



## BUA CEMENT PLC DIVIDEND POLICY

This Dividend Policy (the “**Policy**”) has been prepared in accordance with, and is subject to the provisions of the Companies and Allied Matters Act, 2020 (as Amended), the Securities and Exchange Commission Rules and Regulations, 2013 (as Amended) and the Rulebook of the Nigerian Stock Exchange, 2015.

### (a) General Principles

No shareholder shall have the right to receive dividends, distributions of income or other amounts from BUA Cement Plc (the “**Company**”) in respect of its/his shares (a “**Distribution**”) unless such Distribution is declared at the annual general meeting of the Company upon the recommendation of its board of directors (the “**Board**”) and paid or made to all shareholders on a *pro rata* basis (after deduction of withholding tax in accordance with applicable law) based on their type, nature and class of shareholding.

The Distribution by the Company (including the timing of such Distribution) shall only be subject to the mandatory provisions of applicable law, and the Company shall make no Distribution if it would render the Company insolvent or if the Company shall be unable to pay its liabilities as they fall due. Distribution shall be made only out of the profits of the Company made available for that purpose in accordance with the applicable law.

### (b) Amount

Subject to applicable law, the Company shall take all reasonable steps to maximize the profits available for distribution and pay in cash by way of dividend minimum of fifty percent [50%] and where possible up to one hundred percent [100%] of the distributable profits of the Company as shown in the audited accounts of the Company in respect of each financial year (the “**Target Dividend Pay-out Percentage**”).

The Target Dividend Payout Percentage shall not be altered except with the prior written approval of the Board.

### (c) Timing

To the fullest extent permitted by applicable law, Distribution shall be made as soon as practicable, but in no event later than 2 working days following the date on which such Distribution is declared by the Company at its annual general meeting.

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#### (d) Cash Flows Restriction

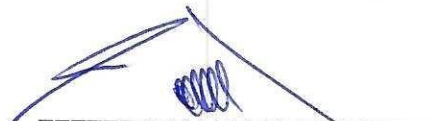
Neither the Company nor any of its shareholders shall be a party to any contractual or similar restriction by which the Company is prohibited from making any

payment of Distribution to its shareholders. Provided that nothing in this Policy shall be construed as preventing a shareholder from entering into any contractual arrangements or restrictions (i) creating or requiring the creation of an encumbrance on the portion of the Distribution due to that shareholder (a "**Shareholder's Distribution**") or (ii) directing that a Shareholder's Distribution be paid in a manner other than as the Shareholder would ordinarily have prescribed. Upon being notified, the Company shall, acting reasonably and in accordance with applicable law, dispense a Shareholder's Distribution in accordance with such contractual agreement or restriction.

#### (e) Consistent Target Dividend Payout Percentage

The Board shall seek to ensure consistency in making Distribution in accordance with the Target Dividend Payout Percentage yearly while balancing it with its corporate sustainability goals.

Approved this 28<sup>th</sup> day of July 2021

  
Chairman of BUA Cement PLC  
For and on behalf of the Board

