

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or any action to be taken, you should consult your Stockbroker, Solicitor, or any other independent professional adviser duly registered under the Investment and Securities Act (No. 29 of 2007) immediately.

If you have sold or otherwise transferred all your shares in AshakaCem Plc, please give this document and the accompanying proxy forms to the purchaser or transferee or to the Stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The receipt of this document or of any information contained in it or supplied with it or subsequently communicated to any person does not constitute investment advice to a shareholder from AshakaCem Plc or to any other person by the Company or its directors and the Company does not commit to providing shareholders with any other information, updates or corrections to this document or the information contained herein.

EXPLANATORY STATEMENT



**ASHAKACEM PLC
RC 13422**

EXPLANATORY STATEMENT TO SHAREHOLDERS OF ASHAKACEM PLC ON THE PROPOSED VOLUNTARY DE-LISTING OF ASHAKACEM PLC FROM THE NIGERIAN STOCK EXCHANGE (“THE VOLUNTARY DE-LISTING”)

This Explanatory Statement has been prepared to provide all the material information to *all* the Shareholders of AshakaCem Plc. (“AshakaCem” or “the Company”), in respect of the Special Business to be considered at the Extra-Ordinary Meeting, in the accompanying Notice.

1. INTRODUCTION

In October 2014, Lafarge Africa acquired 1,312,444,260 shares being 58.61% of Ashaka Cement Plc (“AshakaCem”) from Lafarge SA. This acquisition triggered a Mandatory Tender Offer (“MTO”) under the provisions of Section 132(1)(a) of the Investment & Securities Act (No. 29 of 2007), which was made by Lafarge Africa in December 2014. At the conclusion of the MTO, Lafarge Africa acquired an additional 534,144,592 shares of AshakaCem thus increasing its equity stake to 82.46% leaving Minority Shareholders holding 17.54%.

The MTO was made during the election campaigns of 2015 and in the shadow of the security challenges in North-Eastern Nigeria. Notwithstanding the best efforts of Lafarge Africa and its advisers, there were a number of shareholders who were unable to participate in the MTO given logistics and other difficulties experienced. Consequently, some shareholders sought another opportunity to participate in a tender of their shares. A Voluntary Tender Offer (“VTO”) to minority shareholders was therefore made by Lafarge Africa in May 2016. The VTO has recently been concluded and a further 56,161,661 shares were tendered thus increasing Lafarge Africa’s shareholding to 84.97% with minority shareholders holding 15.03%.

Following the MTO and VTO transactions, AshakaCem’s Free Float currently stands at 15.03%, significantly below the NSE’s minimum Free Float of 20.00%. It is not improbable that given this Free Float deficiency, the NSE could take enforcement action and initiate a Regulatory Delisting, given that the Free Float deficiency is not likely to be remedied

2. TRANSACTION RATIONALE

Through the Voluntary Delisting of AshakaCem, the Directors of the Company will be exercising a regulatory provision that will shield the Company from any enforcement action that the Exchange may effect, for example by way of a Regulatory Delisting in light of the outstanding Free Float deficiency. Furthermore, through the Voluntary Delisting process, the Company will be providing an Exit Consideration to minority shareholders who do not wish to remain in an unlisted company.

Over the last 5 years, there is little or no trading activity with only 0.20% of the shares held by the minority shareholders being traded. There has also been a measurable fall in trading volumes over the last twelve (12) months from 200,090 units in 2015 to 77,810 units in the same period in 2016. Neither the Company nor any shareholders are benefiting from the continued listing as shareholders are not getting any exit opportunity and their investments have been locked up and they find it difficult to dispose of their shareholding. Moreover, the Company is bearing unnecessary cost in complying with its listing obligations.

The Exit Consideration provides all shareholders the opportunity to benefit from the more diversified earnings of Lafarge Africa Plc.

3. THE PROPOSAL

The Board of AshakaCem proposes to delist all of the ordinary issued share capital of AshakaCem from listing on the Official List and from trading on the Main Market of the Nigerian Stock Exchange. (Voluntary Delisting)¹.

Given that less than 20% of the listed shares of the Company are held by investing public. AshakaCem is in violation of the Listing Rules and thus liable to be mandatorily delisted by The Nigerian Stock Exchange. Through the Voluntary Delisting of AshakaCem, the Directors of the Company will be shielding the Company from any enforcement action or sanction that the Nigerian Stock Exchange may impose, for example by way of a mandatory Regulatory Delisting and potential reputational damage to the Company.

The Voluntary Delisting will not occasion loss of the shares held by the minority shareholders as such the shareholders may retain their membership in the unlisted Company. Furthermore, through the Voluntary Delisting process, the minority shareholders - who do not wish to be members of an unlisted company – will have an opportunity to exit the Company.

a. Exit Options and Consideration

As part of the requirements of the NSE for Voluntary Delisting, the Board of Directors are required to provide an exit opportunity to the shareholders of AshakaCem who desire to exit the Company ahead of the Delisting.

In furtherance thereof, the shareholders of AshakaCem may exit the Company prior to the Delisting by:

- i. trading their shares on The Floor of the Nigerian Stock Exchange through their nominated Stockbroker;
- ii. receiving consideration from Lafarge Africa Plc (“Lafarge Africa”) (“the Exit Consideration”) in exchange for transferring their shares, on the terms stated below -
 - 57 new Lafarge Africa shares² for 202 AshakaCem shares held as at the date of the Special Resolution approving the Voluntary Delisting; and
 - A cash consideration of ₦2 per share (“Additional Cash Consideration”) will be paid to every shareholder exchanging their AshakaCem shares for Lafarge Africa shares pursa.

The consideration that is to be provided to shareholders of AshakaCem by Lafarge Africa, are on the same terms as the previous MTO and VTO made by Lafarge Africa.

Where a shareholder desires to remain a shareholder of AshakaCem, such shareholder shall be free to do so and there is no obligation to trade their shares or receive the Exit Consideration.

b. Conditions Precedent

The Voluntary Delisting will become effective upon occurrence of the following events:

¹ The Delisting is expected to occur ninety (90) days from the date of the Extra-Ordinary General Meeting (“EGM”)

² Based on the closing price of Lafarge Africa on the date of the Extra-Ordinary General Meeting (“EGM”) convened to approve the Delisting of AshakaCem

- i. if a resolution is passed by the Existing Shareholders representing not less than three-fourth ($\frac{3}{4}$) in value of the Company's shares - present and voting, either in person or by proxy - approving the Voluntary Delisting;
- ii. once written approval of the NSE is obtained to the Voluntary Delisting;
- iii. three (3) months from the date of the Extra-Ordinary General Meeting.

4. EFFECT OF THE DELISTING

Upon the Delisting of AshakaCem, the shares of the Company will no longer be available for trading on The Nigerian Stock Exchange. It is envisaged that the delisted AshakaCem will continue its operations, as an unlisted company.

The operations of the Company will continue to be domiciled in the present location in Ashaka, Gombe State, in recognition of its strategic importance to North-Eastern Nigerian and in recognition of and deference to the very cordial relationship with the host community.

5. PLAN FOR EMPLOYEES

The Voluntary Delisting of the Company will not have any impact on the existing contracts of employment.

6. DIRECTORS

The Voluntary Delisting of the Company will not have any impact on the Board of Directors of AshakaCem.

7. TAXATION

The taxation consequences of the exercise of an exit option will depend on the jurisdiction in which each shareholder is resident for tax purposes. Under current Nigerian tax legislation, any gains realized by a shareholder from receiving the Exit Consideration should not give rise to any chargeable capital gains tax or stamp duty. However, this statement is not intended to be, and should not be construed to be, legal or tax advice to any particular shareholder.

Shareholders who are in doubt about their taxation position, or who are subject to taxation in a jurisdiction outside Nigeria, are strongly advised to consult their own professional advisers without delay as to the consequences of exercising any of the exit options.

8. MEETING TO APPROVE THE VOLUNTARY DELISTING

At the Extraordinary General Meeting ("EGM") scheduled to hold on December 19, 2016, the shareholders of AshakaCem will consider and, if thought fit, approve the Voluntary Delisting. At the EGM, each shareholder - entitled to vote - will be entitled to one vote for every ordinary share held.

In the event that the resolutions are approved by the requisite majority of shareholders, AshakaCem will submit an application to The Nigerian Stock Exchange for the approval of the Voluntary Delisting.

9. ACTIONS TO BE TAKEN

Attendance at the meeting, for purposes of voting on the resolution that will be proposed to shareholders. In the alternative, the submission of a Proxy Form for purposes of voting at the meeting should attendance not be possible. The attached form should be duly completed and returned to the Registrars.

The submission of the Proxy Form will not preclude attendance at the meeting, although the submitted Proxy Form will not be valid for voting purposes in that circumstance.

10. SETTLEMENT

At the expiration of the three (3) month regulatory notice period, the AshakaCem shareholders that have opted to exit the Company will receive Lafarge Africa shares as well the cash consideration. The share will be settled into the CSCS account of opting shareholders, with share certificates being issued to shareholders that do not have CSCS accounts. The cash consideration will be settled by way of electronic transfer to the respective bank accounts of the exiting shareholders. Consideration Warrants will be issued to shareholders that do not provide details of their bank account.



ASHAKACEM PLC
RC 13422

ASHAKACEM PLC - DELISTING FROM THE NIGERIAN STOCK EXCHANGE

CONSIDERATION ELECTION AND ACCEPTANCE FORM

TO BE COMPLETED BY ALL SHAREHOLDERS OF ASHAKACEM WHO ACCEPT THE EXIT CONSIDERATION*

AshakaCem shareholders will be able to elect to accept the Exit Consideration from December 20, 2016 to March 20, 2017. AshakaCem anticipates that the Delisting will take effect from March 20, 2017

1. I/We confirm that I/we have read and understand the terms and conditions of the delisting of Ashakacem. I/We confirm my/our acceptance of the terms under which the Company is to be delisted; including the Exit Consideration.
2. I/We hereby represent and warrant that I/we am/are the sole owner(s) of the shares that we hereby transfer in acceptance of the Exit Consideration and that these shares are free from any mortgage, pledge, equitable interest, claim or any other security interest and I/we have full power and authority to transfer ownership of the shares, under the terms of the delisting.
3. Accordingly,

All my/our holdings in AshakaCem (whether evidenced by Certificate(s) or lodged in the CSCS Limited) are hereby transferred in accordance with the terms of the delisting.

No. of Ordinary Shares Relinquished																			
Units																			
<i>Units in Words</i>																			
<i>Units in Words</i>																			

For corporate shareholders: I/We also attach a duly executed Board Resolution authorizing that the shares specified in Clause 3 above be transferred pursuant to the Delisting.

4. I/We understand that all deposits of shares will be subject to the verification of the signatures and units provided by me/us on this Acceptance of Consideration Form.
5. I/We understand that my/our acceptance of the terms of the Delisting as specified in Clause 1 above is an indication of my/our decision to deposit the Shares in accordance with the terms of the Delisting.



6. I/We understand that by accepting the terms of the Voluntary Delisting and depositing my/our shares, I/we sell, assign and transfer all the rights, benefits, title and interest in and to the shares deposited including any and all dividends and distributions which may be declared on or in respect of any of the shares deposited.

7. I/We hereby request that the shares accruing to me/us pursuant to the Voluntary Delisting be settled by crediting the below CSCS account with the shares due to me:

CSCS Account Name

CSCS Account Number

CHN Number (if Known)

Signature of Broker

8. I/We advise that I/we may be contacted:

- a. By mobile telephone on
- b. By fax on
- c. By email at

9. I/We hereby request that the consideration payable to us/me for the shares deposited pursuant to the terms of the Voluntary Delisting be settled by payment into my/our nominated bank account.

Bank Name:

Branch Address:

Bank Account Number:

Bank Sort Code:

Bank Verification Number (BVN):

*** Offer lapses on March 19, 2017**

This Form must be submitted only to the addresses indicated below:

Cardinal Stone Registrars Limited
358 Herbert Macaulay Road
Yaba
Lagos

Capital Assets Limited
Bookshop House (8th and 9th Floor)
50/52 Broad Street, Lagos

The Company Secretary
AshakaCem Plc
Ashaka Works, Gombe State



PROXY FORM ASHAKA DELISTING

AshakaCem Plc

EXTRA-ORDINARY GENERAL MEETING OF ASHAKACEM PLC TO BE HELD ON MONDAY 19TH OF DECEMBER, 2016 AT SHERATON HOTEL ABUJA, 1 LADI KWALI WAY, WUSE ZONE 4, ABUJA AT 10:00A.M.

I/We being a holder/ holders of ordinary shares in AshakCem Plc, hereby appointor failing him, the Chairman of the Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the proposed Voluntary Delisting to be held on Monday December 19, 2016 at 10:00a.m. at Sheraton Abuja Hotel, 1 Ladi Kwali Way, Wuse Zone 4, Abuja

Dated thisday of.....2016

Shareholder's Signature.....

RESOLUTIONS			
Special Resolution			
That subject to the approval of the Nigerian Stock Exchange ("NSE") the voluntary delisting of Ashaka Cement Plc as recommended by the Board of Directors of the Company be and is hereby approved.			
Ordinary Resolution			
That the Directors and Company Secretary of the Company be and are hereby authorised to enter into any agreements, or execute any document, make any filings and take any such action as may be required for (or is incidental to) effecting resolution (1) above."			

Resolution	For	Against	Abstain
Special			
Ordinary			

Please indicate how you wish your votes to be cast on the resolutions set out above by indicating "x" in the appropriate space. Unless, otherwise instructed the proxy will vote or abstain from voting at his discretion

NOTE:

1. A shareholder who is unable to attend the Extra-Ordinary General Meeting is allowed by law to vote by proxy and the above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.
2. Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish, you may insert in the blank space on the form (marked**) the name of the person whether a shareholder or not, who you wish to attend the meeting and vote on your behalf instead of the Chairman of the meeting.
3. Voting at the meeting will be by poll.
4. Please sign this form and deliver or post it to reach the Registrar, Cardinal Stone Registrars Limited, 358 Herbert Macaulay Way, Yaba, Lagos not later than 48 hours before the meeting and ensure that the proxy form is dated, signed and stamped to the value of ₦50.00 as duty thereon.
5. The holder (AshakaCem shareholder) or his/her duly appointed proxy must detach and produce the Admission Card to obtain entrance to the meeting.
6. The completion and despatch of the proxy form does not prevent the attendance of the holder should he/she become free to attend in person.
7. The details in the Explanatory Statement provide information on the proposed Voluntary Delisting.



Before posting the above form, please tear off this part and retain it for admission to the meeting

ASHAKACEM PLC - EXTRA ORDINARY GENERAL MEETING (VOLUNTARY DELISTING)

Please admit the shareholder named on this Card or duly appointed proxy to the Extra-Ordinary Meeting of AshakaCem to be held on Monday December 19, 2016 at 10:00a.m. at Sheraton Abuja Hotel, 1 Ladi Kwali Way, Wuse Zone 4, Abuja

Name and address of Shareholder

Number of Units

Account number

Proxv	<input type="text"/>
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Shareholder	<input type="text"/>
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Please tick [✓] appropriate box before admission to the meeting

Signature

THIS CARD IS TO BE SIGNED AT THE VENUE IN THE PRESENCE OF THE REGISTRAR.