- The compensation of the EDs shall include incentive schemes to encourage continued improvement in performance against the criteria set and agreed by the Board.
- The Board will set operational targets consisting of a number of Key Performance Indicators (KPI's) covering both financial and non-financial measures of performance for the EDs at the beginning of each year.
- The performance of the EDs will be measured against these criteria at the end of the financial year and their evaluation result used to determine the variable element of their remuneration.
- EDs will not be paid sitting allowances for attendance at Board and Board Committee meetings. In addition, EDs shall not be entitled to additional fees for serving as directors apart from their remuneration as stated in their employment contracts.
- A summary of ED's remuneration components is given below:

Component	Payment Frequency
Base salary	Monthly
Benefits and allowances	Monthly/Quarterly/Annually

Performance incentive	Annually
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8.2 Components of Non-Executive Directors' Remuneration in Subsidiary Companies

- NEDs' fees will be set at a level that is in the minimum, at par with peer institutions and market developments. The fees should reflect the qualifications and contribution required as well as the extent of the Director's responsibilities and liabilities.
- NEDs shall receive a fixed cash amount per annum (annual fee) and sitting allowance for each meeting (Board and Board Committee) attended. The fees shall be approved by the Subsidiary Board and ratified by the Group Board.
- Performance incentive payments will not be made to NEDs.
- Expenses in connection with Board and Board Committee meetings will be reimbursed upon presentation of appropriate receipts.
- The Directors shall also be reimbursed such travelling, hotel and other reasonable expenses properly incurred by them in attending meetings, from their usual place of residence, and returning from any meetings and/or performing any assignment in connection with the business of the Subsidiary company.
- The NEDs are not covered by any Group's pension scheme or a defined benefit pension scheme.
- DCP Group Staff that are NEDs on the Board shall not be entitled to Directors' fees and sitting allowances.
- A summary of NED's remuneration components is given below:

Component	Payment Frequency
Director's fees	Annually
Sitting allowance	Per Sitting
Training Allowance/Per Diem/Reimbursable Expenses	As required

8.3 Compensation Review and approvals

- The Subsidiary Board shall ensure that a periodic review of the remuneration structures of Directors is performed to ensure that the Company's compensation structure remains competitive. A benchmark of peer compensation shall be carried out every two (2) years and changes shall only be made on a need basis.
- Compensation reviews are subject to the final approval of the Group Board before they can be effective.
- In determining the level and make-up of the remuneration for Directors, the Board may obtain independent advice on the appropriateness of the remuneration packages based on

compensation benchmarks of peer companies. The Board may engage the services of an external consultant to carry out this compensation benchmark.

- On an annual basis, the Subsidiary Board shall obtain the approval of its shareholders for the Directors' compensation to be paid in the following year.

9. Board Meetings

9.1 Board meetings may take place via any medium, including by telephone conference, video conference or such other means, provided that this does not constrain any Director from communicating and contributing effectively to discussions.

9.2 All meetings, whether held in person, by telephone or any other means of communication shall be accepted as proper meetings of the Board.

9.3 The Board shall meet at least once every quarter prior to the meeting of the Group Board. Additional meetings may be convened as required. Directors shall prepare adequately, attend and participate in Board and Board Committee meetings.

9.4 The Company Secretary shall provide notice of meeting at least two (2) weeks prior to the meeting, but lack of notice shall not invalidate the proceeding of any meeting at which a quorum is formed.

9.5 Agenda and Board papers scheduled for discussion shall be circulated at least one (1) week before the meeting.

9.6 Board agendas shall be well-structured throughout the year to enable the Board to discharge its key responsibilities effectively. The annual agenda shall include a meeting to evaluate the Company's strategy and assess the achievement of financial and other business goals. The agenda should also include the evaluation of the major risk elements and how they are being mitigated.

9.7 The Company Secretary shall keep minutes of the Board meetings and circulate the draft minutes to all members within two weeks of the meeting after the Chairman has given preliminary approval. The minutes of the Board meetings shall be presented for approval at the next meeting of the Board. The Company Secretary shall follow up on action plans decided at the meeting and present a status of implementation of the action plans during the next meeting.

9.8 Minutes, agendas and supporting papers will be made available to any Director upon request to the Company Secretary, provided no conflict of interest exists.

9.9 The quorum required for a Board meeting shall be more than half of the number of Directors with majority of members present being Non-executive Directors.

10. Code of Conduct

10.1 The members of the Board are expected to conduct themselves in accordance with the

Directors' code of conduct policy as well as generally acceptable practices for appointments of this nature.

10.2 Directors shall avoid any action, position or interest that conflict or can potentially give an appearance of a conflict, with the interest of the Company.

10.3 Directors shall annually declare their financial interests in any contract or arrangement with any person or organisation in which they are a Director, officer, servant or creditor, or a holder of substantial shares or other securities.

10.4 Directors are bound by the Company's values, code of conduct and statements of business principles.

10.5 Directors shall act at all times in the best interests of the Company as a whole so as to preserve its assets, further its business and promote the purposes for which it was formed.

10.6 Directors shall maintain confidentiality in all matters relating to their roles as a Directors unless when authorized by the Board or required by law to disclose information.

10.7 Directors shall not exceed the power conferred upon them by the shareholders or exercise such power for purposes other than those for which it was conferred.

10.8 Directors shall avoid any actual or apparent conflict between their own personal interests and the interests of the Company.

10.9 Directors shall on assumption of duty and subsequently at the beginning of every financial year, disclose interests in other Companies amongst other things.

10.10 Directors must openly disclose all potential, real or perceived conflict of interest as soon as the issue arises.

10.11 Directors shall avoid such gifts that may be misconstrued as bribe or gifts in return for business with the Company or benefits to a person or organization.

10.12 Directors are prohibited from dealing in the securities of the Company for a period preceding the announcement of its financial results or in any period considered sensitive.

10.13 Directors shall attest that they have adhered to the stated principles and standards of the code annually.

11. Board Committees

11.1 The Board may appoint standing and ad-hoc Committees, which will assist it in discharging the Board's responsibilities.

11.2 The Board shall approve each Committee's charter setting out the matters relevant to the authority, composition and responsibilities of the Committee.

11.3 Board Committees will observe the same rules of conduct and procedures as the Board, unless the Board determines otherwise.

11.4 Board Committees will only act for the Board when so authorised.

11.5 All Board Committee actions and deliberations shall not be discussed fully to the Board, except as may be otherwise mandated by the Board.

12. Induction and Continuing Education

12.1 The Board shall ensure that a formal induction programme is implemented to ensure new Board members are adequately acquainted with the Board's purpose, responsibilities, practices and the Company's strategy and operations. Newly appointed Executive and Non-Executive Directors of the Group shall undergo an induction programme within one (1) month to three (3) months of their appointment respectively.

12.2 Ongoing training and development opportunities will be provided to Directors as required, to enable them to gain the requisite understanding and knowledge of the Company as well as the regulatory and competitive environment in which the Company operates.

12.3 Every Board member shall attend a minimum of one (1) core training programme in three (3) years. The core training (industry, leadership, governance or technical) will be sponsored by the Company. Where the Director is an internal nominee and has attended such training at the Group level, there will be no need to reschedule such a Director on the same training.

12.4 A schedule of training programs for all Directors shall be drawn up. The training schedule shall be prepared following the training assessment of each Director and based on the results of the individual director evaluation.

12.5 Notwithstanding the Company's responsibilities, each Director has a personal responsibility to ensure that he or she remains current and up-to-date regarding the strategies and businesses of the Company as well as the industry and macroeconomic environment in which it operates.

13. Access to Independent Advice

- The Board has the power, to obtain advice and assistance from, and to retain at the Company's expense, such independent or outside professional advisors and experts as it determines necessary or appropriate to enable the Board to carry out its duties. The Board shall have the sole authority to retain, replace, and approve fees and other retention terms for any such consultant.

14. Board Performance Management

- The Board of Directors shall undertake a formal and rigorous annual evaluation of their own performance and that of their Committees and individual Directors. The evaluation process shall be a constructive tool for improving the Board's performance;
- The process shall be objective, independent, fair and shall ensure maximum confidentiality of the results including feedback received from peers.
- The evaluation process will be in line with the provisions of the Subsidiary Governance Framework

14.1 Evaluation Process for the Board

- The Board as a whole, shall set annual goals before the end of the first quarter of each fiscal year. Each goal must be specific, measurable, achievable, realistic and time bound. These goals shall be approved by the Group Board, signed off by the Group Chairman, and filed by the Company Secretary.
- Formal evaluations of the Board will cover all aspects of the Board's structure and composition, responsibilities, processes, operations and performance with respect to the defined goals.
- The evaluation report will be presented to the Subsidiary Board as well as Group Board for review and approval.

14.2 Evaluation Process for Individual Directors on the Board

- The evaluation of the Board will also include an annual individual directors' peer assessment. Each Director shall be provided a questionnaire to appraise the performance of their peers. The evaluation will seek to measure the perception of Directors on the contribution of other Directors on the Board.
- The evaluation shall cover both the Non-executive and Executive Directors.
- The evaluation of the EDs shall seek to assess their performance as Directors on the Board, rather than their functional responsibilities.
- Directors will evaluate the performance of their peers against set criteria and the results will be collated. Where a deficiency in a Director's performance is identified, an action plan would be developed and implemented for the Director to acquire the necessary skills or develop appropriate behavioral patterns.
- The result of the evaluation will provide the basis for identifying future training needs and where necessary, justify why a re-appointment may not be appropriate. Consequently, the reappointment of a Director would occur after the proper evaluation of the performance of such Director by all other Directors.

14.3 Evaluation Process for the Managing Director

The evaluation of the Managing Director is one of the most important responsibilities of the Board. The evaluation process provides a formal opportunity for the Board and the Managing Director to have a constructive discussion regarding the performance of the Company and the Managing Director's leadership of the Company. The Board will work through its relevant committee in implementing the evaluation process.

A written statement of the Managing Director's goals for the year under review, shall constitute the criteria against which the Managing Director shall be evaluated. These goals should have been agreed with the Managing Director and the Board at the beginning of the year under review and shall include the following:

- The Company's performance against the strategic plan, annual financial budget and KPIs.
- Other non-financial performance such as leadership skills, coaching and mentoring, interpersonal skills.

An overview of the evaluation of the Managing Director is as stated below:

- At the beginning of the financial year, the relevant committee reviews and approves the Managing Director's annual goals and objectives, in consultation with the Chairman of the Board;
- At the end of the year, the relevant committee shall undertake the assessment of the Managing Director against the set criteria specified above and input from the Chairman of the Board as well as input from the GMD/CEO; and
- The Chairman of the relevant committee and the Chairman of the Board shall discuss the summary of the evaluation with the Managing Director.

15. Authority and Accountability

15.1 The role, function and power of the Board, its members and Committees are determined by law, the Articles of Association, Charters and Policies of the Company.

15.2 The Board has the power to make any decision in respect of the Company which has not been specifically reserved for decision-making by the Group Board.

15.3 The Board shall exercise its power reasonably:

- In the interest of the Company with due regard to the interest of all stakeholders; and
- In compliance with requirements of applicable laws and principles of sound corporate governance.

15.4 The Board is ultimately accountable to the Group. Each year, the Company shall hold an AGM at which the Directors must provide a report to the Group on the performance of the Company, its future plan and strategies.

15.5 The Board delegates to the Managing Director and other members of Management, the authority and powers to manage the day-to-day business affairs of the Company, subject to such specific limits that the Board makes from time to time.

16. Access to Information

16.1 Directors shall be entitled to ask members of the senior management, via the Managing Director, to provide relevant information or seek explanations on the affairs of the Company;

16.2 Directors shall have access to the Company's internal and external auditors and where necessary, meet with them without management being present.

17. Company Secretary

17.1 The Company Secretary has a key role in ensuring that Board procedures are followed and reviewed regularly and has the responsibility in law to ensure that Board members are made aware and provided with guidance as to their duties, responsibilities and powers.

17.2 All Directors shall have direct access to the Company Secretary.

17.3 The Board shall have ultimate responsibility for the appointment and removal of the Company Secretary.

17.4 The Company Secretary shall:

- Ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- Provide the Board as a whole and the Board members individually with detailed guidance on their duties, responsibilities and powers;
- Provide a central source of guidance and advice to the Board, and within the Company, on matters of ethics and good governance, as well as administrative support to the Board and Board Committees;
- Advise all Board members, on changes in legislation and any law relevant to or affecting the company;
- Ensure that the procedure for the appointment of Directors is properly carried out and assist in the proper induction, orientation and development of Directors, including assessing the specific training required by Directors and executive management to perform their fiduciary duties and other responsibilities;

- Coordinate the annual evaluation of the Board, its individual Directors and Committees of the Board;
- Coordinate, organise and attend meetings of the Board and stakeholders and ensure that the correct procedures are followed;
- Communicate Board calendar and annual agenda at the beginning of every year working in conjunction with the Chairman;
- Ensure that notices of meetings are timely circulated in accordance with the Article of Association;
- Compile Board and Board Committee papers and ensure that the Board's discussions and decisions are clearly and properly recorded in the minutes and communicated to the relevant persons;
- Ensure that Board papers are of good quality and can assist Directors in decision making;
- Elicit appropriate responses, feedback, and input to specific agenda items in the Board and Board Committee deliberations;
- Ensure that the minutes of the Board and Board Committee meetings are circulated to the Directors in a timely manner, after the approval of the Chairman of the Board or Chairman of the relevant Board Committee;
- Effectively track the implementation of decisions made during Board and Board Committee meetings;
- Ensure that the Board, Board Committee charters and governance policies are kept upto-date; and
- Act as the primary point of contact for all stakeholders, especially with respect to matters of Board operations and corporate governance.

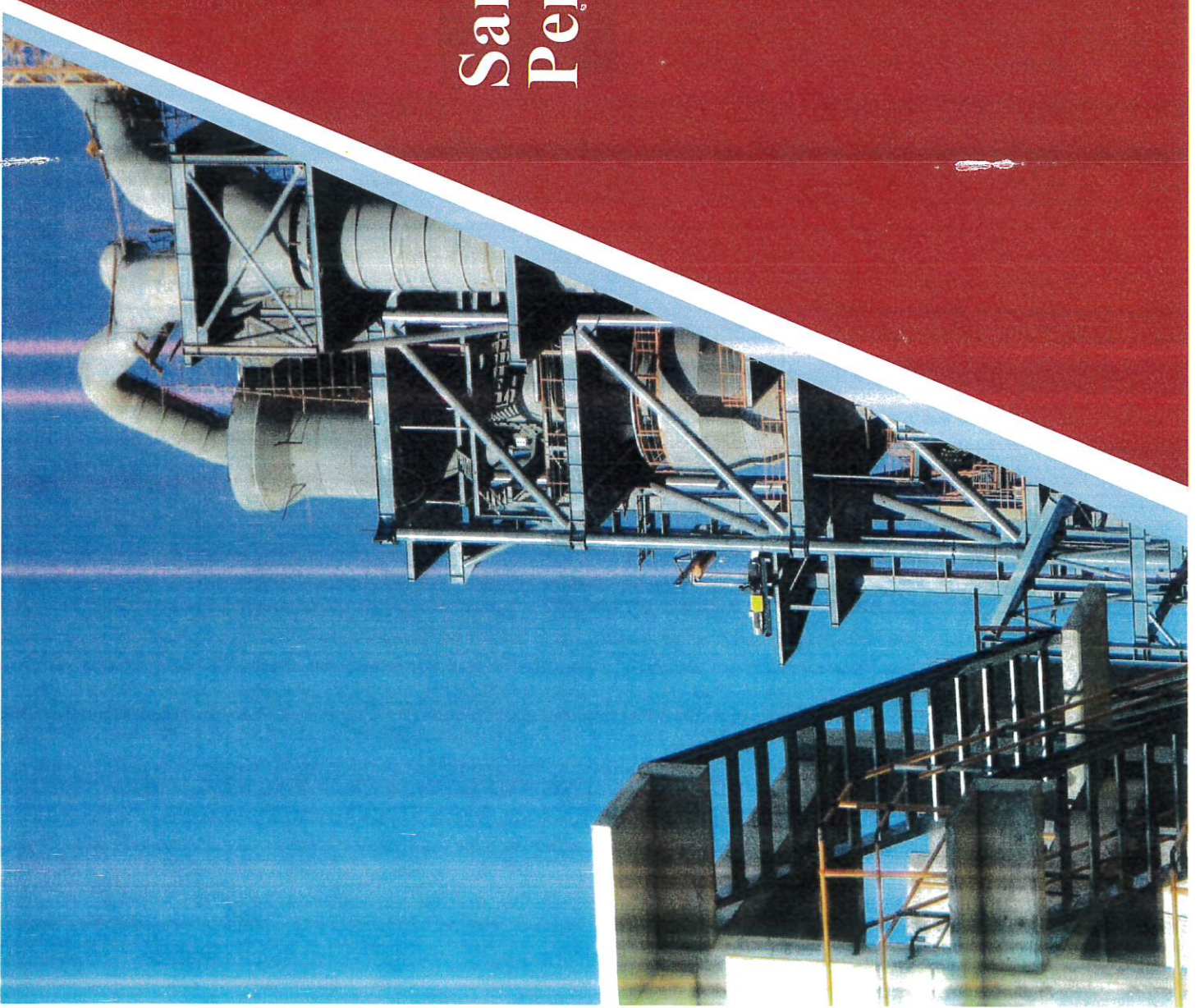
18. Review of Charter

The Board shall review and re-assess this Charter at least every three (3) years or earlier as required, to ensure it remains consistent with the Board's purpose and responsibility.

5 APPENDIX II

Sample Subsidiaries' Performance Report to the Group Board (Quarterly)

Sample Subsidiaries' Performance Report



INTRODUCTION

This paper provides an update on the performance and status of Dangote Cement PLC's ("DCP" or "the Group") Subsidiary Companies.

Table 1: Subsidiary Companies

S/N	Name of subsidiary Company	% holding by the Group

Table 2: Profit before Tax (N ‘Billion)

		Budget Variance Analysis			YoY Analysis	
S/N	Name of subsidiary Company	June 2015 (Ytd) Actual	June 2015 (Ytd) Plan	% Achieved	June 2014 (Ytd) Actual	YoY % Growth
	Total (N)					

Table 3: Key Ratios for Profitability									
		(N' Billion)	(N' Billion)	(N' Billion)	(N' Billion)	(N' Billion)	(N' Billion)	(%)	(%)
S/N	Name of subsidiary	June 2015 (Ytd) Revenue	June 2015 (Ytd) Cost of Sales	June 2015 (Ytd) Gross Profit	June 2015 (Ytd) EBITDA	June 2015 (Ytd) EBIT	Gross Profit Margin	EBITDA Margin	EBIT Margin

Table 4: Key Ratios for Investment Performance

		(N' Billion)	(N' Billion)	(N' Billion)	(%)	(%)
S/N	Name of subsidiary	June 2015 (Ytd) Net Profit (N' Bn)	Shareholders' Funds (N'Bn)	Total Assets (N' Bn)	Return on Equity (%)	Return on Assets (%)
	Total					

EXECUTIVE SUMMARY	
1	Macro-economic environment <i>Provide an overview of the market outlook in Africa and its impact on the business.</i>
2.	Profitability <i>Our subsidiary companies achieved a total PBT of N XX billion, slightly above N XX billion in corresponding period last year, constituting XX% achievement of the plan for the year to date.</i> <i>Subsidiary XX at N Billion achieved XX% of plan, Subsidiary XX at N XX Billion achieved XX% of plan, etc. (Insert comment for any significant deviations).</i>
3	Investment Performance <i>The Return on Equity (ROE) for all the subsidiary companies at the end of the quarter increased from XX% as at March 2015 to XX% as at June 2015 on an aggregate basis. In the same vein, the Return on Asset (ROA) increased from 3.0% as at December 2014 to 3.2% as at March 2015. XX achieved 53%, 51% and 49% ROE respectively.</i>
4	Conclusion <i>Given the action plans XX we have put in place, we will be able to overcome any current challenges and improve the financial performance across our subsidiary companies.</i>

1.	Country A e.g. DCP Cameroon	
	Country A e.g. DCP Cameroon	
1	Political and General Issues	
2	Macro-Economic Environment	
	Highlight key economic data e.g. GDP, MPR, inflation, currency fluctuations, etc. in country of operation and its impact.	

	Country A e.g. DCP Cameroon	
3	Cement Industry Intelligence	
	There are currently a total of XX cement companies in the country with Company XXX reporting the highest profit at N XX Billion as at XX The competitive moves initiated by some of our competitors for the quarter under review include: XXX XXX	
4	Financial Performance of the Company	

	Highlights of the Company's YTD financial performance as at June 2015 are as follows: ▪ Achieved a Revenue of N XX Billion against plan of N XX Billion. This performance represents XX % achievement of budget. <i>(Provide comments for significant variance from budget)</i> ▪ Achieved a Gross Profit of N XX Billion against plan of N XX Billion. This performance represents XX % achievement of budget. <i>(Same as above)</i> ▪ Achieved an EBITDA of N XX Billion against plan of N XX Billion. This performance represents XX % achievement of budget. <i>(Same as above)</i> ▪ Achieved an EBITDA margin of N XX Billion against plan of N XX Billion. This performance represents XX % achievement of budget. <i>(Same as above)</i> ▪ Achieved an EBIT of Gross Profit of N XX Billion against plan of N XX Billion. This performance represents XX % achievement of budget. <i>(Same as above)</i> ▪ Achieved an EBIT margin of Gross Profit of N XX Billion against plan of N XX Billion. This performance represents XX % achievement of budget. <i>(Same as above)</i> ▪ Incurred operating expenses of N XX Billion against N XX Billion budgeted, representing XX% of budget. <i>(Same as above)</i> ▪ The Company closed with YTD PBT of N XX Billion
Country A e.g. DCP Cameron	
5	Financial Analysis (YoY) ▪ EBITDA Margin: This moved from XX% as at June 2014 to close at XX% as at June 2015. ▪ Return on Asset: This moved from XX% as at June 2014 to close at XX% as at June 2015 ▪ Return on Equity: This moved from XX% as at June 2014 to close at XX% as at June 2015
6	Future Outlook The Company plans to:



	XXX XXX	
7	Corporate Governance	
	<i>The last Board meeting of the company took place on XXX. The major items on the agenda of the meeting were as follows:</i> XXX	