

CEMEX LATAM HOLDINGS, S.A.

Directors' Report

Ejercicio 2012

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

1.- Nature and activities of the Company

CEMEX Latam Holdings, S.A. (the "Company" or "CEMEX Latam") was incorporated on April 17, 2012 as a public limited liability company (sociedad anónima), for an unlimited period. Its registered offices are in Madrid calle Hernández de Tejada, 1.

The Company was incorporated so that following a corporate restructuring (see note 1(a) to the financial statements) it would be the parent of a group of companies carrying out the cement business of the group whose parent is CEMEX S.A.B. de C.V. ("CEMEX" or the "CEMEX Group") in certain countries of South and Central America, including Colombia, Panama, Costa Rica, Nicaragua, Guatemala, El Salvador and Brazil (the "Group" or the "CEMEX Latam Group") for the purpose of carrying out an initial public offering on the Colombian Stock Exchange, which was completed on November 15, 2012.

Revenue in the period from April 17 and December 31, 2012 for the Company came mainly royalties paid by direct and indirect subsidiaries for use of intangible assets, trademarks and management services of CEMEX pursuant to sublicensing agreements arranged through the branch office in Switzerland. This income is part of the Company's main business operations.

The statutory and principal activities of the Company consist of the management and administration of equity securities of non-resident entities in Spain through the organization of material and human resources, as well as the subscription, derivative acquisition, holding, use, management or disposal of securities and stakes in companies, except those subject to specific legislation.

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Without prejudice to the foregoing, the Company's corporate purpose also includes, *inter alia*, the following activities:

- Production, sale, import and export of ready-mix cement, concrete and other building materials and the prospection and exploitation of mines, except of minerals of strategic national interest.
- Manufacture, production, marketing and distribution of all types of paper sacks and containers, or of other materials, or similar articles, for packaging cement and other building materials.
- Occasional road freight transport, subject to prevailing legislation on land transport, as well as the activity of a transport agency, freight forwarder, cargo information and distribution centre, storage, deposit and distribution of merchandise, vehicle leasing and other complementary activities set out in the aforementioned legislation.
- Research and development in the field of building materials
- The provision of technical assistance and business management services

The Company has investments in subsidiaries and associates, and is the parent of the group of companies (the CEMEX Latam Group) engaged mainly in the manufacture of cement, ready-mix concrete and mortar, the extraction of aggregates, and the sale and distribution of the products extracted and manufactured.

The CEMEX Latam Group, in turn, is included, as a sub-group in the corporate group headed by CEMEX España, S.A., its main shareholder (the "CEMEX España Group" or "CEMEX España", where appropriate), which prepares and files separate and consolidated financial statements in Spain.

Therefore, pursuant to section 2nd of article 43 of the Spanish Code of Commerce, CEMEX Latam has not prepared or presented consolidated financial statements for the reporting period ended December 31, 2012. CEMEX España's registered office and tax address is calle Hernández de Tejada, 1, Madrid. CEMEX España's consolidated annual accounts will be filed with the Madrid Companies Register.

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The Company is also part of the international cement and building materials group CEMEX, whose parent company is Cemex, S.A.B. de C.V., a company incorporated in Monterrey (Mexico) and listed on the Mexican and the New York (NYSE) Stock Exchanges.

2.- Business performance of the CEMEX Latam Group

In 2012, growth in infrastructure and residential construction in the CEMEX Latam Group's operating markets drove demand for our products.

The main highlights of the year include:

- Double-digit growth in consolidated volumes of our three star products (domestic gray cement, ready-mix concrete and aggregates).
- Double-digit growth in consolidated EBITDA for the full year.
- Increase in cement prices in local currency in all our markets.
- Record cement volumes and operating EBITDA in Colombia, Panama, Nicaragua and Brazil.
- 24% share of alternative fuels over total fuel used in operations in 2012, leaving us on track to achieve our target of 40% by 2015.
- New commercial initiatives in Colombia. Re-branding, with a new portfolio of CEMEX brand products offering end-to-end business solutions. The opening of the first Construrama (building materials store franchises) in the third quarter of 2012; at the year-end, a total of 77 distribution centers had signed up to become Construramas stores, of which 31 are undergoing the transformation process.
- The listing of the Company's shares on the Colombian Stock Exchange following the successful conclusion of the IPO in the November 2012, and net proceeds of US dollars 960 million from the placement of shares representing 26.65% of share capital, which was used by the CEMEX Group to pay debt.

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Key performance indicators of the CEMEX Latam Group's businesses in the various markets of operation:

A. Colombia

Growth in ready-mix concrete volumes reflects the greater coverage offered by the 14 new plants and 200 new concrete trucks. Prices for all three products (cement, ready-mix concrete and aggregates) were higher than in 2011. The residential construction sector benefited in 2012 from a scenario of stable interest rates, controlled inflation and favorable economic conditions. The infrastructure market should continue to fare well, driven primarily by the construction of roads and motorways, the construction of railways and capacity increases of ports and airports.

B. Panama

Cement volumes increased by more than 30% in 2012. The infrastructure sector was the main driver of cement consumption thanks to projects such as the Panama Canal, the Panama City underground, the Cinta Costera 3 motorway and hydroelectric plants.

C. Costa Rica

2012 featured double-digit growth in cement and concrete, fuelled by buoyant residential construction on the back of low- and medium-income housing projects, and resilience in the infrastructure sector, thanks to projects such as the Reventazón hydroelectric plant and the San Carlos motorways project.

D. Other CEMEX Latam Group countries

Growth of nearly 10% in cement and ready-mix concrete volumes and prices, in local currency, and of nearly 20% in aggregates compared to 2011. The residential construction and infrastructure sectors were the main drivers of demand.

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E. Outlook for the CEMEX Latam Group

For 2013, prospects point to a solid macroeconomic environment and favorable conditions for the industry, which should feed through to higher consolidated volumes. We believe we are strongly positioned to continue to achieve growth thanks to our solutions-based strategy for the various segments we service.

3.- Risks and uncertainties

The Company's Finance and Management departments ("Controllershship and Internal Control") work together and jointly to oversee the management of the Company's risks based on the policies, procedures and systems (the "Policies and Systems") in place and/or adopted specifically by the Company and other CEMEX Latam Group companies. The strategic planning, tax and legal departments are also involved in the process.

These departments identify, measure and manage the operating and financial risks to which the Company is exposed in close collaboration with other CEMEX Group areas and always under the supervision of the Company's General Manager.

The Audit Committee is responsible for supervising the effectiveness of the internal control of the Company and for managing corporate risks directly and permanently in line with the duties conferred to it expressly in the Bylaws and the Regulations of the Board of Directors. In this respect, the Audit Committee is assisted by the Company's Internal Audit Area, which reports functionally to it.

The Board of Directors is ultimately responsible for the appropriate management of the Company's risks, approving and establishing suitable guidelines and policies subject to a report by the Audit Committee.

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In turn, the CEME Latam Group's specific Policies and Systems are based on and articulated through the standards and requirements set out by the CEMEX Group's parent, CEMEX, S.A.B de C.V.

The key indicators of the efficiency of the Company's internal control and corporate risk management are detailed in the Oversight Systems Report on Risk Management prepared by the Audit Committee and in the related sections of Annual Corporate Governance Report, attached to this report as Appendix A to the Directors' Report.

The main risks and uncertainties identified are:

1) Market risk

The Company does business internationally and, therefore, is exposed to foreign currency risk from its transactions with currencies.

Foreign currency risks arise mainly from the net investments in foreign operations. The Company has numerous investments abroad whose net assets are exposed to exchange rate risk.

2) Liquidity risk

The Company applies prudent criteria to cover its liquidity risks, based on having sufficient cash and financing through credit facilities. One of the objectives of the Company's and the CEMEX Latam Group's Treasury Department is to maintain flexible financing through drawdowns on credit facilities arranged with group companies.

The classification of financial liabilities by contractual maturities is provided in note 8.

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3) Cash flow interest rate risk

The Company is exposed to interest rate risk from borrowings (loans and credit lines) with Group companies. Fixed-rate loans expose the Company to fair value interest-rate risk.

4) Hedging risks

As the proceeds from the IPO were denominated in Colombian pesos and used to pay debt denominated in US dollars, the Company is exposed for foreign currency risk of depreciation by the Colombian peso. Therefore, in September and October 2012, the Company entered into foreign currency hedges with CEMEX, S.A.B. de C.V. to hedge against the impact of a potential depreciation by the peso with respect to the proceeds from the IPO. These economic hedges, which do not meet the criteria for hedge accounting, were settled in November 2012. As a result, at December 31, 2012, the Company only recognized a loss of Euros 1,570 thousand from this settlement.

4.- Research and Development Activities (R&D)

The Company did not carry out any R&D activities in 2012.

5.- Own shares

As a result of the exercise of the Put Option by the Initial Buyers on December 12, 2012 (see note 1(b) to the financial statements), the Company acquired 22,224,000 own shares for a total of Euros 113,649 thousand. Some of the shares will be used for the long-term incentive scheme for CEMEX Latam Group executives.

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6.- Annual Corporate Governance Report

Attached and forming an integral part of the Directors' Report is the Annual Corporate Governance Report, together with the Oversight Systems Report on Risk Management and the Report on Directors and Senior Executives and their compensation, all for the year ended December 31, 2012, and the Country Code Survey – Colombia for 2012.

Although Cemex Latam has not issued any securities admitted for trading in any Member State of the European Union, the Company has decided voluntarily to prepare an Annual Corporate Governance Report and, in accordance with Section 538 of the Corporate Enterprises Act, include the Annual Corporate Governance Report in the Directors' Report. In line with best corporate governance practices and the commitments undertaken as a result of the IPO on the Colombian Stock Exchange, the Company also decided to prepare the Annual Corporate Governance Report following the model approved by Circular 4/2007, of December 27, of the Spanish Securities Market Commission (CNMV).

In accordance with best governance practices in Colombia, the Company has likewise prepared the Country Code Survey – Colombia in accordance with the model approved by External Circular no. 028 of 2007, of May 11, of the Colombian securities market regulator, the Superintendencia Financiera de Colombia, amended by External Circular 007 of 2011, of February 10.

7.- Events after the reporting period

On January 16, 2013, the Board of Directors of the Company resolved to approve a Long-term Incentive Plan for Executives of the Company with effect from January 1, 2013 consisting of compensation based on Company shares.

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**ANNUAL CORPORATE
GOVERNANCE REPORT**

Year ended December 31, 2012

CEMEX LATAM HOLDINGS, S.A.

TAX ID NUMBER: A-86449162

C/ Hernández de Tejada 1

28027 Madrid

Registered in Madrid Mercantile Register,
Volume 29843, Section 8 of Companies Register,
Folio 169, Sheet M-536957.

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INTRODUCTION

CEMEX LATAM HOLDINGS, S.A. (the “Company” or “CEMEX Latam”) was incorporated on 17 April 2012 as a public limited liability company (*sociedad anónima*), for an unlimited period. Its registered offices are in Madrid calle Hernández de Tejada, 1.

The Cemex Latam Group, in turn, is included, as a sub-group, in the corporate group headed by CEMEX España, S.A., its main shareholder (“CEMEX España Group” or “Cemex España”, where appropriate).

The Company is also part of the international cement and building materials group CEMEX (“CEMEX Group”), whose parent company is Cemex, S.A.B. de C.V. (“CEMEX, S.A.B. de C.V.”), a company incorporated in Monterrey (Mexico) and listed on the Mexican and the New York (NYSE) Stock Exchanges.

The Company’s main corporate purpose is as the holding company of stakes in companies mainly dedicated to the manufacture and sale of cement and other building materials in South America, Central America and the Caribbean. At present the Cemex Latam Group has operations in Colombia, Panama, Nicaragua, Costa Rica, Guatemala, El Salvador and Brazil.

In November 2012 the Company placed approximately 26% of its share capital in an initial public offering in Colombia. Its shares were then admitted to trading on the Colombia Stock Exchange on November 16, 2012.

Even though it is a Spanish company, Cemex Latam is not admitted to trading in Spain but it is on the Colombian Stock Exchange. It is therefore not subject to Spanish corporate governance recommendations for listed companies. Neither is it liable to the best practices recommendations applicable to Colombian companies listed on the country’s Stock Exchange.

However, Cemex Latam has decided to voluntarily comply with some of the recommendations included in the Spanish Unified Good Governance Code as well as the best practices applicable to Colombian listed companies admitted to trading. Cemex Latam’s corporate governance system has been adapted to Spanish and international best practices. As a result, this Report details Cemex Latam’s degree of compliance with the Unified Good Governance Code. For those recommendations where the Company is not compliant (“*Comply or Explain*”), we have included an explanation.

Subject to a report by the Corporate Governance Committee, at its meeting on March 13, 2013, the Company’s Board of Directors approved this Annual Corporate Governance Report which has been prepared in accordance with CNMV Circular 4/2007, of December 27 regarding listed companies.

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Its preparation and subsequent approval complies with the provisions of article 49 of the By-Laws and article 42 of the Regulations of the Board of Directors.

A. OWNERSHIP STRUCTURE

A.1 Complete the following table on the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
11/07/12	578,278,342	578,278,342	578,278,342

- Indicate whether different types of shares exist with different associated rights.

No

A.2 List the direct and indirect holders of significant ownership interests in your organisation at year-end, excluding directors.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
CEMEX España, S.A. ⁽¹⁾	407,890,342		74.37
Merrill Lynch International	23,129,303		3.99
Classroom Investments Inc.	22,000,000		3.80
Citigroup Global Markets Ltd.	17,628,904		3.04

(1) Controlled by CEMEX S.A.B. de C.V.

- Indicate the most significant movements in the shareholder structure during the year.

Name or corporate name of shareholder	Date of transaction	Description of transaction
CEMEX España, S.A.	08/01/12	Share capital increase
Plurality of shareholders who subscribed to the public offering	11/07/12	Share capital increase

A.3. Complete the following tables on share options held by directors.

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Name or corporate name of director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
N/A	N/A	N/A	N/A

(*) Through:

Name or corporate name of direct shareholder	Number of direct voting rights	% of total voting rights
N/A	N/A	N/A

% of voting rights held by the Board of Directors 0

Complete the following tables on share options held by directors.

Name or corporate name of director	Number of direct share options	Number of indirect share options	Equivalent number of shares	% of total voting rights
N/A	N/A	N/A	N/A	N/A

A.4 A.4 Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities.

Name or corporate name	Type of relationship	Brief description
N/A	N/A	N/A

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- A.5. Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Name or corporate name	Type of relationship	Brief description
CEMEX España, S.A.	Corporate	Controlling shareholder. The shareholder and the Company belong to the same corporate group.

- A.6. Indicate whether any shareholders' agreements have been notified to the company pursuant to article 112 of the Securities' Market Act (Ley del Mercado de Valores). Provide a brief description and list the shareholders bound by the agreement, as applicable.

No

Shareholders bound by agreement	% of share capital affected	Brief description
N/A	N/A	N/A

- Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

No

Shareholders involved in concert	% of share capital affected	Brief description
N/A	N/A	N/A

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year:

No

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- A.7 Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Securities' Market Act. If so, identify.

Name or corporate name: CEMEX España, S.A.
Remarks: Holds 74.37% stake

- A.8. Complete the following tables on the company's treasury shares.

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
22,224,000		3.84

(*) Through:

Name or corporate name of direct shareholder	Number of shares held directly
N/A	N/A
Total:	N/A

Give details of any significant changes during the year, in accordance with Royal Decree 1362/2007.

Notification date	Total number of direct shares acquired	Total number of indirect shares acquired	% of total share capital
11/12/12	22,224,000	N/A	3.84

Gain/ (loss) on treasury shares during the year

NOT APPLICABLE

- A.9. Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting authorising the Board of Directors to purchase and/or transfer the treasury shares.

Date of resolution: October 4, 2012
Time: 5 years.

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Conditions:

a) The acquisition may take the form of the purchase, swap or any other legally-accepted transaction, one or more times, providing that the shares acquired, in addition to those the Company already holds, do not exceed the maximum amount allowed by Law.

b) These transactions may not be carried out at a price which is (i) greater than the higher of (a) 120% of the shares listed price or (b) the subscription offer price; (ii) nor less than one euro cent (0.01 cents).

A.10. Indicate, as applicable, any restrictions imposed by Law or the company's Bylaws on exercising voting rights, as well as any legal restrictions on the acquisition or transfer of ownership interests in the share capital.

- Indicate whether there are any restrictions included in the Bylaws on exercising voting rights.

No

- Indicate whether there are any restrictions included in the Bylaws on exercising voting rights.

No

- Indicate if there are any legal restrictions on the acquisition or transfer of share capital.

No

A.11. Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

No

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B. COMPANY MANGEMENT STRUCTURE

B.1 BOARD OF DIRECTORS

B.1.1 List the maximum and minimum number of directors included in the Bylaws.

Maximum number of directors	9
Minimum number of directors	3

B.1.2 Complete the following table with board members' details.

Name or corporate name of director	Position on the board	Date of first appointment	Date of last appointment	Election procedure
Jaime Gerardo Elizondo Chapa	Chairman and Chief Executive Officer	10/04/12 and 01/16/13 (*)		Decision of sole shareholder
Juan Pablo San Agustín Rubio	Vice-Chairman and Chief Executive Officer	10/04/12 and 01/16/13 (*)		Decision of sole shareholder
Ignacio Madridejos Fernández	Director	10/04/12		Decision of sole shareholder
Jaime Muguero Domínguez	Director	10/04/12		Decision of sole shareholder
Jaime Ruiz de Haro	Director	10/04/12		Decision of sole shareholder
Gabriel Jaramillo Sanint	Director	10/04/12		Decision of sole shareholder
Coloma Armero Montes	Director	10/04/12		Decision of sole shareholder
Rafael Santos Calderón	Director (specially empowered independent director)	10/09/12		Decision of sole shareholder
Juan Pelegrí y Girón	Director and Secretary	10/04/12		Decision of sole shareholder

(*) Date appointed Chief Executive Officers

Total number of directors: 9

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Indicate any board members who left during this period.

When the Company was set up a Board of Directors comprising the following members was formed:

Juan Pelegrí y Girón (Chairman)
Iván Sánchez Ugarte (Vice-Secretary-Director)
Mónica Baselga Loring (Secretary-Director).

This Board stepped down on October 4, 2012.

B.1.3 Complete the following tables on board members and their respective categories.

EXECUTIVE DIRECTORS

Name or corporate name of director	Committee proposing appointment	Post held in the company
Jaime Gerardo Elizondo Chapa	Nominating and Compensation	Chief Executive Officer
Juan Pablo San Agustín Rubio	Nominating and Compensation	Chief Executive Officer

Total number of executive directors	2
% of the board	22.22

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of director	Committee proposing appointment	Name or corporate name of significant shareholder represented or proposing appointment
Ignacio Madrideo Fernández	None of the Board Committees had been set up when these directors were appointed external independent directors.	Cemex España, S.A.
Jaime Muguiro Domínguez		Cemex España, S.A.
Jaime Ruiz de Haro		Cemex España, S.A.
Juan Pelegrí y Girón		Cemex España, S.A.

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Total number of Proprietary Directors	4
% of the board	44.44

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of director	Profile
Gabriel Jaramillo Sanint	Financial sector expert. He has held various positions of responsibility including director in various companies in the financial sector.
Coloma Armero Montes	Lawyer specializing in mercantile law. Director and a member of the Audit Committee of a regulated company.
Rafael Santos Calderón	Information media expert. Holds various positions of responsibility such as publications editor and director.

Total number of independent directors	3
% of the board	33.33

Name or corporate name of director	Committee proposing appointment
Gabriel Jaramillo Sanint	None of the Board Committees had been set up when these directors were appointed external independent directors.
Coloma Armero Montes	
Rafael Santos Calderón	Nominating and Compensation

OTHER EXTERNAL DIRECTORS

Total number of other external directors	0
% of the board	N/A

List the reasons why these cannot be considered proprietary or independent directors and detail their relationships with the company, its executives or shareholders.

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Name or corporate name of director	Reasons	Company, executive or shareholder with whom the relationship is maintained
N/A	N/A	N/A

List any changes in the category of each director which have occurred during the year.

Name or corporate name of director	Date of change	Previous status	Current status
Jaime Gerardo Elizondo Chapa	01/16/13	External proprietary director	Executive director (Chief Executive Officer)
Juan Pablo San Agustín Rubio	01/16/13	External proprietary director	Executive director (Chief Executive Officer)

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- B.1.4 Explain, when applicable, the reasons why proprietary directors have been appointed upon the request of shareholders who hold less than 5% of the share capital.

Name or corporate name of shareholder	Reason
N/A	N/A

- Provide details of any rejections of formal requests for board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If so, explain why these requests have not been entertained.

There have been no formal requests in this regard.

Name or corporate name of shareholder	Explanation
N/A	N/A

- B.1.5 Indicate whether any director has resigned from office before their term of office has expired, whether that director has given the board his/her reasons and through which channel. If made in writing to the whole board, list below the reasons given by that director.

As we have noted above in section B.1.2, the original Board of Directors which was appointed when the Company was set up stood down on October 4, 2012 to allow a new Board to be formed which is in keeping with the new corporate structure to enable the Company's shares to be admitted to trading on the Colombia Stock Exchange.

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B.1.6 Indicate what powers, if any, have been delegated to the Chief Executive Officer.

Name or corporate name of director	Brief description
Jaime Gerardo Elizondo Chapa	<p>They shall have joint and several powers.</p> <p>The Chief Executive Officers have been delegated all the powers of the Board of Directors except for those which cannot be delegated by Law or the By-Laws except for those regarding:</p> <ol style="list-style-type: none"> Any acts, businesses or contracts involving the disposal of or encumbrances on property used in, or which are located in, facilities involved in the production, storage, distribution and sale of cement; and
Juan Pablo San Agustín Rubio	<ol style="list-style-type: none"> Any acts, businesses or contracts involving the disposal of or encumbrances on shares or stakes in companies where the Company holds a stake of 10% or more and whose main activity is the production, sale, storage or distribution of cement, its derivatives or raw materials used in its production. <p>Transactions between the Company and CEMEX Group subsidiaries are governed by article 40 of the Regulations of the Board of Directors which regulates the authorization of transactions between the Company and directors or significant shareholders. The Company also has other internal regulations and resolutions adopted by the Board of Directors for these cases.</p>

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B.1.7 List the directors, if any, who hold office as directors or executives in other companies belonging to the listed company's group.

In order to provide greater transparency, we list below the offices held by directors in companies belonging to the CEMEX Group as a whole and not just the Cemex Latam subgroup.

Name or corporate name of director	Corporate name of the group company	Post
Jaime Gerardo Elizondo Chapa	Cemex Perú, S.A.	Director
	Distribuidora de Materiales de Construcción DIMACO DMC, Sociedad Anónima.	Chairman of the Board of Directors
	Amblease Limited	Director
	Cemex Cal, Inc.	Director
	Cemex Colombia, S.A.	Director
	Cemex Concretos, Inc.	Chairman of the Board of Directors
	Cemex de Puerto Rico, Inc.	Director
	Cemex Dominicana, S.A.	Vice-Chairman of the Board of Directors
	Cemex Global Sourcing, Inc.	President of the Board of Directors
	Tecnologías de Recursos Minerales, S.A. de C.V.	Director
	Inversiones Mitre, C.A.	Director
Juan Pablo San Agustín Rubio	Neoris USA Inc.	Director
	TRG Blue Rock HBM Holdings S.a.r.l (CEMEX's stake: 20.32%)	Director
	Neoris de México, S.A. de C.V.	Chairman of the Board of Directors
Ignacio Madridejos Fernández	Cemex Deutschland AG.	Chairman of the Supervisory Board
	Cemex France Services (GIE)	Sole administrator
	Cemex Investment Limited	Director
	Cemex UK Cement Limited	Director
	Cemex UK Materials Limited	Director
	Cemex UK Operations Limited	Director
	Cemex España, S.A.	Chairman and Chief Executive Officer

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	Readymix Limited (Ireland)	Director
Jaime Muguiro Domínguez	Assiut Cement Company	Chairman and Representative of the Board of Cemex Asia B.V.
	Cemex Egypt for Services	Director
	Cemex Egypt Quarries LLC	Director
	Cemex Hrvatska d.d.	Chairman of the Supervisory Board
	Cemex España, S.A.	Vice-Chairman and Chief Executive Officer
	Readymix Industries (Israel) Ltd.	Director
	Readymix Holdings (Israel) Ltd.	Director
Jaime Ruiz de Haro	Cementos Andorra, S.A.	Chairman of the Board of Directors and CEO
	Cemex España Operaciones, S.L.U.	Chairman of the Board of Directors and CEO
	Cemex España, S.A.	Director/General Manager
Juan Pelegrí y Girón	Assiut Cement Company	Representative of the Board of Cemex Egyptian Investments B.V.
	Balboa Investment B.V.	Director
	Cemex Asia Holdings Ltd.	Director
	Cemex Asia Pte Limited	Director
	Cemex Caracas Investment B.V.	Director
	Cemex Deutschland AG	Member of the Supervisory Board
	Cemex UK	Director
	Cemex España, S.A.	Secretary and representative of the board of New Sunward Holdings, B.V.
	Corporación Cementera Latinoamericana, S.L.	Representative of the sole administrator of Cemex Latam Holdings, S.A.
	New Sunward Holdings, B.V.	Director
	Fith Lettuce Pty Limited	Director
	Lomez International, B.V.	Director
	RMC Holdings, B.V.	Director
	Sierra Trading, Ltd.	Director

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B.1.8 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name of director	Name of listed company	Post
N/A	N/A	N/A

B.1.9 Indicate and, where appropriate, explain whether the company has established rules about the number of boards on which its directors may sit.

Yes. Pursuant to article 12.1. a) of the Regulations of the Board of Directors, those natural persons or legal entities holding the position of director in more than three (3) companies whose shares are admitted to trading on a national or foreign stock exchange may not be appointed directors.

B.1.10 In relation to Recommendation 8 of the Unified Code, indicate the company's general policies and strategies that are reserved for approval by the Board of Directors in plenary session.

	Yes	No
Investment and financing policy	X	
Design of the structure of the corporate group	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
The strategic or business plans, management targets and annual budget	X	
Remuneration and evaluation of senior officers	X	
Risk control and management, and the periodic monitoring of internal information and control systems	X	

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Dividend policy, as well as the policies and limits applying to treasury shares	X	
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B.1.11 Complete the following tables on the aggregate remuneration paid to directors during the year.

a) In the reporting company:

Item	In thousands €
Fixed remuneration	32,226.56
Variable remuneration	0
Attendance fees	0
Bylaw-mandated compensation	0
Share options and/or other financial instruments	0
Other	0
TOTAL	
Other benefits	In thousands €
Advances	0
Loans	0
Funds and pension plans: Contributions	0
Funds and pension plans: Obligations	0
Life insurance premiums	0
Guarantees issued by the Company in favour of directors	0

b) For company directors sitting on governing bodies and/or holding senior management posts within group companies:

Item	In thousands €
Fixed remuneration	N/A
Variable remuneration	N/A
Attendance fees	N/A
Bylaw-mandated compensation	N/A
Share options and/or other financial instruments	N/A
Other	N/A
TOTAL	N/A

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Other benefits	In thousands €
Advances	N/A
Loans	N/A
Funds and pension plans: Contributions	N/A
Funds and pension plans: Obligations	N/A
Life insurance premiums	N/A
Guarantees issued by the Company in favour of directors	N/A

c) Total remuneration by type of director:

Only external independent directors receive remuneration.

Total remuneration received by directors (in thousands €)	32,226.56
Total remuneration received by directors/profit attributable to parent company (%)	

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B.1.12 List any members of senior management who are not executive directors and indicate total remuneration paid to them during the year.

Name or corporate name	Post
Carlos Jacks Chavarría	Executive director of Cemex Latam and director of CEMEX Colombia
Josué R. González Rodríguez	CFO at Cemex Latam and CEMEX Colombia
Edgar Claudio Ángeles Garza	Head of Operations at Cemex Latam and CEMEX Colombia
Edgar Ramírez Martínez	Vice-Chairman of Planning at Cemex Latam and CEMEX Colombia
Camilo González Téllez	Head of Legal at Cemex Latam and Legal Vice-President of CEMEX Colombia
Ramón Pizá Pluma.	Director of Panama
Roberto Ponguta Urquijo.	Director of Costa Rica
Andrés Jiménez Uribe.	Director of Nicaragua and El Salvador
Miguel Martínez	Director of Guatemala
Afonso Toshiiti Sato	Director of Brazil

Total remuneration received by senior management (in thousands €)

USD 4.8Mn, equivalent to €3.6Mn based on the ECB's exchange rate at December 31, 2012.

B.1.13 Identify, in aggregate terms, any indemnity or "golden parachute" clauses that exist for members of the senior management (including executive directors) of the company or of its group in the event of dismissal or changes in control. Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group.

Number of beneficiaries: 0

	Board of Directors	General Shareholders' Meeting
Body authorising clauses	Yes	No

Is the General Shareholders' Meeting informed of such clauses?

Yes No

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B.1.14 Describe the procedures for establishing remuneration for board members and the relevant provisions in the Bylaws.

The process is as follows:

- The total amount of remuneration to be paid to directors for the items listed in its By-Laws must not exceed the amount determined by the General Shareholders' Meeting which may also establish the bases for periodic reviews and amendments. This amount, amended if applicable, shall be applied if it is not amended by a new resolution passed by the General Shareholders' Meeting.
- The Board of Directors, subject to a proposal by the Nomination and Compensation Committee, shall set the exact amount to be paid within the limit set by the General Shareholders' Meeting, the distribution among the various directors and the criteria to be met for these effects, the frequency of the remuneration and, in general, any other matter not expressly authorized by the General Shareholders' Meeting.

Relevant articles:

Article 48 of the By-Laws.

Article 31 of the Regulations of the Board of Directors.

Indicate whether the board has reserved for plenary approval the following decisions.

	Yes	No
On the proposal of the Company's chief executive, the appointment and removal of senior officers, and their compensation clauses.	X	
Directors' remuneration, and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.	X	

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B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the points included.

Yes No

	Yes	No
The amount of the fixed components, itemised, where necessary, of board and board committee attendance fees, with an estimate of the fixed annual remuneration they give rise to.	X	
Variable components		X
The main characteristics of pension systems, including an estimate of their amount of annual equivalent cost.		X
The conditions that the contracts of executive directors exercising executive functions shall respect.		X

B.1.16 Indicate whether the board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. Explain the points of the report regarding the remuneration policy as approved by the board for forthcoming years, the most significant departures in those policies with respect to that applied during the year in question and a global summary of how the remuneration policy was applied during the year. Describe the role played by the Remuneration Committee and whether external consultancy services have been procured, including the identity of the external consultants.

Yes No

Role of the Remunerations Committee

Pursuant to articles 44 and 26 of the By-Laws and Regulations of the Board of Directors, respectively, the Nominating and Compensation Committee prepares an annual report on remuneration paid to directors and Senior Management and includes information on the following issues:

1. Composition of the Board of Directors and its committees.
Appointments.

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2. Director remuneration policy.
3. Board remuneration for 2012.
4. Senior management: composition of senior management. Functions and duties.
5. Senior management remuneration.

	Yes	No
Have external consultancy firms been used?		X
Identity of external consultants	N/A	

B.1.17 List any board members who are likewise members of the boards of directors, or executives or employees of companies that own significant holdings in the listed company and/or group companies.

Name or corporate name of director	Name or corporate name of significant shareholder	Post
Ignacio Madridejos Fernández	CEMEX España, S.A.	Chairman and Chief Executive Officer
Jaime Muguiro Domínguez	CEMEX España, S.A.	Vice-Chairman and Chief Executive Officer
Jaime Ruiz de Haro	CEMEX España, S.A.	Director/General Manager
Juan Pelegrí y Girón	CEMEX España, S.A.	Individual representing director "New Sunward Holding BV" and Secretary

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

Name or corporate name of the related director	Name or corporate name of related significant shareholder	Description of relationship
Ignacio Madridejos Fernández	CEMEX España, S.A.	Employment
Jaime Muguiro Domínguez	CEMEX España, S.A.	Employment
Juan Pablo San Agustín Rubio	CEMEX España, S.A.	Employment
Juan Pelegrí y Girón	CEMEX España, S.A.	Employment

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B.1.18 Indicate whether any changes have been made to the regulations of the Board of Directors during the year.

No changes have been made.

B.1.19 Indicate the procedures for appointing, re-electing, appraising and removing directors. List the competent bodies and the processes and criteria to be followed for each procedure.

The following procedure is detailed in the Company's By-Laws and Regulations:

1) Selection and appointment of candidates

Selection of candidates

1. The Board of Directors, and the Nominating and Compensation Committee within its area of authority, shall endeavour to ensure that the candidates proposed to the shareholders at a General Shareholders' Meeting for appointment or re-election as directors, as well as the directors appointed directly to fill vacancies in the exercise of the power of the Board of Directors to make interim appointments, are respectable and qualified persons, widely recognized for their expertise, competence, experience, qualifications, educational background, availability and commitment to their duties.

2. In particular, the Board of Directors and the Nominating and Compensation Committee shall consider the following principles:

- (a) it shall be endeavour that all directors contribute to the Board of Directors with a professional speciality and that directors have previous experience in the Company's sector;
- (b) all directors shall have enough time to responsibly comply with the performance of their duties; and
- (c) all directors shall have the basic skills to duly perform their duties.

3. In the case of a director that is a legal entity, the individual representing it in the performance of the duties inherent in the position of director shall be subject to the same requirements mentioned in the preceding paragraph and shall also be personally subject to the incompatibilities and bound by the duties established for the director in the Internal Regulation.

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Appointment

1. The directors shall be appointed by the shareholders acting at the General Shareholders' Meeting pursuant to the provisions of Law and the By-Laws.

2. The proposals for appointment and re-election of directors that the Board of Directors submits to a decision by the shareholders acting at a General Shareholders' Meeting, and the decisions made by the Board of Directors in the exercise of the legally-assigned power to make interim appointments to fill vacancies, shall be preceded by: (a) the corresponding proposal of the Nominating and Compensation Committee, in the case of independent directors, or (b) the report of the Nominating and Compensation Committee, in the case of the other directors, which report must assign the new director to one of the categories contemplated in these Regulations.

2) Term of office and re-election

1. The directors shall serve in their positions for a term of three (3) years, so long as the shareholders acting at a General Shareholders' Meeting do not resolve to remove them and they do not resign from their position.

2. Directors may be re-elected for an unlimited number of terms of three (3) years.

3. Vacancies which occur may, pursuant to Law, be filled by the Board of Directors until the next General Shareholders' Meeting, whereat the shareholders shall confirm the appointments or elect the persons who should replace directors which are not ratified, unless it decides to withdraw the vacant positions.

4. The proposals for re-election of directors that the Board of Directors resolves to submit to a decision of the shareholders at the General Shareholders' Meeting shall be subject to a process of preparation, which shall include a proposal (in the case of independent directors) or a report (in the case of the other directors) issued by the Nominating and Compensation Committee, containing an analysis of the quality of the work performed and the dedication to the position shown by the proposed directors during the preceding term of office as well as an express evaluation of the respectability, capability, expertise, competence, availability and commitment to their duties.

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To this end, the directors sitting on the Nominating and Compensation Committee shall be evaluated by the Committee itself, which shall use the internal and external means it deems appropriate for such purpose, and each of them shall leave the meeting during the debate and voting of resolutions that may affect them.

5. The Chairman, the Vice-Chairmen, the independent director with special powers (Lead Independent Director), and, if they are directors, the Secretary and the Vice-Secretaries of the Board of Directors, who are re-elected as members of the Board of Directors by the shareholders acting at a General Shareholders' Meeting, shall continue to perform the duties they previously performed within the Board of Directors without the need for a new appointment, all without prejudice to the Board of Directors' power of revocation with respect to such positions.

3) Evaluation

Pursuant to article 44 of the Regulations of the Board of Directors, the Nominating and Compensation Committee is empowered with the necessary competencies to disseminate and review the selection criteria for directors and appraise their performance. In particular, this Committee shall establish and supervise a program for continuous evaluation and review of the qualifications, educational background and, if applicable, independence as well as ongoing compliance with the requirements of respectability, capability, expertise, competence, availability and commitment to the position that must be satisfied in order to serve as director and a member of a committee and propose to the Board of Directors such measures as it deems advisable in this regard.

Also, and pursuant to article 34 *in fine* of the By-Laws, the Board itself must be appraised on an annual basis, with any internal and external resources being used if need be. The following aspects shall be evaluated:

- (a) its functioning and the quality of the work carried out;
- (b) based on a report submitted by the Nominating and Compensation Committee, how well the Chairman of the Board and the Chief Executive Officer have carried out their duties; and
- (c) the performance of the Board committees on the basis of the reports furnished by them. To this end, the Chairman of the Board shall organize and coordinate with the Chairman of the relevant Committees

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4) Removal

The Nominating and Compensation Committee shall inform on any proposed removals of directors made by the Board.

Pursuant to article 13.2 of the Regulations of the Board of Directors, should a director be involved in any of the cases which oblige them to tender their resignation (these cases are listed in B.1.20 below), the Board of Directors shall request that the director formally resign from their position and, if applicable, shall propose this resignation at the General Shareholders' Meeting. This power is listed in article 7.1 (b) of the Regulations of the General Shareholders' Meeting.

B.1.20 Indicate the cases in which directors must resign.

Directors must tender their resignation to the Board of Directors and formally resign from their position in the following cases:

- (a) when, due to supervening circumstances, they are involved in any circumstance of incompatibility or prohibition governed by provisions of a general nature, the By-Laws or these Regulations;
- (b) when, as a result of any acts or conduct attributable to the director, serious damage is caused to the value or reputation of the Company or there is a risk to the Company of criminal liability;
- (c) when they cease to deserve the respectability or to have the capability, expertise, competence, availability or commitment to their duties required to be a director of the Company;
- (d) when their continuance in office on the Board of Directors may, for any reason, jeopardize directly, indirectly or through their related persons (pursuant to the definition of this term set forth in these Regulations), the faithful and diligent performance of their duties in furtherance of the corporate interest;
- (e) when the reasons why the director was appointed cease to exist and, in particular, in the case of proprietary directors, when the shareholder or shareholders who proposed, requested or decided the appointment thereof totally or partially sell or transfer their equity interest, with the result that such equity interest ceases to be significant or sufficient to justify the appointment;
- (f) when an independent director is affected, at any time following his appointment as such, by any of the prohibitions against holding office provided for in these Regulations; and
- (g) when the condition of the activities carried out by the director or the companies directly or indirectly controlled by the director, or the individuals or legal entities that are shareholders or related to

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any of them, or the individual representing a director that is a legal entity, may compromise the director's capacity to hold office as such.

B.1.21 Indicate whether the duties of chief executive officer fall upon the Chairman of the Board of Directors. If so, describe the measures taken to limit the risk of powers being concentrated in a single person.

Yes No

Indicate, and if necessary, explain whether rules have been established that enable any of the independent directors to convene board meetings or include new items on the agenda, to coordinate and voice the concerns of external directors and oversee the evaluation by the Board of Directors.

Yes No

■ Measures for limiting risk and explanation of rules:

Pursuant to the Regulations for the Board of Directors, in the event that the Chairman of the Board of Directors performs executive duties, the Board shall appoint an independent director with special powers (Lead Independent Director). This director shall coordinate and express the opinions of the external directors and lead the evaluation of the Chairman of the Board of Directors.

The Lead Independent Director, Rafael Santos Calderón (external independent director) was appointed by a Board resolution on October 9, 2012.

Article 18 of the Regulations of the Board of Directors states the powers of the Lead Independent Director, as follows:

Article 18. Independent director with special powers

1. In the event that the Chairman of the Board of Directors performs executive duties, the Board of Directors shall, at the proposal of the Nominating and Compensation Committee, authorize an independent director to:
 - (a) request the Chairman of the Board of Directors to call a meeting of this body when he deems it appropriate;

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- (b) request the inclusion of matters on the agenda for the meetings of the Board of Directors;
- (c) coordinate and express the opinions of the external directors; and
- (d) lead the evaluation of the Chairman of the Board of Directors.

2. The removal of the independent director with special powers (Lead Independent Director) requires the prior report of the Nominating and Compensation Committee.

B.1.22 Are qualified majorities, other than those prescribed by Law, required for any type of decisions?

Yes No

- Describe how resolutions are adopted by the Board of Directors and specify, at least, the minimum attendance quorum and the type of majority for adopting resolutions.

A) Quorum

A valid quorum for meetings of the Board of Directors shall be established when over half of its members are present, either in person or by proxy.

In the event that that matter to be discussed directly affects a director or a related-party and may cause a personal conflict of interest (companies in which the director exercises influence or is a member of the Board of Directors shall be included), the director shall leave the meeting during the deliberation and voting and shall not be counted in the number of members attending for purposes of calculating the quorum. Related-party transactions are included in this category.

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B) Quorum for adopting resolutions

General rule: Resolutions shall be adopted by a majority vote of its members, present in person or by proxy.

Qualified majorities: In particular, and pursuant to section 3 of article 39 of the By-Laws, two thirds of the directors must vote in favor in order to adopt Board resolutions concerning the following matters:

- (a) when the Company is granted credit lines or any other financing whereby it shall assume debt for an accumulated amount for the fiscal year in excess of one hundred and fifty million euros (€150,000,000) or the equivalent in other currencies, taking into account any debt repayments;
- (b) any investments for an accumulated amount for the fiscal year in excess of one hundred and fifty million euros (€150,000,000) or the equivalent in other currencies;
- (c) the issuance of simple or convertible and/or exchangeable bonds as delegated by shareholders at the General Shareholders' Meeting;
- (d) the acquisition or sale of any assets for an accumulated amount for the fiscal year in excess of one hundred and fifty million euros (€150,000,000) or the equivalent in other currencies;
- (e) any transaction of any type involving persons or entities from countries embargoed by the United States or the European Union;
- (f) the use of cash for purposes other than paying off debt (including the debt of other Cemex Group companies other than the Company or its subsidiaries) for an accumulated amount for the fiscal year in excess of one hundred and fifty million euros (€150,000,000) or the equivalent in other currencies; and
- (g) the granting of powers to carry out any of the above competencies.
- (h) The appointment of members to the Executive Committee and delegation of powers.

B.1.23 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed Chairman.

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There are no specific requirements to be appointed Chairman. The requirements are the same as for all other directors. However, the Chairman shall be appointed subject to a report by the Nominating and Compensating Committee, which shall have the powers to:

- report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, defining their duties and necessary qualifications and assessing the time and dedication required for the proper performance of their work.
- report on and make proposals of appointment to internal positions on the Board of Directors and on proposals relating to the appointment of the members that must make up each of the committees, verifying and confirming compliance with the requirements of expertise and experience in connection with the duties of the committee in question and, in particular, those of the Audit Committee;
- examine or organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company and, if applicable, make proposals to the Board of Directors for such succession to occur in an orderly and well-planned fashion.

B.1.24 Indicate whether the Chairman has the casting vote.

Yes No

Matters in which the Chairman has the casting vote:

Pursuant to section 2 of article 39 of the By-Laws, the Chairman shall have the casting vote in the case of a tie although the cases where this will occur are not detailed.

B.1.25 Indicate whether the Bylaws or the regulations of the Board of Directors set any age limit for directors.

Yes No

B.1.26 Indicate whether the Bylaws or the regulations of the Board of Directors set a limited term of office for independent directors.

Yes No

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B.1.27 If there are few or no female directors, explain the reasons and describe the initiatives adopted to remedy this situation.

Indicate in particular whether the Appointments and Remuneration Committee has established procedures to ensure the selection processes are not subject to implicit bias that will make it difficult to select female directors, and make a conscious effort to search for female candidates who have the required profile.

As the Company has only been in existence for one year, at present the Nominating and Compensation Committee does not have a procedure in place in this regard.

Notwithstanding the above, female directors do comprise one third of independent directors.

B.1.28 Indicate whether there are any formal processes for granting proxies at board meetings. If so, give brief details.

Pursuant to article 30 of the Regulations of the Board of Directors, any directors unable to attend in person shall endeavor to give a proxy to another director.

- (i) They shall give any appropriate instructions to the proxy;
- (ii) The proxy granted shall be a special proxy for the Board meeting in question;
- (iii) The proxy shall be communicated by any means that allow its reception; and
- (iv) They may not grant a proxy in connection with matters in respect of which they are in a conflict of interest situation.

B.1.29 Indicate the number of board meetings held during the year and how many times the board has met without the Chairman's attendance.

Number of board meetings	12 (*)
Number of board meetings without the Chairman's attendance	0

(*) There were also three (3) votes in writing without a meeting, as provided for in article 28.8 of the Regulations of the Board of Directors.

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- Indicate how many meetings of the various board committees were held during the year.

Number of meetings of the Executive or Delegated Committee	0
Number of meetings of the Audit Committee	0 (*)
Number of meetings of the Appointments and Remuneration Committee	0 (*)
Number of meetings of the Corporate Governance Committee	0 (*)

(*) The Audit, Nominating and Compensation and Corporate Governance Committees held various votes in writing without a meeting, as provided for in article 28.8 of the Regulations of the Board of Directors.

Number of votes in writing without a meeting of the Executive or Delegated Committee	0
Number of votes in writing without a meeting of the Audit Committee	2
Number of votes in writing without a meeting of the Nominating and Compensation Committee	2
Number of votes in writing without a meeting of the Corporate Governance Committee	1

In 2012 there were no Executive Committee meetings as it was not called upon to exercise the duties delegated to it as the Board of Directors was able to approve the corresponding resolutions.

- B.1.30 Indicate the number of board meetings held during the financial year without the attendance of all members. Non-attendance will also include proxies granted without specific instructions.

Number of non-attendances by directors during the year	0
% of non-attendances of the total votes cast during the year	0

In 2012, the Board of Directors had to adopt certain resolutions in writing without a meeting as provided for in article 18.8 of the Regulations of the Board of Directors.

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B.1.31 Indicate whether the individual and consolidated financial statements submitted for authorisation for issue by the board are certified previously.

Yes No

B.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being laid before the General Shareholders' Meeting with a qualified Audit Report.

No mechanisms have been established yet as the need has not arisen. Notwithstanding the above, the Audit Committee shall supervise the process of preparing and presenting regulated financial information and reviewing the financial statements before these are submitted for approval to the Board of Directors and the General Shareholders' Meeting so as to avoid any errors and, where applicable, resolve these in order to avoid a qualified Audit Report.

B.1.33 Is the Secretary of the board also a director?

Yes No

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B.1.34 Explain the procedures for appointing and removing the Secretary of the board, indicating whether his/her appointment and removal have been notified by the Appointments Committee and approved by the board in plenary session.

▪ **Appointment and removal procedure:**

At the proposal of the Chairman, and after a report from the Nominating and Compensation Committee, the Board of Directors shall appoint a Secretary and, if appropriate, one or more Vice-Secretaries, who need not be directors. In the absence of the Secretary and Vice-Secretaries, a director duly appointed by the Board shall act as Secretary.

The Secretary shall be required to tender their resignation and formally resign from their position in the cases listed in B.1.20 above.

The Nominating and Compensation Committee shall be informed of their appointment and removal.

	Yes	No
Does the Appointments Committee propose appointments?	X	
Does the Appointments Committee advise on dismissals?	X	
Do appointments have to be approved by the board in plenary	X	
Do dismissals have to be approved by the board in plenary session?	X	

Is the Secretary of the board entrusted in particular with the function of overseeing corporate governance recommendations?

Yes No

Remarks:

Pursuant to section 3 of article 19 of the Regulations of the Board of Directors, the Secretary of the Board of Directors shall have the following duties:

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- ensure that all actions taken by the collective management and decision-making bodies adhere to the Company's Internal Regulation, as well as all regulations concerning corporate governance (Spain) and best corporate practices (Colombia);
- give advice to the Board of Directors on the assessment and continuous update of the Internal Regulation and report on new initiatives in the area of corporate governance at the domestic and international level;
- channel all requests from the directors regarding the information on and documentation of those matters that fall within the purview of the Board of Directors, including corporate governance matters;

The Secretary shall also decide the information that must be included in the Company's corporate website in compliance with the obligations imposed by applicable regulations and the Internal Regulation, including all information concerning corporate governance (Spain) and best corporate practices (Colombia). They shall also update this information in accordance with prevailing legislation. The Secretary of the Board of Directors shall report to the Board.

Juan Pelegrí y Giron, Director-Secretary, is a member and Secretary of the Corporate Governance Committee. As a member of this Committee he is entrusted in particular with the function of overseeing corporate governance recommendations.

B.1.35 Indicate and explain, where applicable, the mechanisms implemented by the company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

The Audit Committee shall approve the policy of hiring the auditor and shall propose to the Board, for authorization at the General Shareholders' Meeting, the appointment, re-election and removal of same.

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In order to ensure its independence, the Company shall not appoint as auditor of the Company any person or company that may have received incomes from the Company and/or its economic affiliates, representing at least twenty five per cent (25%) of its last annual incomes. Every year the auditor shall confirm in writing to the Company its independence and any other information concerning the additional services it carries out for the Company.

The Committee shall also issue an annual report confirming the auditor's independence.

To date no mechanisms to preserve the independence of financial analysts, investment banks and rating agencies have been implemented.

B.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

Yes No

Outgoing auditor	Incoming auditor
N/A	N/A

B.1.37 Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of all fees invoiced to the company and/or its group.

Yes No

In 2012, the KPMG Group, through its companies affiliated to KPMG International, performed non-audit work for the Company, in particular fiscal advisory services.

	Company	Group	Total
Amount of non-audit work (in thousands €)	0	approx 314	approx 314
Amount of non-audit work as a % of the total amount invoiced by the audit firm	0	11.82 % (1)	11.82 % (1)

(1) These fees include the audit of the entire CEMEX Latam Group due to the public share offering.

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B.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

Yes No

The audit report is not qualified and nor does it include reservations.

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

"KPMG Auditores, S.L." was appointed auditor on November 6, 2012, to audit "Cemex Latam Holdings, S.A." and its subsidiaries for fiscal years 2012, 2013 and 2014.

We would note that KPMG Auditores, S.L. has been the auditor of "Cemex España, S.A." (previously "Compañía Valenciana de Cementos Portland, S.A."), the Company's controlling shareholder since 1992.

B.1.40 List any equity holdings of the members of the company's Board of Directors in other companies with the same, similar or complementary types of activity to that which constitutes the corporate purpose of the company and/or its group, and which have been reported to the company. Likewise, list the posts or duties they hold in such companies.

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Name or corporate name of director	Corporate name of the company in question	% share	Post or duties
Jaime Gerardo Elizondo Chapa Juan Pablo San Agustín Rubio Ignacio Madrilejos Fernández Jaime Muguiro Domínguez Jaime Ruiz de Haro Juan Pelègrí y Girón 1	CEMEX S.A.B. de C.V.	0.1048 (aggregate)	No
Rafael Santos Calderón 4	Cementos Argos, S.A.	0.0013	No
	Inver Argos, S.A.	0.0006	No
Coloma Armero Montes	Mutua Madrileña Automovilista	N/A	Director

Indicate and give details of any procedures through which directors may receive external advice.

Yes No

▪ **Details of procedure:**

Any director may request external advice providing the majority of the directors present at the Board meeting authorize this.

Likewise, members of the Board Committees may also request external advice when they deem it is necessary to correctly carry out their duties.

B.1.42 Indicate whether there are procedures for directors to receive the information they need in sufficient time to prepare for meetings of the governing bodies.

Yes No

▪ **Details of procedure:**

Except for certain justified cases, directors shall receive the information needed to prepare for Board and Board Committee meetings at least three (3) days prior to the meeting date.

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B.1.43 Indicate and, where appropriate, give details of whether the company has established rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

Yes No

▪ **Remarks:**

The Regulations of the Board of Directors details the cases in which directors must tender their resignation to the Board of Directors and formally resign from their position.

Any individuals representing legal directors who are involved in any of those cases shall also be inhabilitated.

B.1.44 Indicate whether any director has notified the company that he/she has been indicted or tried for any of the offences stated in article 124 of the Public Limited Companies Act (LSA for its initials in Spanish).

Yes No

B.2. COMMITTEES OF THE BOARD OF DIRECTORS

B.2.1 Give details of all the committees of the Board of Directors and their members.

The current composition of the Board Committees is as follows:

A. EXECUTIVE OR DELEGATED COMMITTEE

Name	Post	Type of director
Jaime G. Elizondo Chapa	Chairman	External proprietary director (until 01/16/13) and executive director since 01/16/13.
Rafael Santos Calderón	Director Independent director with special powers	External independent
Juan Pelegrí y Girón	Secretary	External proprietary

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B. AUDIT COMMITTEE

Name	Post	Type of director
Gabriel Jaramillo Sanint	Chairman	External independent
Rafael Santos Calderón	Director Independent director with special powers	External independent
Coloma Armero Montes	Secretary	External independent

C. APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Post	Type of director
Rafael Santos Calderón	Chairman Independent director with special powers	External independent
Coloma Armero Montes	Director	External independent
Ignacio Madridejos Fernández	Secretary	External proprietary

D. CORPORATE GOVERNANCE COMMITTEE

Name	Post	Type of director
Coloma Armero Montes	Chairman	External independent
Gabriel Jaramillo Sanint	Director	External independent
Juan Pelegrí y Girón	Secretary	External proprietary

B.2.2 Indicate whether the Audit Committee is responsible for the following.

	Yes	No
Monitor the preparation and integrity of financial information prepared on the Company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.	X	
Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.	X	

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Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.	X	
Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.	X	
Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms of their engagement.	X	
Receive regular information from the external auditor on the progress and findings of the audit programme, and check that senior management are acting on its recommendations.	X	
Monitor the independence of the external auditor.	X	
In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.		X

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B.2.3 Describe the organisational and operational rules and the responsibilities attributed to each of the board committees.

A) EXECUTIVE COMMITTEE

A.1) Organisational and operational rules:

Pursuant to articles 42 and 24 of the By-Laws and Regulations of the Board of Directors, respectively, the organizational and operational rules of the Executive Committee are as follows:

- The Board of Directors, irrespective of the appointment of one or more Chief Executive Officers, may create an Executive Committee.
- The Executive Committee shall be made up of three (3) directors, one (1) of whom must be an independent director. The appointment of the members of the Executive Committee and its internal positions, as well as the delegation of powers in their favor shall be made, upon prior report by the Nominating and Compensation Committee, by the Board of Directors with the favorable vote of two-thirds (2/3) of the directors.
- The directors sitting on the Executive Committee shall continue to hold office for so long as their appointment as directors remains, without prejudice to the Board of Directors' power of revocation. Should they be renewed as directors, their renewal, if any, as members of the Executive Committee shall be subject to the proceedings and requirements set forth in the preceding paragraph.
- The Executive Committee shall meet as many times as deemed appropriate by the Chairman thereof and at least once (1) every two (2) months. It shall also meet when so requested by a minimum of two (2) of the directors sitting on the Committee. The Executive Committee may adopt resolutions on any matter within the purview of the Board of Directors which, in the opinion of the Executive Committee itself, should be resolved without delay, except only for such matters as may not be delegated pursuant to Law or the By-Laws.

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- Resolutions of the Executive Committee shall be adopted by a majority of its members who are present at the meeting in person or by proxy. In the event of a tie, the Chairman of the Executive Committee shall have the tie-breaking vote.
- The members of the Executive Committee may delegate their vote to other members of the Committee. The resolutions adopted by the Executive Committee shall be recorded in the minutes of the meeting, which must be signed by the Chairman and the Secretary of the meeting and include the form of the call to the meeting, the identity of the attendees and the votes cast for the approval of each of the items in the agenda.
- The Chairman of the Executive Committee shall inform the Board of Directors, at the next meeting thereof following the meetings of the Committee, of the matters dealt with and the resolutions adopted by the Committee during its meetings.

A.2) Duties.

- The Executive Committee has been delegated all the powers of the Board of Directors except for those which may not be delegated pursuant to Law or the By-Laws.
- The Chairman of the Executive Committee shall inform the Board of Directors, at the next meeting thereof following the meetings of the Committee, of the matters dealt with and the resolutions adopted by the Committee during its meetings.

B) AUDIT COMMITTEE

B.1) Organisational and operational rules:

Pursuant to articles 43 and 25 of the By-Laws and Regulations of the Board of Directors, respectively, the organizational and operational rules of the Audit Committee are as follows:

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- The Board of Directors shall create a permanent Audit Committee, an internal informational and consultative body without executive powers, which shall have information, advisory and proposal-making powers within its scope of action.
- The Audit Committee shall be made up of a minimum of three (3) and a maximum of five (5) directors appointed by the Board of Directors, at the proposal of the Nominating and Compensation Committee. All independent directors shall be part of the Nominating and Compensation Committee.
- The Board of Directors shall appoint the Chairman of the Audit Committee from among the independent directors sitting thereon, and the Secretary of the Committee, who need not be a director and who, in any event, must comply with the directors' obligations established in these Regulations, which are applicable because of their nature. The position of Chairman shall be served for a maximum period of three (3) years, at the conclusion of which the Chairman shall not be re-elected until it has been standing at least one (1) year from its removal, without prejudice of its continuity or re-election as member of the Committee.
- Without prejudice to the provisions of sections above, the Board of Directors shall endeavor to ensure that the members of the Audit Committee and, in particular, the Chairman thereof, have such expertise, qualifications and experience in accounting, audit or risk management matters as are required by the duties they are called upon to perform.
- Members of the Audit Committee shall be appointed for a maximum term of three (3) years and may be re-elected on one or more occasions for maximum terms of the same duration.

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- The Audit Committee shall meet as many times as the Chairman thereof deems is necessary to perform the duties entrusted thereto and at least once (1) in each period of three (3) months. It shall also meet when so requested by at least two (2) of its members. The Chairman of the Board of Directors and the Chief Executive Officer may request informational meetings of the Audit Committee on an exceptional basis.
- A valid quorum for meetings of the Audit Committee shall be established with the attendance, in person or by proxy, of a majority of its members, and its resolutions shall be adopted upon simple majority vote. In the event of a tie, the Chairman of the Audit Committee shall have the tie-breaking vote.
- The members of the Audit Committee may delegate their vote to other members of the Committee. The resolutions adopted by the Audit Committee shall be recorded in the minutes of the meeting, which must be signed by the Chairman and the Secretary of the meeting and include the form of the call to the meeting, the identity of the attendees and the votes cast for the approval of each of the items in the agenda.
- At the request of the Chairman of the Audit Committee, addressed for such purpose to the Chairman of the Board of Directors, any director may be asked to attend the meetings thereof. The Chairman of the Committee may also request, the attendance of any administrator, manager or employee of the Company as well as of any member of the management decision-making bodies of the companies in which the Company has an interest whose appointment has been proposed by the Company, provided that there is no legal impediment thereto.
- The auditors of the Company may also attend the meetings of the Audit Committee with the right to speak but not to vote.

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B.2) Functions and duties.

The Audit Committee shall have in any event the following duties and powers:

- (a) report to the shareholders at the General Shareholders' Meeting regarding questions raised therein by shareholders on matters within its area of authority;
- (b) supervise the effectiveness of the internal control of the Company and the corporate risk management; attempting the procedures of internal control to (i) be in line with the Company's needs and strategies and (ii) ensure the effectiveness and efficiency of the operations, as well as the accuracy and reliability of the financial information;
- (c) approve the recruitment policy of the statutory auditor;
- (d) review periodically the Company's risk management policy and to propose amendments and updates which are deemed as appropriate by the Board of Directors;
- (e) together with the auditors, analyze significant weaknesses in the internal control system detected during the audit process;
- (f) supervise the process of preparing and presenting regulated financial information and establish the policies and practices which shall be used by the Company in the preparation, dissemination and disclosure of its financial information;
- (g) propose the appointment, re-election or replacement of the auditors, in accordance with applicable legal provisions, to the Board of Directors for submission to the General Shareholders' Meeting.

The Company shall not appoint individuals or companies that have received revenues from the Company and/or from their economic affiliates, which equal twenty five per cent (25%) or more of their total income for the previous year as its auditor;

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- (h) supervise the activities of the Internal Audit Area, which will be functionally controlled by the Audit Committee, and the compliance with the internal audit program, which shall take into account the corporate risks and globally assess all the areas of the Company;
- (i) establish appropriate relations with the auditors to receive information regarding matters that might risk the independence thereof, for examination by the Audit Committee, and any other information related to the development of the auditing procedure as well as such other communications as are provided for in legislation regarding the auditing of financial statements and in other legal provisions on auditing;
- (j) receive from the statutory auditors, annually, a confirmation regarding their independence in relation with the Company, as well as the information regarding the additional services of any nature provided by the statutory auditors to the Company in accordance with the applicable Law;
- (k) on an annual basis, prior to the auditor's report, issue a report opining on the independence of the auditor. This report must in any case pronounce on the provision of additional services referred to in the preceding paragraph;
- (l) monitor whether the applicable legislation is being complied with;
- (m) review the financial statements before submission for approval to the Board of Director and the General Shareholders Meeting, ensuring that the interim financial statements are drawn up in compliance with the same accounting standards as the annual financial statements, and considering for this purpose the possibility of auditing or subject to limited review such interim financial statements;

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- (n) define mechanisms to consolidate the information of the issuer's control bodies to be submitted to the Board of Directors;
- (o) report to the Board of Directors, prior to the adoption by it of the corresponding decision, about the creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as other similar transactions or operations of an analogous nature;
- (p) issue the reports and carry out the actions that, within its scope of competence, are conferred to it, additionally, in accordance with the Company's Internal Regulation or when requested by the Board of Directors or its Chairman; and
- (q) the remaining functions assigned by the Board of Directors.

The Audit Committee shall also prepare an annual Oversight Systems Report on Risk Management which will be included in the Annual Corporate Governance Report and the Management Report. Once this report has been approved by the Board of Directors and included in the Annual Corporate Governance Report it will be made available to all shareholders along with the rest of the documentation for the General Shareholders' Meeting.

Notwithstanding the above, the Chairman of the Audit Committee shall report to the Board of Directors on the matters considered and the resolutions adopted at the meetings thereof at the first meeting of the Board of Directors following those of the Committee.

Within three (3) months following the close of each fiscal year, the Audit Committee shall also submit to the Board of Directors for approval a report detailing its work for the prior fiscal year, which shall subsequently be made available to the shareholders on occasion of the call to the Ordinary General Shareholders' Meeting.

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C) APPOINTMENTS AND REMUNERATIONS COMMITTEE

C.1) Organisational and operational rules:

Pursuant to articles 44 and 26 of the By-Laws and Regulations of the Board of Directors, respectively, the organizational and operational rules of the Nominating and Compensation Committee are as follows:

- The Board of Directors shall create a permanent Nominating and Compensation Committee, which shall be an internal informational and consultative body without executive powers, which shall have information, advisory and proposal-making powers within its scope of action.
- The Nominating and Compensation Committee shall be made up of a minimum of three (3) and a maximum of five (5) directors appointed by the Board of Directors from among external directors, and the majority of the members thereof must be independent directors.
- The Board of Directors shall appoint the Chairman of the Nominating and Compensation Committee from among the independent directors sitting thereon, and the Secretary of the Committee, who need not be a director and who, in any event, must comply with the directors' obligations established in these Regulations, which are applicable because of their nature.
- The Board of Directors shall endeavor to ensure that the members of the Nominating and Compensation Committee have the expertise, qualifications and experience required by the duties they are called upon to perform.
- Members of the Nominating and Compensation Committee shall be appointed for a maximum term of three (3) years and may be re-elected on one or more occasions for terms of the same maximum duration.

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- The Nominating and Compensation Committee shall meet as many times as the Chairman thereof deems is necessary to perform the duties entrusted thereto and at least once (1) a year. It shall also meet when so requested by at least two (2) of its members. The Chairman of the Board of Directors and the Chief Executive Officer may request informational meetings of the Nominating and Compensation Committee on an exceptional basis.
- A valid quorum for meetings of the Nominating and Compensation Committee shall be established with the attendance, in person or by proxy, of a majority of its members, and its resolutions shall be adopted upon simple majority vote. In the event of a tie, the Chairman of the Nominating and Compensation Committee shall have the tie-breaking vote.
- The members of the Nominating and Compensation Committee may delegate their vote to other members of the Committee. The resolutions adopted by the Nominating and Compensation Committee shall be recorded in the minutes of the meeting, which must be signed by the Chairman and the Secretary of the meeting and include the form of the call to the meeting, the identity of the attendees and the votes cast for the approval of each of the items in the agenda.
- At the request of the Chairman of the Nominating and Compensation Committee, addressed for such purpose to the Chairman of the Board of Directors, any director may be asked to attend the meetings thereof. The Chairman of the Committee may also request, the attendance of any administrator, manager or employee of the Company as well as of any member of the management decision-making bodies of the companies in which the Company has an interest whose appointment has been proposed by the Company, provided that there is no legal impediment thereto.

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C.2) Functions and duties.

- (a) conduct a periodic review of the Director Compensation Policy and the Senior Management Compensation Policy and propose the amendment and update thereof to the Board of Directors;
- (b) report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, defining their duties and necessary qualifications and assessing the time and dedication required for the proper performance of their work.
- (c) supervise the procedure for selecting candidates to serve as members of the Board of Directors and as senior managers of the Company;
- (d) assist the Board of Directors in the definition and implementation of continuous programs of training and expansion of knowledge;
- (e) ensure that when new vacancies are filled or new directors are appointed, the selection procedures are free from any implied bias that may entail any kind of discrimination and, in particular, from any bias that may hinder the selection of women directors;
- (f) bring proposals to the Board of Directors for the appointment of independent directors (for interim appointment to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting), as well as proposals for the reelection or removal of such directors by the shareholders at the General Shareholders' Meeting and report on the proposals of removal of such directors issued by the Board of Directors;

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- (g) report on the proposals for appointment of the other directors (for the interim appointment thereof to fill a vacancy or for the submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting), as well as the proposals for re-election or removal of such directors by the shareholders at the General Shareholders' Meeting;
- (h) report on and make proposals of appointment to internal positions on the Board of Directors and on proposals relating to the appointment of the members that must make up each of the committees, verifying and confirming compliance with the requirements of expertise and experience in connection with the duties of the committee in question and, in particular, those of the Audit Committee;
- (i) establish and supervise an annual program for continuous evaluation and review of the qualifications, educational background and, if applicable, independence, as well as of ongoing compliance with the requirements of respectability, capability, expertise, competence, availability and commitment to the position that must be satisfied in order to serve as director and as a member of a committee, and propose to the Board of Directors such measures as it deems advisable in this regard, while collecting any information or documentation that it deems necessary or appropriate for such purposes.
- (j) examine or organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company and, if applicable, make proposals to the Board of Directors for such succession to occur in an orderly and well-planned fashion.

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- (k) propose to the Board of Directors the system and amount of annual director compensation, as well as the individual compensation of executive directors and other basic terms and conditions of their contracts, including any severance payments or compensation that may be provided in the event of removal, in any event pursuant to the provisions of the Internal Regulation;
- (l) report proposals of the Chairman of the Board of Directors or of the Chief Executive Officer regarding the appointment or removal of the senior managers;
- (m) report on and submit to the Board of Directors the proposals made by the Chairman of the Board of Directors or the Chief Executive Officer relating to the structure of the compensation payable to senior managers and to the basic terms and conditions of their contracts, including possible compensation that may be provided in the event of removal;
- (n) report on incentive plans and pension supplements for the Company's entire payroll;
- (o) conduct a periodic review of the general compensation programs for the Group's payroll, evaluating the adequacy and results thereof;
- (p) report on the documents to be approved by the Board of Directors in connection with the foregoing and on the relevant sections of the Annual Corporate Governance Report of the Company;
- (q) become familiar with and report, if applicable, to the Board of Directors on the selection, appointment and compensation of directors and senior managers of the main companies within the Group and affiliates thereof, without prejudice to respect the independence and uniqueness (upon the terms set forth in applicable legal provision) of those that have corporate governance rules that assign such powers to their own Nominating and Compensation Committee or equivalent body;

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- (r) issue such other reports or carry out such other activities as may fall within its purview pursuant to the Company's Corporate Governance System or as may be requested by the Board of Directors or the Chairman thereof; and
- (s) all other functions assigned by the Board of Directors.

The Nominating and Compensation Committee shall also prepare an annual report on director and senior management remuneration. Once this report has been approved by the Board of Directors and included in the Annual Corporate Governance Report it will be made available to all shareholders along with the rest of the documentation for the General Shareholders' Meeting.

The Chairman of the Nominating and Compensation Committee shall report to the Board of Directors on the matters dealt with and the resolutions adopted at its meetings at the next meeting held by the Board of Directors following the Committee meetings.

In addition, within three (3) months following the close of each fiscal year, the Nominating and Compensation Committee shall submit to the Board of Directors for approval a report detailing its work for the prior fiscal year.

D) CORPORATE GOVERNANCE COMMITTEE

D.1) Organisational and operational rules:

Pursuant to articles 45 and 27 of the By-Laws and Regulations of the Board of Directors, respectively, the organizational and operational rules of the Corporate Governance Committee are as follows:

- The Board of Directors shall establish a Corporate Governance Committee, a permanent internal informational and consultative body without executive powers, which shall have information, advisory and proposal-making powers within its scope of action.

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- The Corporate Governance Committee shall be made up of a minimum of three (3) and a maximum of five (5) directors appointed by the Board of Directors, at the proposal of the Nominating and Compensation Committee, from among external directors, and the majority of the directors thereof shall be independent.
- The Board of Directors shall appoint a Chairman of the Corporate Governance Committee from among the independent directors sitting thereon, and a Secretary, who need not be a director and who, in any event, must comply with the directors' obligations established in these Regulations, which are applicable because of their nature.
- The Board of Directors shall endeavor to ensure that the directors sitting on the Corporate Governance Committee have the expertise, skills and experience required by the duties they are called upon to perform.
- Members of the Audit Committee shall be appointed for a maximum term of three (3) years and may be re-elected on one or more occasions for maximum terms of the same duration.
- The Corporate Governance Committee shall meet as many times as the Chairman deems is necessary to fulfil the duties entrusted thereto. The Committee shall also meet when so requested by at least two (2) of its members. The Chairman of the Board of Directors and the Chief Executive Officer may request informational meetings with the Corporate Governance Committee on an exceptional basis.
- A valid quorum for meetings of the Corporate Governance Committee shall be established with the attendance, in person or by proxy, of a majority of its members, and resolutions shall be adopted upon simple majority vote. In the event of a tie, the Chairman of the Corporate Governance Committee shall have the tie-breaking vote.
- The members of the Corporate Governance Committee may delegate their vote to other members of the Committee. The resolutions adopted by the Corporate Governance Committee shall be recorded in the minutes of the meeting, which shall be signed by the Chairman and the Secretary of the meeting and include the form of the call to the meeting,

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the identity of the attendees and the votes cast for the approval of each of the items in the agenda.

- At the request of the Chairman of the Corporate Governance Committee, addressed for such purpose to the Chairman of the Board of Directors, any director may be requested to attend the meetings thereof. The Chairman of the Committee may also request, the attendance of any administrator, manager or employee of the Company as well as of any member of the management decision-making bodies of the companies in which the Company has an interest whose appointment has been proposed by the Company, provided that there is no legal impediment thereto.

D.2) Functions and duties.

- (a) periodically review the Company's Internal Regulation, with special emphasis on the Corporate Governance and Compliance Policies, and propose to the Board of Directors, for approval or submission to the shareholders at the General Shareholders' Meeting, such amendments and updates as contribute to its development and ongoing improvement;
- (b) report any amendment to the Company's Internal Regulation provided that such amendment has not stemmed from its own initiative;
- (c) promote the Company's corporate governance strategy;
- (d) supervise compliance with statutory requirements and with the rules and regulations of the Company's Internal Regulation;
- (e) ensure the diligent compliance with the rules contained in the Company's Internal Regulation and propose to the Board of Directors the amendments which are deemed necessary in order to adjust the corporate governance standards to the best existing practices;

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- (f) know, promote, guide and supervise the Company's actions relating to corporate governance and sustainability and report thereon to the Board of Directors and to the Executive Committee, as the case may be;
- (g) know, promote, guide and supervise the Company's actions relating to corporate reputation and report thereon to the Board of Directors and to the Executive Committee, as appropriate;
- (h) report on the Company's Annual Corporate Governance Report and the Company's Corporate Governance Survey (Código País – Colombia), should the Board of Directors decide voluntarily to be subject to it, prior to the approval thereof, collecting for such purpose the reports of the Audit Committee and the Nominating and Compensation Committee with respect to the sections of such report and survey that are within its powers, and the annual report on sustainability;
- (i) assist the Board of Directors on the definition of the Company's communication schedule with shareholders, stakeholders and the market in general, ensuring that they have complete, accurate and timely access to the most relevant information on the Company;
- (j) monitor the negotiations carried out by members of the Board of Directors of the Company with shares issued by the Company;
- (k) review and previously report on all transactions to be entered into between its significant shareholders or directors, managers and other persons related to them and the Company which approval shall be made by the Board of Directors or the Executive Committee, when appropriate. The Corporate Governance Committee shall verify that such transactions are carried out on an arms' length basis and that do not violate the equality of treatment between shareholders.

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The Corporate Governance Committee shall develop a policy regarding the review of related-party transactions which are referred to in this paragraph and shall implement the review procedures as a standard part of its operational procedures.

Any member of the Corporate Governance Committee that is a part in a related-party transaction shall abstain from taking part in the deliberations of the Committee and in the voting of the proposal of approval or ratification of said transaction. However, the attendance of such director to the meeting of the Corporate Governance Committee shall be taken into consideration for the purposes of establishing the necessary quorum for the valid constitution of the committee's meeting.

During the revision and approval of the related-party transactions, the Corporate Governance Committee shall take into consideration:

- (i) the nature of the parties' interests in the transaction;
- (ii) the essential terms of the transaction, including the amount and the type of transaction;
- (iii) the importance of the transaction for the Company and the related-party;
- (iv) whether the transaction could affect the impartiality of any director of the Company in connection with the corporate interest of the Company and any of its shareholders;
- (v) equal treatment of the shareholders;
- (vi) any other circumstance as deemed convenient by the Corporate Governance Committee.

In those related-party transactions involved in the day-to-day management and with current or recurrent condition, such report shall be referred to the generic authorization granted by the Board of Directors regarding the line of operations and its execution conditions;

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- (l) previously report on the Company's renunciation of the exploitation or of any business opportunity referred in the framework agreement to be entered into by the Company and the listed company dominant of the group in which the Company is included in line with the second recommendation of the Unified Spanish Corporate Governance Code of May 22, 2006 (the "Framework Agreement");
- (m) report, on a regular basis, on the compliance of the Framework Agreement;
- (n) issue a report on any amendments to the Framework Agreement;
- (o) issue recommendations and proposals on any matter within the scope of its competences;
- (p) issue the relevant reports and carry out the actions that fall within its scope of action, in accordance with the Company's Internal Regulation or as requested by the Board of Directors or its Chairman;
- (q) report on any related party transactions carried out between the Company and its affiliates;
- (r) all other functions assigned by the Board of Directors.

The Chairman of the Corporate Governance Committee shall inform the Board of Directors, at the next meeting thereof following the meetings of the Committee, of the matters dealt with and the resolutions adopted at the Committee meetings.

In addition, within three (3) months following the close of each fiscal year, the Corporate Governance Committee shall submit to the Board of Directors for approval a report detailing its work for the prior fiscal year.

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B.2.4 Identify any advisory or consulting powers and, where applicable, the powers delegated to each of the committees.

See B.2.3 above.

B.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also indicate whether an annual report on the activities of each committee has been prepared voluntarily.

The rules governing the Board Committees are included in those articles of the By-Laws and Regulations of the Board of Directors identified in sections A, B, C and D of B.2.3 above. Both documents are available on the Company's website (www.cemexlatam.com).

Below is a summary of these articles:

Committee	By-Laws	Regulations of the Board of Directors
General aspects	41	23
Executive	42	24
Audit	43	25
Nominating and Compensation	44	26
Corporate Governance	45	27

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation within the board of the different types of directors.

Yes No

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C. RELATED-PARTY TRANSACTIONS

- C.1 Indicate whether the board plenary sessions have reserved the right to approve, based on a favourable report from the Audit Committee or any other committee responsible for this task, transactions which the company carries out with directors, significant shareholders or representatives on the board, or related parties.

Yes No

- C.2 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies and the significant shareholders in the company.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (€)
Cemex España, S.A.	Cemex Latam Holdings, S.A.	Contractual	Office rental	15,600 (annual rent)
Cemex España, S.A.	Cemex Latam Holdings, S.A.	Contractual	Framework Agreement	N/A

- C.3 List any relevant transactions entailing a transfer of assets or liabilities between the company or its group companies, and the company's managers or directors.

Name or corporate name of director or senior manager	Name or corporate name of the company or its group company	Nature of the transaction	Type of transaction	Amount (In thousands €)
N/A	N/A	N/A	N/A	N/A

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- C.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

Corporate name of the group company	Brief description of the transaction	Amount (in €)
Cemex, S.A.B. de C.V.	Trademark license agreement	3,445,308.47
Cemex, S.A.B. de C.V.	Framework Agreement	N/A
Cemex Research Group AG	Licensing agreement for various intangible assets (patents, processes, know-how, software and others)	0 (*)
Cemex Central, S.A. de C.V.	Contract for the provision of administration and management services	6,216,885.70

(*) No amount was accrued in 2012.

- C.5 Identify, where appropriate, any conflicts of interest affecting company directors pursuant to article 229 of the Consolidated Text of the Corporate Enterprises Act.

Name or corporate name of the director	Description of the situation involving conflicts of interest
Jaime Gerardo Elizondo Chapa Juan Pablo San Agustín Rubio Ignacio Madrdejos Fernández Jaime Muguiro Domínguez Jaime Ruiz de Haro Juan Pelegrí y Girón	Approval of generic line of operations with CEMEX, S.A.B. de C.V. and its subsidiaries.

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Jaime Gerardo Elizondo Chapa Juan Pablo San Agustín Rubio Ignacio Madridejos Fernández Jaime Muguiro Domínguez Jaime Ruiz de Haro Juan Pelegrí y Girón	Approval of Framework Agreement with CEMEX, S.A.B. de C.V. and CEMEX España, S.A.
Gabriel Jaramillo Sanint Coloma Armero Montes Rafael Santos Calderón	Setting of remuneration of the External Independent Directors.
Jaime Gerardo Elizondo Chapa Juan Pablo San Agustín Rubio Ignacio Madridejos Fernández Gabriel Jaramillo Sanint Coloma Armero Montes Rafael Santos Calderón Juan Pelegrí y Girón	Each of these directors abstained from voting on their respective appointments in relation to the positions on the Board of Directors and its committees.

C.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its directors, management or significant shareholders.

According to the provisions of the Regulations of the Board of Directors, in the exercise of their duties Directors must abstain from participating personally or through an intermediary, in their own interest or the interest of third parties, in activities that compete with the Company or in events which may result in a conflict of interest.

A. When is it deemed that a conflict of interest exists?

A conflict of interest shall be deemed to exist in those cases in which there is a conflict, whether direct or indirect, between the interests of the Company and the personal interest of the Director. A personal interest of the director shall be deemed to exist when a matter affects the Director or a related person linked to him or, in the case of a proprietary Director, the shareholder or shareholders that proposed or made his appointment, or persons who may exercise significant influence over these.

For the purposes of the Regulations of the Board of Directors, the following are deemed related persons:

- a. the spouse of the Director or the person related to the director by a like relationship of affection;

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- b. the ascendants, descendants and siblings of the Director or of the Director's spouse (or another person related to the Director by a like relationship of affection);
- c. the spouses of the Director's ascendants, descendants and siblings; and
- d. the companies in which the Director or his/her respective related persons, acting personally or through a third party, falls within any of the instances of control established by Law and the companies or entities in which the director or any of his related persons, acting personally or through a third party, holds a management position or directorship from which he receives compensation for any reason, provided that the Director also directly or indirectly exercises a significant influence on the financial and operating decisions of such companies or entities.

In the case of a legal entity acting as Director, the following shall be deemed to be related persons:

- a. the shareholders who, in respect of the legal entity acting as Director, fall within any of the cases of control established by Law;
- b. the companies that form part of the same group, as such is defined in the Law, and the shareholders thereof;
- c. the individual acting as a representative, the Directors, in fact or in Law, and the liquidators of, and the representatives holding general powers of attorney granted by, the legal entity acting as director; and
- d. those persons who, in respect of the representative of the legal entity acting as Director, are deemed related persons pursuant to the provisions of the preceding subsection applicable to individuals acting as Directors.

B. Rules to resolve conflicts of interest.

Conflicts of interest shall be governed by the following rules:

- a. **Communication:** the Director must give notice to the Board of Directors, in the person of the Chairman or the Secretary of the Board of Directors, of any conflict of interest in which the Director is involved.
- b. **Abstention:** Except in the cases provided in article 14 of the Regulations of the Board of Directors (appointment, reelection, removal from office or admonishment of Directors), the Director must abstain from voting on those matters in which the Director is affected by a conflict of interest.
- c. **Transparency:** in the Annual Corporate Governance Report, the Company shall report any cases of conflict of interest in which the Directors have been involved during the fiscal year in question and of which the Company is aware

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by reason of notice given thereto by the Director affected by such conflict or by any other means.

In those instances where the conflict of interest situation is, or may reasonably be expected to be, of a nature that constitutes a structural and permanent conflict between the Director (or a person related to him or, in the case of a proprietary Director, the shareholder or shareholders that proposed or made his appointment or persons directly or indirectly related thereto) and the Company, it shall be deemed that the Director lacks, or has ceased to possess, the competence required to hold office for the purposes of the provisions of these Regulations.

C.7 Is more than one group company listed in Spain?

Yes No

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D. RISK CONTROL SYSTEMS

- D.1 Give a general description of the risk policy in the company and/or its group, detailing and evaluating the risks covered by the system, together with evidence that the system is appropriate for the profile of each type of risk.

The responsibilities of the Audit Committee include supervising the effectiveness of the internal control of the Company and the corporate risk management, as well as reviewing periodically the Company's risk management policy.

To supervise risk, the Company has implemented the following internal control system or model:



1. Identification of internal and operational risks.

The Internal Control area, together with those responsible for the various processes, identifies and assesses the different operational risks, with the aim of prioritizing the issues that may have a negative impact on the functioning or performance of the Company.

Its scope is as follows:

- i) Productive processes: Cement, concrete and aggregates.
- ii) Marketing: Commercial and Logistics
- iii) Operation support processes: Procurement, Comptroller, Shared Service Centers, Payroll, IT, among others.

In turn, the methodology established in accordance with the aforementioned model is as follows:

- i) Working sessions and interview with those responsible for the processes
- ii) Direct assessment of those mainly responsible for the processes
- iii) Alignment of interpretations of risk.

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2. Establishing internal controls.

Once the internal and operational risks have been identified, the Internal Control area sets up a system of controls that are considered to be key in the different process, with the goal of mitigating the risks, as well as to measure and reinforce the performance of all the business and operational processes.

In accordance with the risk assessments carried out, the different areas and heads of the processes are clearly provided with the necessary guides and instructions ("guidelines") to adapt the design of the controls to the changing situation of the business, as well as to include, improve and/or eliminate controls that may be proven to be insufficient or inadequate.

The methodology for this second phase is as follows:

- i) Performance of tests on design and operation.
- ii) Identification of changes in the processes.
- iii) Ongoing communication with those responsible for the process to optimize the controls.

3. Monitoring or supervision of internal control.

The third phase or stage of the model entails defining a program for monitoring or supervision, and self-certification, with the aim of ensuring the current implementation of the internal control system.

The Process Assessment Department ("Internal Audit") performs internal audits to assess compliance with the controls and issues a report containing the results.

As the shares of CEMEX, S.A.B. de C.V., the parent of the CEMEX Group to which Cemex Latam belongs, are listed on the New York Stock Exchange ("NYSE"), CEMEX, as a Group, is obliged to comply with the Sarbanes-Oxley Act ("SOX"), which requires the existence of a system for internal control which focuses on ensuring the reasonableness of the financial information through identified controls that must be assessed on an annual basis. The countries that make up the CEMEX Latam Group are included within the annual scope, and the aforementioned assessments and controls are coordinated by CEMEX Central.

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Additionally, the Sarbanes-Oxley Act includes:

- i) A confidential and anonymous communication system for complaints and concerns relating to a number of areas of the Company, including those referring to accounting, operational business and organizational behavior issues, among others.
- ii) The creation of a Disclosure Committee.
- iii) A formal internal process to support certification of the corporate information required by the Sarbanes-Oxley Act.

On the basis of the confidential communications received, Internal Control carries out the necessary checks and investigations in view of the content and scope of these and issues a report with the results and its conclusions.

Without prejudice to the aforementioned duties and responsibilities of the Internal Control area and after the proper due external audit process, the statutory auditor issues an annual report certifying the financial information.

D.2 Indicate whether the company or group has been exposed to different types of risk (operational, technological, financial, legal, reputational, fiscal...) during the year.

Yes No

D.3 Indicate whether there is a committee or other governing body responsible for establishing and supervising these control systems.

Yes No

If so, please explain its duties.

The specific duties of the Audit Committee are identified in the table below.

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Name of the Committee or Body	Description of duties
Audit Committee	<ul style="list-style-type: none">(a) supervise the effectiveness of the internal control of the Company and the corporate risk management; attempting the procedures of internal control to (i) be in line with the Company's needs and strategies and (ii) ensure the effectiveness and efficiency of the operations, as well as the accuracy and reliability of the financial information;(b) review periodically the Company's risk management policy and to propose amendments and updates which are deemed as appropriate by the Board of Directors;(c) together with the auditors, analyze significant weaknesses in the internal control system detected during the audit process;(d) supervise the activities of the Internal Audit Area, which will be functionally controlled by the Audit Committee, and the compliance with the internal audit program, which shall take into account the corporate risks and globally assess all the areas of the Company.

D.4. Identify and describe the processes for compliance with the regulations applicable to the company and/or its group.

As stated in section D.1., the Company has established internal control processes and risk supervision processes to ensure compliance with the regulations affecting the activities of the Company and its group of companies.

In this regard, the Company's Internal Audit team performs audits that are appropriate to the group's activities in each jurisdiction where the group operates, and reports regularly on the performance and results of these audits to the Audit Committee.

Without prejudice to the above, the Company's designated Compliance Manager is responsible for the supervision and enforceability of the corporate governance policies.

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E. GENERAL SHAREHOLDERS MEETING

E.1 Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's Bylaws. Describe how it differs from the system of minimum quorums established in the Consolidated Text of the Spanish Corporate Enterprises Act (LSC for its initials in Spanish).

Yes No

	Quorum % other than that established in art. 193 of the LSC for general cases	Quorum % other than that established in article 194 of the LSC for the special cases described in article 194
Quorum required for first call	No	No
Quorum required for second call	No	Yes, it requires the favorable vote of one-half plus one of the shares comprising the share capital of the Company.

E.2 Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSC.

Yes No

Describe how they differ from the rules established under the LSC.

	Greater majority different to that established in article 201 of the LSC for the cases described in article 194	Other cases of enhanced majority
% established by the company to adopt resolutions	Yes, different	N/A
Describe the differences		
Under article 31 of the By-Laws, possible modifications to article 39 of the By-Laws (Establishment of a Quorum and majority for the adoption of resolutions by the Board of Directors) and the approval of the resolution to delegate to the Board of Directors the power to issue simple or convertible and/or exchangeable bonds requires the favorable vote of one-half plus one of the shares comprising the share capital of the Company.		

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- E.3 List all shareholders' rights regarding the General Shareholders' Meetings other than those established under the LSC.

There are no shareholders' rights other than those laid down in the LSC.

- E.4 Indicate the measures, if any, adopted to encourage shareholder participation at General Shareholders' Meetings.

In accordance with the provisions of article 17 of the Regulations of the General Shareholders' Meeting, the Company will establish a Shareholder's Office at a physical and/or online site, which shall constitute a channel for communication between the Company and its shareholders.

The Shareholder's Office will be established from the publication of the announcement of the calling of the General Shareholders' Meeting and will include among its duties:

- a. addressing the issues raised by the attendees to the meeting in connection with the development of the event before the commencement of the session, notwithstanding the shareholders' rights to intervene in the meeting, to include new points in the meeting's agenda and to vote which are provided for under the Law and the Company's By-Laws;
- b. helping and informing the attendees to the meeting who are willing to intervene in the session, preparing a list of the shareholder who have expressed their wish to be heard and compiling the text of such shareholders' interventions, provided that they were available in writing;
- c. providing the attendees to the meeting that so request with the whole text of the proposals for resolutions made by the Board of Directors or the shareholders to be considered by the General Shareholders' Meeting with respect to the items on the agenda of the call to meeting.

Proposals made immediately before the holding of the General Shareholders' Meeting, and therefore not possibly available in writing in order to be delivered to the attendees to the meeting, are excepted from the provision in this paragraph. The Shareholder's Office shall also provide the attendees to the meeting with a copy of the reports of the Board of Directors and any other documentation that, pursuant to the Law and the Company's By-Laws, must be made available to the shareholders in connection with the aforementioned proposals for resolutions.

In addition, the Company shall make available to the shareholders the corresponding means to guarantee remote voting.

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- E.5 Indicate whether the General Shareholders' Meetings is presided by the Chairman of the Board of Directors. List measures, if any, adopted to guarantee the independence and correct operation of the General Shareholders' Meeting.

Yes No

▪ Details of measures

The Chairman of the General Shareholders' Meeting shall be assisted by the Secretary of the Board of Directors as regards the order of shareholder presentations, requests and proposals.

Furthermore and in accordance with Article 203 of the LSC, it is provided that Directors may require the presence of a notary public to record the minutes of the General Shareholders' Meeting.

- E.6 Indicate the amendments, if any, made to the General Shareholders' Meeting regulations during the year.

No amendments were made in 2012.

- E.7 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

As the company was incorporated on April 17, 2012, no General Shareholders' Meeting was held in 2012. The first General Shareholders' Meeting will take place in 2013.

However, CEMEX España, S.A., in its capacity as sole shareholder until November 7, 2012 (capital increase for the initial public offering), adopted the "sole shareholder decisions" indicated in section E.8. below.

- E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held during the year and the percentage of votes with which each resolution was adopted.

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CEMEX España, S.A., in its capacity as sole shareholder until November 7, 2012 (capital increase for the initial public offering), adopted the following “sole shareholder decisions”:

DATE	CONTENT
July 25, 2012	Broadening of the corporate purpose
July 31, 2012	Increase of share capital (monetary)
October 1, 2012	<ul style="list-style-type: none"> – Approval of amendments to the By-Laws (manner of representing the shares of the company) and of the Consolidated Text of the By-Laws). – Approval of the Regulations of the General Shareholders' Meeting – Creation of the corporate web page. – Authorization and carrying out of a public offering and private placement of shares – Making the company become subject to the legislation and competence of the Colombian administrative and judicial authorities.
October 4, 2012	<ul style="list-style-type: none"> – Acceptance of the resignation of directors. – Fixing of the number of members of the Board of Directors and appointment of Directors. – Authorizations to the Board of Directors to increase the share capital. – Delegation of power to issue bonds, debentures and other fixed-income securities or similar debt instruments. – Authorization for the derivative acquisition of treasury shares.
October 9, 2012	<ul style="list-style-type: none"> – Setting of the number of members of the Board of Directors and appointment of Directors.
October 19, 2012	Setting of the tentative volume and indicative price range of the offerings.
November 6, 2012	<ul style="list-style-type: none"> – Setting of overall amount of remuneration for the Board. – Appointment of the auditor (KPMG). – Setting of the terms of the initial public offering in Colombia. – Inclusion in the tax consolidation system. – Monetary capital increase to issue the shares for the offering and registration of the shares with the Colombian Stock Exchange.

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- E.9 Indicate whether the Bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

Yes No

- E.10 Indicate and explain the policies pursued by the company with reference to proxy voting at the General Shareholders' Meeting.

The aim of the policy on this issue is to guarantee the shareholders' right to representation. Particular importance is attached to the establishment of state-of-the-art means and procedures that allow proxies to be granted through electronic channels. There are two aspects to be highlighted within the regulations established by the Company covering the right to representation.

- As provided in section 4 of article 14 of the Regulations of the General Shareholders' Meeting, the Board of Directors may establish rules for the use of guarantees other than electronic signatures for the granting of proxies by electronic correspondence.
- The Regulations include the special situation of financial intermediaries who provide investment services. These may vote on behalf of their clients, when appointed as proxies thereby. In such event, a financial intermediary may cast non-concurrent votes pursuant to divergent voting instructions.

Intermediaries appointed as proxies must provide the Company with a list showing client identity, number of shares for which the proxy is granted and any voting instructions received, within the seven (7) days prior to the date of the general meeting.

Financial intermediaries may delegate their proxy to a third party designated by the client, subject to no limitation respecting the number of delegations, other than as established in the By-Laws.

- E.11 Indicate whether the company is aware of the policy of institutional investors on whether or not to participate in the company's decision-making processes.

Yes No

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E.12 Indicate the address and mode of accessing corporate governance content on your company's website.

The address of the corporate web site is www.cemexlatam.com, with information available both in Spanish and English.

The home page of the web site contains a special direct-access section entitled "Investor Center", which includes the following information:

- Key Company Figures
- Reports Archive
- Corporate Structure
- Stock Information
- Corporate Governance
- Events & Calendar
- Contact IR

The Corporate Governance section includes the following information:

- Board of Directors
- Management Team
- Committees
- Code of Ethics
- Bylaws & Regulations

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F. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

The degree of the company's compliance with the recommendations of the Unified Good Governance Code is given below.

Should the company not comply with any of them, an explanation of the recommendations, standards, practices or criteria the company applies is included.

1. The Bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22 , B.1.23 and E.1 , E.2.

<u>Compliant</u>	Explain
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2. When a dominant and a subsidiary company are stock market listed, in Spain (Section C.7), the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
- b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Compliant	Partially compliant	Explain	<u>Not</u>
<u>applicable</u>			

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

- a) The transformation of listed companies into holding companies through the process of subsidiarization, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;

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b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

c) Operations that effectively add up to the company's liquidation.

Compliant

Partially compliant

Explain

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Compliant

Explain

5. Separate votes should be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Amendments to the Bylaws, with votes taken on all articles or group of articles that are materially different.

See section: E.8

Compliant

Partially compliant

Explain

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Compliant

Explain

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7. The Board of Directors should perform its duties with unity of purpose and independent judgment, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximize its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Compliant

Partially compliant

Explain

8. The board should see the core components of its mission as to approve the company's strategy and authorize the organizational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) The company's general policies and strategies, and, in particular:

- i) The strategic or business plans, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Design of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Remuneration and evaluation of senior officers;
- vii) Risk control and management, and the periodic monitoring of internal information and control systems.
- viii) Dividend policy, as well as the policies and limits applying to treasury shares.

See sections: B.1.10, B.1.13, B.1.14 and D.3

- b) The following decisions:

- i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.
See section: B.1.14.
- ii) Directors' remuneration, and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.
See section: B.1.14.
- iii) The financial information that all listed companies must periodically disclose.

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- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
 - v) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, board authorization need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form contracts applied on an across-the-board basis to a large number of clients;
2. They go through at market prices, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favorable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See sections: C.1 and C.6

Compliant

Partially compliant

Explain

As regards related-party transactions, consisting of transactions between the company (or its subsidiaries) and the group headed by CEMEX, S.A.B. de C.V. ("CEMEX"), the Board of Directors has approved a generic line of operations for the following transactions that are carried out in the ordinary course of business:

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- a. transactions through which CEMEX (and its subsidiaries other than the Company and its subsidiaries) can request funds from the Company through a loan for an amount below €100 million, or its equivalent in another currency, in accumulated amount for the fiscal year; and
- b. those transactions other than the foregoing undertaken between CEMEX (and its subsidiaries other than the Company and its subsidiaries) and the Company for an amount below €25 million, or its equivalent in another currency, in accumulated amount for the fiscal year.

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.
See section: B.1.1.

Compliant Explain

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14.

Compliant Partially compliant Explain

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3.

Compliant Explain **Not applicable**

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12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the board but not otherwise related.

See sections: B.1.3, A.2 and A.3

<u>Compliant</u>	Explain
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13. The number of independent directors should represent at least one third of all board members.

See section: B.1.3.

<u>Compliant</u>	Explain
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14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See sections: B.1.3 and B.1.4

<u>Compliant</u>	Partially compliant	Explain
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15. When women directors are few or non-existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

a) The process of filling board vacancies has no implicit bias against women candidates;

b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See sections: B.1.2, B.1.27 and B.2.3.

Compliant	<u>Partially compliant</u>	Explain	Not applicable
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As has been stated earlier in this Report, the Company was incorporated on April 17, 2012, and therefore 2012 was its first year of operation. Although during the first fiscal year the number of women Directors was limited, with regard to the total number of members of the Board of Directors, it represents 1/3 of the number of independent Directors of the Company.

Additionally, among the different functions and powers of the Nominating and Compensation Committee, the By-Laws and the Regulations of the Board of Directors ascribe it the duty of ensuring that when new vacancies are filled or new Directors are appointed, the selection procedures are free from any implied bias that may entail any kind of discrimination and, in particular, from any bias that may hinder the selection of women Directors.

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organize and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See section: B.1.42.

<u>Compliant</u>	Partially compliant	Explain	
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17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman.

See section: B.1.21.

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<u>Compliant</u>	Partially compliant	Explain	Not applicable
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18. The Secretary should take care to ensure that the board's actions:
- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
 - b) Comply with the company Bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;
 - c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.
- In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.
- See section: B.1.34

<u>Compliant</u>	Partially compliant	Explain
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19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.
- See section: B.1.29

Compliant	<u>Partially compliant</u>	Explain
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Pursuant to article 28.2 of the Regulations of the Board of Directors, the Board of Directors must set a schedule for its ordinary meetings. However, the Regulations do not include items to be discussed at the meetings, but only the schedule of dates.

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.
- See sections: B.1.28 and B.1.30

<u>Compliant</u>	Partially compliant	Explain
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21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Compliant Partially compliant Explain Not applicable

22. The board in full should evaluate the following points on a yearly basis:
- a) The quality and efficiency of the board's operation;
 - b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
 - c) The performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19

Compliant Partially compliant Explain

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the Bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.42

Compliant Explain

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41

Compliant Explain

25. Companies should organize induction programs for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programs when circumstances so advise.

Compliant Partially compliant **Explain**

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Although the procedure has not yet been laid down in the internal rules and regulations of the Company, the members of the Board of Directors have been provided with guidance to acquaint them rapidly with the workings of the company, its activities and its corporate governance rules.

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:
- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
 - b) Companies should lay down rules about the number of directorships their board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Compliant	Partially compliant	<u>Explain</u>
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At the date of this Report, the internal rules and regulations of the Company do not require directors to inform the Nominating and Compensation Committee of any other professional obligations in case they might detract from the necessary dedication.

27. The proposal for the appointment or renewal of directors which the board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the board:
- a) On the proposal of the Nomination Committee, in the case of independent directors.
 - b) Subject to a report from the Nomination Committee in all other cases.

See section: B.1.2

<u>Compliant</u>	Partially compliant	Explain
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28. Companies should post the following director particulars on their websites, and keep them permanently updated:
- a) Professional experience and background;
 - b) Directorships held in other companies, listed or otherwise;
 - c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with;
 - d) The date of their first and subsequent appointments as a company director; and
 - e) Shares held in the company and any options on the same.

Compliant	<u>Partially compliant</u>	Explain
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At the date of this Report, the Company's web page only posted the professional experience and background of the Directors and, where appropriate, their position on the different Board committees. It is expected that the corporate web page will soon include the information referred to in sections b), c) and d).

29. Independent directors should not stay on as such for a continued period of more than 12 years.

See section: B.1.2

Compliant

Explain

The internal regulations of the Company do not envisage, to date, a maximum post occupancy limit for independent Directors. Directors shall serve in their positions for a term of three (3) years, and may be re-elected for an unlimited number of terms of three (3) years, following a report issued by the Nominating and Compensation Committee.

30. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and B.1.2

Compliant

Partially compliant

Explain

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the Bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III. 5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

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Compliant

Explain

32. Companies should establish rules obliging directors to inform the board of any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 213 of the Corporate Enterprises Act, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Compliant

Partially compliant

Explain

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

This terms of this Recommendation should also apply to the Secretary of the board, director or otherwise.

Compliant

Partially compliant

Explain Not applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board.

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Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Compliant Partially compliant Explain Not applicable

35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

- a) The amount of the fixed components, itemized, where necessary, of board and board committee attendance fees, with an estimate of the fixed annual remuneration they give rise to.
- b) Variable components, in particular:
 - i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items;
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration;
 - iii) The main parameters and grounds for any system of annual bonuses or other non cash benefits; and
 - iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.
- d) The conditions to apply to the contracts of executive directors exercising senior management functions, among them:
 - i) Duration;
 - ii) Notice periods; and
 - iii) Any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual relation between company and executive director.

See section: B.1.15

Compliant Partially compliant Explain

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As 2012 was the first year of life of the Company, the Board of Directors did not approve a remuneration policy for 2012. The resolution adopted by the Board of Directors refers only to the payment to the Independent Directors of fixed remuneration in that year.

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3, B.1.3

<u>Compliant</u>	Explain
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37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

<u>Compliant</u>	Explain
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38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant	Explain	<u>Not applicable</u>
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At December 31, 2012, there was no variable remuneration for the Directors.

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Compliant	Explain	<u>Not applicable</u>
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At December 31, 2012, there was no variable remuneration for the Directors.

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40. The Board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section: B.1.16

Compliant	<u>Partially compliant</u>	Explain
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The Nominating and Compensation Committee prepares an annual report on Directors, Senior Management, and their remuneration which shall be submitted for approval by the Board of Directors. The report is part of this Annual Corporate Governance Report.

However, the internal regulations do not include the submission of the report to the advisory vote of the General Shareholders' Meeting.

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41. The notes to the annual accounts should list individual directors' remuneration in the year, including:
- a) A breakdown of the compensation obtained by each company director, to include, where appropriate:
 - i) Participation and attendance fees and other fixed directors payments;
 - ii) Additional compensation for acting as chairman or member of a board committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
 - iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;
 - v) Any severance packages agreed or paid;
 - vi) Any compensation they receive as directors of other companies in the group;
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.
 - b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemized by:
 - i) Number of shares or options awarded in the year, and the terms set for their execution;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
 - c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

Compliant

Partially compliant

Explain

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The criterion applied by the Company is to provide on an individual basis information on the Directors' remuneration and to provide on an aggregate basis the remuneration information for Senior Management.

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See sections: B.2.1 and B.2.6

<u>Compliant</u>	Partially compliant	Explain	Not applicable
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43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

<u>Compliant</u>	Explain	Not applicable
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44. In addition to the Audit Committee mandatory under the Securities Market Act, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

- a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;
- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
- c) Committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy of the minutes sent to all board members.

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See sections: B.2.1 and B.2.3

<u>Compliant</u>	Partially compliant	Explain
45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.		
<u>Compliant</u>	Explain	
46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.		
<u>Compliant</u>	Explain	
47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.		
<u>Compliant</u>	Explain	
48. The head of internal audit should present an annual work program to the Audit Committee, report to it directly on any incidents arising during its implementation, and submit an activities report at the end of each year.		
<u>Compliant</u>	Partially compliant	Explain
49. Control and risk management policy should specify at least:		
a) The different types of risk (operational, technological, financial, legal, reputational, ...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance sheet risks;		
b) The determination of the risk level the company sees as acceptable;		
c) Measures in place to mitigate the impact of risk events should they occur;		
d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.		
See section: D		

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

<u>Compliant</u>	Partially compliant	Explain
50. The Audit Committee's role should be:		
1. With respect to internal control and reporting systems:		
a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.		
b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.		
c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.		
d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.		
2. With respect of the external auditor:		
a) Make recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms of his engagement.		
b) Receive regular information from the external auditor on the progress and findings of the audit program and check that senior management is acting on its recommendations.		
c) Monitor the independence of the external auditor, to which end:		
i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.		
ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;		
iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.		
d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.		
See sections: B.1.35, B.2.2, B.2.3 and D.3		

Compliant	<u>Partially compliant</u>	Explain
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Although the internal regulations do not expressly provide recommendations, procedures or mechanisms that encourage, in the case of groups, the group audit to take on the auditing of all component companies, the same auditor audits both the Company and its group.

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant

Explain

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

- a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

Compliant

Partially compliant

Explain

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38

Compliant

Partially compliant

Explain

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54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See section: B.2.1

<u>Compliant</u>	Explain	Not applicable
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55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organize, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the board.
- d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Compliant	<u>Partially compliant</u>	Explain Not applicable
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The internal regulations do not expressly include among the different duties, powers and responsibilities bestowed upon the Nominating and Compensation Committee that of informing the Board on the gender diversity issues discussed in Recommendation 14 of the Code (section d).

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

Compliant	<u>Partially compliant</u>	Explain	Not applicable
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57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for directors and senior officers;
 - ii) The individual remuneration and other contractual conditions of executive directors;

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

- iii) The standard conditions for senior officer employment contracts.
b) Oversee compliance with the remuneration policy set by the company.
See sections: B.1.14, B.2.3

<u>Compliant</u>	Partially compliant	Explain	Not applicable
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58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

<u>Compliant</u>	Explain	Not applicable
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CEMEX LATAM HOLDINGS, S.A.
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G. OTHER INFORMATION OF INTEREST

As the company is a company issuing securities that are listed on the Colombia Stock Exchange, the company has the status of a foreign issuer of securities ("*Emisor Extranjero*"). As such, it is subject to the supervision of the Financial Superintendent of Colombia ("SFC") and must comply with the Colombian regulations on securities markets, although with certain features due to its status as a foreign company domiciled in Spain:

In particular, the Company must comply with the instructions laid down in the External Circulars of the SFC listed below:

- External Circular no. 007 of 2011, regarding Best Corporate Practices in Colombia.
- External Circular no. 004 of 2012, regulating the reporting of regular and relevant information.

In compliance with the provisions of the first of the aforementioned circulars, the Board of Directors of the Company, following a report from the Corporate Governance Committee, has approved the corresponding Corporate Governance Survey (Country Code – Colombia).

Binding definition of independent director:

List any independent directors who maintain, or have maintained in the past, a relationship with the company, its significant shareholders or managers, when the significance or importance thereof would dictate that the directors in question may not be considered independent pursuant to the definition set forth in section 5 of the Unified Good Governance Code:

Yes No

* * *

This Annual Corporate Governance Report was approved by the Board of Directors of the Company at its meeting held on March 13, 2013, following a report from the Corporate Governance Committee on March 12, 2013.



AUDIT COMMITTEE

REPORT ON RISK OVERSIGHT SYSTEMS

1. INTRODUCTION

Pursuant to Article 43 of the By-laws of Cemex Latam Holdings, S.A. ("Cemex Latam" or the "Company") and Article 25 of its Regulations of the Board of Directors, the Audit Committee's duties include overseeing the effectiveness of the Company's internal control and risk management systems, and regularly reviewing its risk management policy.

In accordance with these duties and powers, the Audit Committee has prepared this Report on Risk Control Systems for the year ended December 31, 2012, which shall be submitted for approval by the Company's Board of Directors. On approval, this report will be included in the Annual Corporate Governance Report, which must also be approved by the Board of Directors, and included as a separate section in the Management Report.

2. REPORT ON RISK OVERSIGHT SYSTEMS

To oversee risk, the Company has implemented the following internal control system or model:



(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

1. Identification of internal and operational risks

Internal Control, together with those responsible for the various processes, identifies and assesses the different operational risks, with the aim of prioritizing the issues that may have a negative impact on the functioning or performance of the Company.

Its scope is as follows:

- i) Productive processes: Cement, Concrete, Aggregates
- ii) Marketing: Commercial and Logistics
- iii) Operation support processes: Procurement, Comptroller, Shared Service Centers, Payroll, IT, etc.

In turn, the methodology established in accordance with the aforementioned model is as follows:

- i) Working sessions and interview with those responsible for the processes
- ii) Direct assessment of those mainly responsible for the processes
- iii) Alignment of interpretations of risk

2. Establishing internal controls

Once the internal and operational risks have been identified, Internal Control sets up a system of controls that are considered to be key in the different process, with the goal of mitigating the risks, as well as to measure and reinforce the performance of all the business and operational processes.

In accordance with the risk assessments carried out, the different areas and heads of the processes are clearly provided with the necessary guides and instructions ("guidelines") to adapt the design of the controls to the changing situation of the business, as well as to include, improve and/or eliminate controls that may be proven to be insufficient or inadequate.

The methodology for this second phase is as follows:

- i) Perform tests on design and operation controls
- ii) Identify changes in the processes
- iii) Ongoing communication with those responsible for the process to optimize the controls

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3. Monitoring or supervision of internal control

The third phase or stage of the model entails defining a program for monitoring and supervision and self-certification, with the aim of ensuring the internal control system functions correctly.

The Process Assessment Department ("Internal Audit") performs internal audits to assess compliance with the controls and issues a report containing the results.

As the shares of CEMEX S.A.B. de C.V., the parent of the CEMEX Group to which Cemex Latam belongs, are listed on the New York Stock Exchange ("NYSE"), CEMEX, as a Group, is obliged to comply with the Sarbanes-Oxley Act ("SOX"), which requires the existence of a system for internal control which focuses on ensuring the reasonableness of the financial information through identified controls that must be assessed on an annual basis. The countries that make up the CEMEX Latam Group are included within the annual scope, and the aforementioned assessments and controls are coordinated by CEMEX Central.

Additionally, the Sarbanes-Oxley Act includes:

- i) A confidential and anonymous communication system for complaints and concerns relating to a number of areas of the Company, including those referring to accounting, operational business and organizational behavior issues, among others
- ii) The creation of a Disclosure Committee
- iii) A formal internal process to support certification of the corporate information required by the Sarbanes-Oxley Act

On the basis of the confidential communications received, Internal Control carries out the necessary checks and investigations in view of the content and scope of these and issues a report with the results and its conclusions.

Without prejudice to the aforementioned duties and responsibilities of Internal Control set forth above, and after the proper due external audit process, KPMG (as the statutory auditor) issues an annual report certifying the financial information.

March 7, 2013



NOMINATING AND COMPENSATION COMMITTEE
REPORT ON BOARD MEMBERS, SENIOR MANAGEMENT
AND THEIR REMUNERATION

1. INTRODUCTION

Pursuant to the duties, powers and responsibilities bestowed upon the Nominating and Compensation Committee in accordance with Article 44 of the By-laws of Cemex Latam Holdings, S.A. ("Cemex Latam" or the "Company") and Article 26 of the Regulations of the Board of Directors, and pursuant to Article 42 of the said Regulations, the Nominating and Compensation Committee has prepared this Report on Board Members, Senior Management and their Remuneration for the year ended December 31, 2012, which shall be submitted for approval by the Company's Board of Directors.

On approval by the Board of Directors, this report will be included in the Annual Corporate Governance Report, which must also be approved by the Board, and included as a separate section in the Management Report.

2. REPORT ON BOARD MEMBERS, SENIOR MANAGEMENT AND THEIR REMUNERATION

2.1. Composition of the Board of Directors

Pursuant to Article 36 of the By-laws and Article 7 of its Regulations, Cemex Latam's Board of Directors shall consist of a minimum of three and a maximum of nine members, and shall be comprised in such a way that External Directors outnumber Executive Directors, and at least a third of the Board members are Independent Directors.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

At December 31, 2012, the Board of Directors was as follows:

- Jaime Gerardo Elizondo Chapa	Chairman and Proprietary External Director
- Juan Pablo San Agustín Rubio	Vice-Chairman and Proprietary External Director
- Ignacio Madridejos Fernández	Proprietary External Director
- Jaime Muguero Domínguez	Proprietary External Director
- Jaime Ruiz de Haro	Proprietary External Director
- Coloma Armero Montes	Independent External Director
- Rafael Santos Calderón	Independent Director with special powers
- Gabriel Jaramillo Sanint	Independent External Director
- Juan Pelegrí y Girón	Board Secretary and Proprietary External Director

The composition of the Board of Directors changed as follows between December 31, 2012 and the date of this report:

A. Appointment of Board members with joint and several special powers

At its meeting on January 16, 2013 and pursuant to a request from its Chairman and a favorable report issued by the Nominating and Compensation Committee, the Board of Directors unanimously resolved to appoint the Chairman, Jaime Gerardo Elizondo Chapa, and the Vice-Chairman, Juan Pablo San Agustín Rubio, as Chief Executive Officers. These individuals have been vested with the same powers as the Board of Directors, with the exception of any powers that cannot be delegated by law or as per the By-laws, and excluding powers relating to the following:

1. Any acts, businesses or contracts involving the disposal of or encumbrances on property used in, or which are located in, facilities involved in the production, storage, distribution and sale of cement; and
2. Any acts, businesses or contracts involving the disposal of or encumbrances on shares or stakes in companies where the Company holds a stake of 10% or more and whose main activity is the production, sale, storage or distribution of cement, its derivatives or raw materials used in its production.

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Furthermore, transactions between the Company and CEMEX Group subsidiaries are governed by Article 40 of the Regulations of the Board of Directors which regulates the authorization of transactions between the Company and directors or significant shareholders. The Company also has other internal regulations and resolutions adopted by the Board of Directors for these cases.

Both Chief Executive Officers shall act jointly and severally, i.e. either of these individuals without distinction, and shall occupy these posts throughout their entire terms as Board members.

Based on the aforementioned resolutions, the Board of Directors comprises the following:

- Jaime Gerardo Elizondo Chapa	Chairman and Chief Executive Officer
- Juan Pablo San Agustín Rubio	Vice-Chairman and Chief Executive Officer
- Ignacio Madrideo Fernández	Director
- Jaime Muguiro Domínguez	Director
- Jaime Ruiz de Haro	Director
- Coloma Armero Montes	Director
- Rafael Santos Calderón	Independent Director with special powers
- Gabriel Jaramillo Sanint	Director
- Juan Pelegrí y Girón	Board Secretary

B. Committees of the Board of Directors

I) Executive Committee

Article 42 of the By-laws and Article 24 of the Regulations of the Board of Directors regulate the Executive Committee's composition and duties. This committee shall comprise three Board members, one of whom must be an Independent Director.

At December 31, 2012, the Executive Committee was as follows:

Jaime Elizondo Chapa (Chairman)
Rafael Santos Calderón (Member)
Juan Pelegrí y Girón (Secretary)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Since December 31, 2012 and at the date of this report, the Executive Committee remains unchanged.

II) Audit Committee

Article 43 of the By-laws and Article 25 of the Regulations of the Board of Directors regulate the Audit Committee's composition and duties. This committee shall comprise a minimum of three and a maximum of five Board members, and all the Independent Directors must sit on this committee. This committee's Chairman must be classified as an Independent Director.

At December 31, 2012, the Audit Committee was as follows:

Rafael Santos Calderón (Chairman)
Gabriel Jaramillo Sanint (Member)
Coloma Armero Montes (Secretary)

Since December 31, 2012 and at the date of this report, the only change to the composition of this committee was the replacement in January 2013 of the Chairman. This post was initially held by Rafael Santos Calderón (Independent Director) and subsequently occupied by Gabriel Jaramillo Sanint (Independent Director).

At the date of this report, the Audit Committee was as follows:

Gabriel Jaramillo Sanint (Chairman)
Rafael Santos Calderón (Member)
Coloma Armero Montes (Secretary)

III) Nominating and Compensation Committee

Article 44 of the By-laws and Article 26 of the Regulations of the Board of Directors regulate the Nominating and Compensation Committee's composition and duties. This committee shall comprise a minimum of three and a maximum of five Board members, all of which must be External Directors and the majority Independent Directors.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

At December 31, 2012, the Nominating and Compensation Committee was as follows:

Gabriel Jaramillo Sanint (Chairman)
Ignacio Madridejos Fernández (Member)
Coloma Armero Montes (Secretary)

Since December 31, 2012 and at the date of this report, the only changes to the composition of this committee have been as follows:

- 1) Committee Chairman: The Chairman was replaced on January 16, 2013. This post was initially held by Gabriel Jaramillo Sanint (Independent External Director) and subsequently occupied by Rafael Santos Calderón (Independent External Director).
- 2) Committee Secretary: on January 16, 2013, Ignacio Madridejos Fernández (Proprietary External Director), formerly a committee member, was appointed as Secretary to this committee, replacing Coloma Armero Montes (Independent External Director), who became a member of the Nominating and Compensation Committee as from that date.

At the date of this report, the Nominating and Compensation Committee was as follows:

Rafael Santos Calderón (Chairman)
Coloma Armero Montes (Member)
Ignacio Madridejos Fernández (Secretary)

IV) Corporate Governance Committee

Article 45 of the By-laws and Article 27 of the Regulations of the Board of Directors regulate the Corporate Governance Committee's composition and duties. This committee shall comprise a minimum of three and a maximum of five Board members, all of which must be External Directors and the majority Independent Directors.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

At December 31, 2012, the Corporate Governance Committee was as follows:

Coloma Armero Montes (Chairwoman)
Gabriel Jaramillo Sanint (Member)
Juan Pelegrí y Girón (Secretary)

Since December 31, 2012 and at the date of this report, the Corporate Governance Committee remains unchanged.

2.2. Director remuneration policy

Pursuant to the By-laws and Regulations of the Board of Directors, Board members are entitled to receive remuneration from the Company, broken down as follows:

- (i) A fixed consideration; and
- (ii) Per diems for attending each meeting of the Board of Directors and the committees.

Executive Directors are also entitled to remuneration comprising:

- (i) A fixed component commensurate to the services performed and responsibilities assumed;
- (ii) A variable component, linked to an indicator of the performance of the Board member or of the Company;
- (iii) A welfare benefit comprising pension or insurance contributions; and
- (iv) Compensation in the event of dismissal or any other manner in which the legal relationship with the Company is severed which is not attributable to a breach by the Board member.

The total remuneration payable by the Company to Board members taken as a whole shall not exceed the amount stipulated by the shareholders in the General Meeting. The exact consideration payable shall be set by the Board of Directors, pursuant to the proposal of the Nominating and Compensation Committee, within the limit established by the shareholders in their General Meeting. The Board shall also be responsible for determining the allocation among the various Board members, the criteria to be followed, the timing of payment, and other issues not expressly considered by the shareholders in their General Meeting.

2.3. Board remuneration for 2012

As the Company's Sole Shareholder, on November 6, 2012, Cemex España, S.A. approved the Board of Directors' remuneration for 2012, establishing a maximum threshold of one hundred and sixty-five thousand US dollars (US\$ 165,000), equivalent to one hundred and twenty-eight thousand, nine hundred and six euros and twenty-five Euro cents, calculated at the European Central Bank exchange rate at that date (€ 128,906.25).

The Sole Shareholder also resolved to distribute this amount on a pro-rata basis according to the number of days elapsed between the date on which the Board members accepted their appointment and December 31, 2012.

In its session held on December 21, 2012 in writing and not in person, the Board of Directors resolved to:

- (i) Establish the exact consideration to be paid to the Board in 2012 at thirty-two thousand, two hundred and twenty-six euros and fifty-six cents (€ 32,226.56);
- (ii) Determine the criteria for distributing the said consideration among the Independent Directors, whereby it will be shared out based on their total remuneration; and
- (iii) Distribute the aforementioned consideration among the Independent Directors as follows:

Coloma Armero Montes	2012 total remuneration:	€ 10,742.18
Gabriel Jaramillo Sanint:	2012 total remuneration:	€ 10,742.18
Rafael Santos Calderón	2012 total remuneration:	€ 10,742.18

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No per diems for attending meeting of the Board or its committees were accrued during 2012.

2.4. Senior Management

According to the Regulations of the Board of Directors, senior management consists of the Company's top executives who report directly to the Board of Directors or the Company's most senior executive, and any other directors which the Board of Directors recognize as such. Senior Management is primarily responsible for implementing the strategy devised by the Board of Directors. Pursuant to the By-laws and prevailing legislation, the Board of Directors shall bestow powers upon and authorize Senior Management to act on the Company's behalf.

Notwithstanding the aforementioned and as Cemex Latam is a holding company and the parent company of a group ("Cemex Latam Group"), its Senior Management consists of executives of subsidiaries forming part of this group. In turn, these executives of the Cemex Latam Group report to the Company's Board of Directors or most senior executive, implementing the strategy devised by this governing body, which is also responsible for establishing these executives' powers and authorizing them to act on behalf of the Company, pursuant to the By-laws and prevailing legislation.

At year-end 2012, the Cemex Latam Group's Senior Management was as follows:

- **Carlos Jacks Chavarría**

Executive Director of the Cemex Latam Group and Director of CEMEX Colombia

As Cemex Latam's most senior executive, Mr. Jacks is responsible for managing the Cemex Latam Group's operations and business in the region. Mr. Jacks' management team consists of the following senior executives:

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

▪ **Josué R. González Rodríguez**

CFO of the Cemex Latam Group and of CEMEX Colombia

As head of Finance and Cash Management for the countries covered by the Cemex Latam Group, Mr. González manages, coordinates and supervises the finance and cash management teams of the various business and operating units in this region. Mr. González is also directly responsible for operations in Colombia.

▪ **Edgar Claudio Ángeles Garza**

Operations Director of the Cemex Latam Group and of CEMEX Colombia

As head of Operations for the countries covered by the Cemex Latam Group, Mr. Ángeles manages, coordinates and oversees all matters related to the production of the materials that the various business and operating units manufacture, sell and distribute in this region. Mr. Ángeles is also directly responsible for operations in Colombia.

▪ **Edgar Ramírez Martínez**

Vice-President of Planning at the Cemex Latam Group and CEMEX Colombia

As head of Strategic Planning for the countries covered by the Cemex Latam Group, Mr. Ramírez manages, coordinates and oversees all matters related to the planning of operations performed by the various businesses and operating units in this region. Mr. Ramírez is also directly responsible for the strategic planning of operations in Colombia.

▪ **Camilo González Téllez**

Legal Affairs Director at the Cemex Latam Group and Vice-President of Legal Affairs at CEMEX Colombia

As head of legal affairs for the countries covered by the Cemex Latam Group, Mr. González manages, coordinates and oversees all legal matters related to the operations performed by the various businesses and operating units in this region. Mr. González is also directly responsible for legal matters related with operations in Colombia.

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

▪ **Ramón Pizá Pluma**

Director of Panama

As country director, Mr. Pizá manages, coordinates and oversees operations and businesses in Panama, and is also responsible for the Company's sales strategy in this geographical market.

▪ **Roberto Ponguta Urquijo**

Director of Costa Rica

As country director, Mr. Ponguta manages, coordinates and oversees operations and businesses in Costa Rica, and is also responsible for the Company's sales strategy in this geographical market.

▪ **Andrés Jiménez Uribe**

Director of Nicaragua and El Salvador

As country director, Mr. Jiménez manages, coordinates and oversees operations and businesses in Nicaragua and El Salvador, and is also responsible for the Company's sales strategy in both these geographical markets.

▪ **Miguel Martínez**

Director of Guatemala

As country director, Mr. Martínez manages, coordinates and oversees operations and businesses in Guatemala, and is also responsible for the Company's sales strategy in this geographical market.

▪ **Afonso Toshiiti Sato**

Director of Brazil

As country director, Mr. Sato manages, coordinates and oversees operations and businesses in Brazil, and is also responsible for the Company's sales strategy in this geographical market.

2.5. Senior management remuneration

The 10 executives comprising the Cemex Latam Group's Senior Management at December 31, 2012 received from the Group an aggregate total of US\$4.8 million for all items included in the theoretical remuneration package.

The Cemex Latam Group's Senior Management is entitled to the following benefits and/or remuneration:

- i) Fixed annual remuneration or basic annual salary;
- ii) Performance-linked bonus or remuneration; and
- iii) Long-term bonuses.

In 2012, some members of the Senior Management benefited from the Long-term Bonus Plan linked to CEMEX S.A.B. de C.V. shares, which they were entitled to prior to the incorporation of the Cemex Latam Group.

In 2013 and thereafter, the Long-term Bonus Plan will apply to senior executives and, where applicable, other key personnel, and will involve allocation of shares issued by the Company and admitted for trading on the Colombia Stock Exchange.

The aforementioned Long-term Bonus Plan will be implemented pursuant to the policy approved by the Board of Directors in its meeting on January 16, 2013 based on a favorable report issued by the Nominating and Compensation Committee.

Shares will be allocated in April and June of each year, and delivered in four blocks per annum comprising 25% of each share packet.

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In addition to the aforementioned remuneration package, Cemex Latam's Senior Management also receives:

- iv) An international mobility package and a pension plan (only for six of these executives);
- v) Medical insurance;
- vi) Life insurance; and
- vii) A company vehicle.

March 1, 2013

FINANCIAL SUPERINTENDENT OF COLOMBIA

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

QUESTIONNAIRE ON COUNTRY'S CODE. CODE OF CORPORATE BEST PRACTICES - COLOMBIA

Listed company: Cemex Latam Holdings, S.A.
Listed company's tax code: 44444036-1
Legal representative: Camilo González Téllez
Personal ID card: 80.414.966 (Usaquén)
Evaluation period: April 17, 2012 to December 31, 2012
Legal status of entity: Spanish limited company
Assigned entity code: SFC

I. GENERAL SHAREHOLDERS' MEETING

Call to General Shareholders' Meeting

Question 1

	YES	NO
Question: In relation to the last General Shareholders' Meeting, were shareholders given access to the documentation required to make informed decisions on the meeting agenda points in the call to the General Shareholders' Meeting and at the registered offices? (Indicator 1)	×	
Explanation*: During the evaluation period, decisions were taken by the then sole shareholder, although no General Shareholders' Meeting was held. Nevertheless, the company's By-laws ("BL") and other internal regulations stipulate that for future General Shareholders' Meetings, shareholders will be furnished with all the information on the agenda points to be discussed at the meetings pursuant to Article 10 of the Regulations of the General Shareholders' Meeting ("RGSM").		

Question 2

	YES	NO
Question: Does the information provided to shareholders in the call to the General Shareholders' Meeting include any proposed resolutions on candidates for the Board of Directors? (Indicator 2)	×	
Explanation*: During the evaluation period, decisions were taken by the then sole shareholder, although no General Shareholders' Meeting was held. Nonetheless, pursuant to Article 10 of the RGSM, in the event that the		

FINANCIAL SUPERINTENDENT OF COLOMBIA (FSC)

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shareholders acting at the General Shareholders' Meeting must deliberate on the appointment of directors, information provided to shareholders shall contain the proposed resolution on candidates for appointment to the Board of Directors and information thereon.

Question 3

	YES	NO	N/A
Instructions: Answer this question if the listed company is related to the parent company and/or subsidiaries, otherwise select N/A. Question: Does the listed company furnish shareholders with financial reporting on all subsidiaries and the parent company of the listed company? (Indicator 2)		X	
Explanation*: This information is publicly available. The Company furnishes shareholders with financial reporting (separate and consolidated financial statements filed with the FSC and the annual accounts under Spanish GAAP), but does not provide reporting on the parent company of the listed company.			

Question 4

	YES	NO	N/A
Instructions: Answer this question if the listed company has a website, otherwise select N/A. Question: Was the call to the last General Shareholders' Meeting and any other information required to hold the meeting published on the listed company's website? (Indicator 3)	X		
Explanation*: During the evaluation period, decisions were taken by the then sole shareholder, although no General Shareholders' Meeting was held. However, when such General Meetings are held, the Company's BL and other internal regulations stipulate that the call will be published on the website and by other means.			

Question 5

	YES	NO
Question: Were the various issues covered in the General Shareholders' Meetings during the evaluation period presented as separate agenda points. (Indicator 4)	X	
Explanation*: During the evaluation period, decisions were taken by the then sole shareholder, although no General Shareholders' Meeting was held. The		

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Company's BL and other internal regulations stipulate that the issues to be discussed are presented separately in the agenda.

Holding of the General Shareholders' Meeting

Question 6

	YES	NO	N/A
Instructions: Answer this question if a separation was included in the glossary terms, if not put N/A. Question: Was the separation approved by the shareholders in their General Meeting? (Indicator 5)			X
Explanation*: -			

Question 7

	YES	NO	N/A
Instructions: Answer this question if a separation was included in the glossary terms, if not put N/A. Question: Was the separation included in the call to the General Shareholders Meeting in which it was approved? (Indicator 6)			X
Explanation*:			

Question 8

	YES	NO	N/A
Instructions: Answer this question if the listed company's corporate purpose has changed, otherwise select N/A. Question: Was the change in corporate purpose included in the call to the General Shareholders' Meeting in which it was approved? (Indicator 6)	X		
Explanation*: The Company has expanded its corporate purpose (prior to the initial public offering and subsequent to being floated on the Colombia Stock Exchange). However, as this resolution was passed by the sole shareholder, no call to a General Shareholders' Meeting was published.			

Question 9

	YES	NO	N/A
Instructions: Answer this question if the shareholders resolved to waive their entitlement to preferential subscription rights at the General Meeting, otherwise select N/A. Question: Was the proposal to waive the entitlement to preferential subscription rights included in the call to the General Shareholders' Meeting in which it was passed?	X		

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(Indicator 6)			
Explanation*: As sole shareholder, Cemex España, S.A. waived its preferential subscription right when it was resolved to increase share capital through the issue of shares subscribed by investors. No call to the General Meeting was published as the sole shareholder was responsible for passing the resolution.			

Question 10

	YES	NO	N/A
Instructions: Answer this question if it was resolved to change the registered address during the General Shareholders' Meeting, otherwise select N/A. Question: Was the change in registered address included in the call to the General Shareholders' Meeting in which it was approved? (Indicator 6)			X
Explanation*:			

Question 11

	YES	NO	N/A
Instructions: Answer this question if it was resolved during the General Shareholders' Meeting to wind-up the company early, otherwise select N/A. Question: Was the early winding-up included in the call to the General Shareholders Meeting in which it was approved?			X
Explanation*:			

Question 12

	YES	NO
Question: Does the listed company avail of electronic mechanisms through which shareholders who are unable to attend General Meetings can obtain information thereon? (Indicator 7)	X	
Explanation*: Article 25 of the BL and Article 15 of the RGSM lay down the possibility of the Company designating a place at which the shareholders may attend the General Meeting other than the place at which the General Meeting is being held as long, as it is connected with the place where the meeting is being held, by any valid systems that allow for: (i) recognition and identification of the parties attending; (ii) permanent communication among the attendees regardless of their location; and (iii) participation and voting; all on a real-time		

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basis. Furthermore, the BL and RGSM stipulate that all information relating to the General Meeting shall be available to the shareholders on the Company's website.

Nevertheless, the Company has still not decided on the details of how the next General Shareholders Meeting shall be held.

Approval of significant related-party transactions

Question 13

	YES	NO	N/A
Instructions: Answer this question if, during the evaluation period, significant related-party transactions were performed under terms and conditions that differ from those set forth hereon that simultaneously apply to related-party transactions: a. They are performed at market prices, generally set by the person supplying the goods or services; and b. They consist of the listed company's normal business transactions, which are not material. Otherwise, put N/A. Question: Were the significant related-party transactions performed under the terms and conditions described herein approved by the shareholders in a General Meeting, excluding those that the listed company cannot disclose for legal reasons? (Indicator 8)			X
Explanation*: Related-party transactions during the period were performed under these terms and conditions and were approved by the Company's Board of Directors. Without prejudice to the aforementioned, the majority of related-party transactions during the period basically resulted from the reorganization of the CEMEX Group to establish the Group of which Cemex Latam Holdings, S.A. is the parent company.			

Equal treatment and rights of shareholders

Question 14

	YES	NO
Question: Does the listed company clearly, accurately and fully disclose shareholders' rights and obligations? (Indicator 9)	X	

Question 15

	YES	NO
Question: Does the listed company continuously publish details of the classes of shares issued? (Indicator 10)	X	
Explanation*: To date, the Company has issued ordinary shares, of a single class, which confer the same rights. In any event, share information is available on the		

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Company's website.

Question 16

	YES	NO
Question: Does the listed company continuously publish details of the number of shares issued? (Indicator 10)	X	
Explanation*: This information is available on the Company's website. Current share capital is stipulated in the BL, which are available on the Company's website.		

Question 17

	YES	NO
Question: Does the listed company continuously publish details of the number of reserved shares by each share class? (Indicator 10)	X	
Explanation*: Treasury shares (own shares) are held, representing 3.84% of the Company's share capital. These treasury shares have been public disclosed. As mentioned beforehand, all shares are of the same class.		

Question 18

	YES	NO
Question: Does the listed company have internal regulations relating to the general shareholders' meeting? (Indicator 11)	X	
Explanation*: The Regulations of the General Shareholders' Meeting.		

Question 19

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the general shareholders' meeting, otherwise select N/A. Question: Do the internal regulations relating to the General Shareholders' Meeting include stipulations on calling such meetings? (Indicator 11)	X		
Explanation*: Such stipulations are laid down in Articles 8 to 11 of the Regulations of the General Shareholders' Meeting.			

Question 20

	YES	NO	N/A
Instructions: Answer this question 'yes' or 'no' if the listed company has internal regulations relating to the general			

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shareholders' meeting, otherwise select N/A. Question: Do the internal regulations relating to the General Shareholders' Meeting include stipulations on holding such meetings? (Indicator 11)	X		
Explanation*: Such stipulations are laid down in Articles 15 to 36 of the RGSM.			

II. MANAGEMENT BOARD*

***The official name as per Spanish regulations is the "Board of Directors".**

Size, composition and functioning

Question 21

	YES	NO
Question: Is the listed company's Management Board made up of an odd number of members sufficient for performing the duties thereof? (Indicator 12)	X	
Explanation*: The Board of Directors consists of nine board members. The BL establish that the Board of Directors shall comprise a minimum of three and a maximum of nine board members.		

Question 22

	YES	NO
Question: Does the listed company's Management Board meet at least once a month? (Indicator 13)		X
Explanation*: The BL stipulate that the Board of Directors shall convene at least once every two (2) months. In 2012, a meeting was held 15 times in total.		

Question 23

	YES	NO
Question: Does the Management Board have its own internal regulations? (Indicator 14)	X	
Explanation*: The Regulations of the Board of Directors ("RBD").		

Question 24

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A.	X		

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Question: Have all the listed company's shareholders been furnished with the internal regulations on the Management Board? (Indicator 14)			
Explanation*: The regulations were referred to in the share offer and placement prospectus, and can be viewed on the corporate website.			

Question 25

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Are the internal regulations on the Management Board binding for all Board members? (Indicator 14)	×		
Explanation*: As laid down in Article 2 of the RBD.			

Question 26

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Do the internal regulations of the Management Board stipulate the information that should be provided to Board members appointed for the first time and in general, relating to the information described in indicator 18? (Indicator 14)		×	
Explanation*: Although this stipulation is not included, the Company does provide new Board members with the information described in indicator 18.			

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Question 27

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Do the internal regulations of the Management Board set forth that the minutes of Board meetings shall include explanations supporting the resolutions made, and the arguments for and against the proposed resolutions taken into account when they were passed, and in general described in indicator 19? (Indicator 14)		X	
Explanation*: As per Article 28 of the RBD, the information required to vote on the proposed resolutions shall be made available to the Board members sufficiently in advance of a meeting, while Board members are duly required to peruse and analyze such information prior to the meeting. Although not expressly stipulated in the RBD, Board members can request that the reasons for voting against a proposed resolution or abstaining from voting when discussing and voting on a proposed resolution be included in the minutes at any point during a meeting.			

Question 28

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Do the internal regulations of the Management Board stipulate how far in advance of a Management Board Meeting Board members shall be furnished with relevant information and in general that described in indicator 20? (Indicator 14)	X		
Explanation*: The call to the Board meeting setting out the agenda for the said meeting (including information on the proposed resolutions to be considered) must be sent to Board members at least three (3) days before the meeting, unless the meeting is urgently convened.			

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Question 29

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Is the Company only required to furnish Board members with the information set forth in the internal regulations of the Management Board within two (2) days of the meeting? (Indicator 20)		X	
Explanation*: The call to the Board meeting setting out the agenda for the said meeting (including information on the proposed resolutions to be considered) must be sent to Board members at least three (3) days before the meeting, unless the meeting is urgently convened.			

Question 30

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Do the internal regulations of the Management Board stipulate the means through which Board members can request the information they are furnished with prior to the meeting? (Indicator 20)	X		
Explanation*: Pursuant to Article 28 of the RBD, the call to meeting shall include said information or, if not, it shall be made available to the Board members through any other means that may reasonably make possible its reception.			

Question 31

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Do the internal regulations of the Management Board establish the possibility that, at the request of any of its members, the Board may appoint an external advisor to bring their expertise to the table when voting on certain proposed resolutions? (Indicator 22)	X		
Explanation*: As laid down in Article 28 of the RBD.			

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Question 32

	YES	NO	N/A
Instructions: Answer this question if the listed company has internal regulations relating to the Management Board, otherwise select N/A. Question: Do the internal regulations of the Management Board lay down the conditions under which the Board can, at the request of any of its members, appoint an external advisor to bring their expertise to the table when voting on certain proposed resolutions? (Indicator 22)	X		
Explanation*: Pursuant to Article 28 of the RBD, any Board member may call for external advice, which shall only be approved if the majority of the Board members at the Board of Directors' Meeting vote to approve such a request.			

Question 33

	YES	NO
Question: When appointing members to the Management Board, does the listed company consider whether candidates have the career background, qualifications and experience required to successfully perform their duties? (Indicator 15)	X	
Explanation*: As laid down in Articles 36 and 44 of the BL and Articles 9 and 26 of the RBD.		

Question 34

	YES	NO
Question: Are the majority of the members of the Board or of the body appointed to act on its behalf independent? (Indicator 16)		X

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Explanation*:

A third (1/3) of the Board members are independent directors. During the initial public offering of its shares, the Company voluntarily signed up to comply with several components of Spain's Unified Code of Corporate Governance (UCCG), which stipulates that at least a third (1/3) of the members of the governing body must be independent. The Company also voluntarily committed to adopt the recommendations of Colombia's Code of Corporate Best Practices, in accordance with which it prepares and presents this questionnaire.

Duties and rights of Board members

Question 35

	YES	NO
Question: Do members of the Management Board disclose any direct or indirect relationships they have with stakeholders, which could give rise to conflicts of interest, sway their opinion or affect which way they vote? (Indicator 17)	X	
Explanation*: Pursuant to Articles 32 to 41 of the RBD setting forth a specific procedure in this regard.		

Question 36

	YES	NO
Question: Does the listed company furnish members of the Management Board appointed for the first time with sufficient information to provide them with specific knowledge on the listed company and the sector in which it operates? (Indicator 18)	X	
Explanation*: The Company provides all newly-appointed Board members with such information, even though this stipulation is not expressly set forth in internal regulations.		

Question 37

	YES	NO
Question: Does the listed company provide newly-appointed Board members with information on the responsibilities, obligation and duties of the post? (Indicator 18)	X	
Explanation*: The Company provides all newly-appointed Board members with such information, even though this stipulation is not expressly set forth in internal regulations.		

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Question 38

	YES	NO
Question: Do the minutes of the meetings of the Management Board describe the analyses, data and other sources of information on which decisions are taken? (Indicator 19)	X	
Explanation*:		

Question 39

	YES	NO
Question: Do the minutes of meetings of the Management Board include the reasons for voting in favor or against proposed resolutions? (Indicator 19)	X	
Explanation*:		

Question 40

	YES	NO
Question: Does the listed company furnish Board members, at least two (2) days or more before the meeting, with the information needed to make decisions, based on the agenda of the meeting? (Indicator 20)	X	
Explanation*: Three days in advance, except in the case of urgent meetings.		

Question 41

	YES	NO	N/A
Instructions: Answer this question if the listed company's Management Board includes replacement members, otherwise select N/A.			
Question: Does the listed company have mechanisms in place to ensure that replacement Board members are adequately informed of the issues to be discussed by the Management Board, thereby guaranteeing that they have the information required for them to perform their duties when they replace the main members of the Board? (Indicator 21)			X
Explanation*: The Company does not use replacements on the Board of Directors.			

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Question 42

	YES	NO
Question: Does the listed company set aside funds that can be used by the Management Board to hire in external advisors at the request of any of its members to provide their expertise when making certain decisions? (Indicator 22)		X
Explanation*: As this scenario has not arisen to date, no specific budget has been earmarked for hiring in expert advisors to the Board of Directors under the terms laid down in Article 31 of the RBD.		

Supporting committees*

*The official name as per Spanish regulations is "Committees".

Question 43

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board when making appointments and setting remuneration, otherwise select N/A. Question: Does the Nominating and Compensation Committee comprise at least one member of the Management Board? (Indicator 23)	X		
Explanation*: The Nominating and Compensation Committee is made up of three Board members. The BL and RBD stipulate that it must comprise at least three (3) and no more than five (5) Board members.			

Question 44

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board when making appointments and setting remuneration, otherwise select N/A. Question: Does the Nominating and Compensation Committee support the Management Board when reviewing the performance of senior executives, i.e. the Chairman and the executives immediately below this position? (Indicator 24)	X		
Explanation*:			

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Question 45

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board when making appointments and setting remuneration, otherwise select N/A. Question: Does the Nominating and Compensation Committee draw up a policy for setting the remuneration and salaries of the listed company's personnel, including senior management? (Indicator 24)	X		
Explanation*: The Nominating and Compensation Committee sets such remuneration and salaries as laid down in the BL and RBD.			

Question 46

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board when making appointments and setting remuneration, otherwise select N/A. Question: Does the Nominating and Compensation Committee propose the appointment, remuneration and dismissal of the Company's Chairman or acting Chairman? (Indicator 24)	X		
Explanation*: As laid down in the BL and RBD, the Nominating and Compensation Committee proposes, or where applicable provides guidance on, the appointment, remuneration and dismissal of the Company's Chairman or acting Chairman, although the final decision in this regard is taken by the Board of Directors or shareholders in their General Meeting, depending on the case.			

Question 47

	YES	NO	N/A
Instructions: Answer this question 'yes' or 'no' if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board when making appointments and setting remuneration, otherwise select N/A. Question: Does the Nominating and Compensation Committee propose the objective criteria which the listed company should follow when hiring its top executives?	X		

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(Indicator 24)			
Explanation*: As laid down in the BL and RBD, the Nominating and Compensation Committee proposes, or where applicable provides guidance on, the objective criteria for appointing the top executives, although the final decision is made by the Board of Directors.			

Question 48

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board in relation to corporate governance, otherwise select N/A. Question: Is the Corporate Governance Committee made up by at least one member of the Management Board? (Indicator 23)	X		
Explanation*: Yes, it consists of three members of the Board of Directors: two independent directors and one proprietary director.			

Question 49

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board in relation to corporate governance, otherwise select N/A. Question: Does the Corporate Governance Committee strive to ensure shareholders and the market in general are furnished with all the information the listed company is required to report in an accurate and appropriate manner? (Indicator 25)	X		
Explanation*: This is one of the duties of the Corporate Governance Committee as laid down in the BL and RBD.			

Question 50

	YES	NO	N/A
Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board in relation to corporate governance, otherwise select N/A. Question: Does the Corporate Governance Committee report on the Audit Committee's performance? (Indicator 25)		X	

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<p>Explanation*: The Corporate Governance Committee's duties include overseeing and ensuring compliance with the Company's internal regulations, although it is not specifically charged with reporting on the Audit Committee's performance. As per Article 6 of the RBD, the Board of Directors is responsible for evaluating the management committees.</p>			

Question 51

	YES	NO	N/A
<p>Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board in relation to corporate governance, otherwise select N/A.</p> <p>Question: Does the Corporate Governance Committee review and evaluate the manner in which the Management Board fulfills its duties in each period? (Indicator 25)</p>	X		
<p>Explanation*: Without prejudice to the powers bestowed upon the shareholders at their General Meetings to approve the performance of the Board of Directors, and the fact that Article 6 of the RBD stipulates that the Board is also responsible for evaluating its own functioning and performance, the Corporate Governance Committee is charged with reviewing and assessing the Company's and the Board of Directors' compliance with internal regulations.</p>			

Question 52

	YES	NO	N/A
<p>Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia, supports the Management Board in relation to corporate governance, otherwise select N/A.</p> <p>Question: Does the Corporate Governance Committee monitor any trading by Board members of shares issued by the Company or other Group companies? (Indicator 25)</p>	X		
<p>Explanation*: This is one of the duties of the Corporate Governance Committee as laid down in the BL and RBD regarding shares issued by the Company.</p>			

Question 53

	YES	NO	N/A
<p>Instructions: Answer this question if a standing committee other than that laid down in law is in place which, inter alia,</p>		X	

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supports the Management Board in relation to corporate governance, otherwise select N/A. Question: Does the Corporate Governance Committee oversee compliance with the management remuneration policy? (Indicator 25)			
Explanation*: The responsibility for overseeing the remuneration policy falls to the Nominating and Compensation Committee as per Article 44 of the BL and Article 26 of the RBD.			

Question 54

	YES	NO
In addition to the duties laid down by Law and in the BL, does the Audit Committee issue a written report on any possible related-party transactions? (Indicator 26)		X
Explanation*: This report is prepared by the Corporate Governance Committee as per Article 45 of the BL and Article 27 of the RBD.		

Question 55

	YES	NO
In addition to the duties laid down by Law and in the BL, does the Audit Committee verify that any possible related-party transactions are conducted at arm's length and do not breach the principle of equality of shareholders? (Indicator 26)		X
Explanation*: This report is prepared by the Corporate Governance Committee as per Article 45 of the BL and Article 27 of the RBD.		

Question 56

	YES	NO
In addition to the duties laid down by Law and in the BL, does the Audit Committee establish the policies, criteria and procedures followed by the listed company when preparing, disclosing and disseminating its financial reporting? (Indicator 26)	X	
Explanation*: Pursuant to Article 43 of the BL and Article 25 of the RBD.		

Question 57

	YES	NO
In addition to the duties laid down by Law and in the BL, does the Audit Committee define the mechanisms for bringing		

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together information prepared by the listed company's control bodies to submit to the Management Board? (Indicator 26)	X	
Explanation*: Pursuant to Article 43 of the BL and Article 25 of the RBD.		

III. DISCLOSURE OF FINANCIAL AND NON-FINANCIAL REPORTING

Information requests

Question 58

	YES	NO
Question: Does the listed company provide investors with a means of communicating with the listed company, i.e. a contact point or investor care team? (Indicator 27)	X	
Explanation*: At each General Shareholders' Meeting, as laid down in Article 26 of the BL and Article 17 of the RGSM.		

Question 59

	YES	NO
If the listed company determines that responding to an investor could place the investor at an advantage, does it ensure all other investors are immediately informed of the reply pursuant to the relevant mechanisms the listed company has in place, and under the same terms? (Indicator 28)	X	
Explanation*:		

Question 60

	YES	NO
Question: Can a group of shareholders request that special audits be performed? (Indicator 29)	X	
Explanation*: Yes, if the request is made by a group holding at least 10% of the share capital, pursuant to Article 53 of the BL.		

Question 61

	YES	NO	N/A
Instructions: Answer this question if a group of shareholders can request special audits be performed, otherwise put N/A. Question: Is a policy in place setting the minimum percentage of shareholders required to request special audits? (Indicator 30)	X		

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Explanation*:

Special audit requests will only be accepted if placed by a group of shareholders holding at least ten percent (10%) of the Company's share capital.

Question 62

	YES	NO	N/A
Instructions: Answer this question if a group of shareholders can request special audits be performed, otherwise put N/A. Question: Is a policy in place requiring justification for the minimum percentage of shareholders required to request special audits? (Indicator 30)		X	

Explanation*:

The 10% threshold is set in line with the practices of other listed companies. That said, once share capital has been issued and the shareholder structure analyzed, the Company may consider the possibility of introducing a policy in this regard or, where applicable, the reasons for increasing or reducing the said threshold.

Question 63

	YES	NO	N/A
Instructions: Answer this question if a group of shareholders can request special audits be performed, otherwise put N/A. Question: Is a policy in place laying down the prerequisites for special audit requests?	X		

Explanation*:

As stipulated in Article 53 of the BL.

Question 64

	YES	NO	N/A
Instructions: Answer this question if a group of shareholders can request special audits be performed, otherwise put N/A. Question: Is a policy in place laying down who is responsible for performing special audits and how they should be appointed? (Indicator 30)	X		

Explanation*:

As stipulated in Article 53 of the BL.

Question 65

	YES	NO	N/A
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Instructions: Answer this question if a group of shareholders can request special audits be performed, otherwise put N/A. Question: Is a policy in place defining who should assume the cost of special audits? (Indicator 30)	X		
Explanation*: As stipulated in Article 53 of the BL.			

Question 66

	YES	NO	N/A
Instructions: Answer this question if a group of shareholders can request special audits be performed, otherwise put N/A. Question: Are specific deadlines set for each stage or phase of the procedure for arranging special audits? (Indicator 30)		X	
Explanation*: The procedure is defined in Article 53 of the BL.			

Disclosures to the market

Question 67

	YES	NO
Question: Are mechanisms in place at the listed company enabling any material results of internal control procedures to be reported to shareholders and other investors? (Indicator 31)	X	
Explanation*: Those laid down in the BL, RGSM and RBD, in addition to the reporting that must be disclosed to the market through the Financial Superintendent.		

Question 68

(Indicator 32) Does the listed company publish any general remuneration and employee benefits policies that apply to:		
	YES	NO
Members of the Management Board (as a whole)	X	
Legal representatives		x
Statutory auditor (<i>revisor fiscal</i>)		x
External advisors		x
Independent auditors	X	
Explanation*:		

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Question 69

	YES	NO
Question: Does the listed company publish the contracts entered into with its directors, management, senior executives and legal representatives, including their relatives and partners and other related parties? (Indicator 33)		X
Explanation*: It is considered that it is not appropriate practice to disclose such information to the market.		

Question 70

	YES	NO
Question: Does the listed company publish its internal rules on resolving conflicts of interest? (Indicator 34)	X	
Explanation*: Various articles in the BL and RBD regulate possible conflicts of interest, and how such conflicts must be resolved. Both documents are available on the Company's website.		

Question 71

	YES	NO
Question: Does the listed company publish the criteria under which its directors, management and employees may trade shares and other securities issued by the listed company, such as preferential subscription rights criteria? (Indicator 35)		X
Explanation*: Responsibility for controlling such trades falls on the Corporate Governance Committee.		

Question 72

	YES	NO
Question: Does the listed company publish the curriculum vitae of the members of the governing bodies and internal control committees (or in lieu of these, any equivalent bodies), and of the legal representatives, informing the market of the qualifications and experience of these individuals in relation to their ability to manage the matters for which they are responsible? (Indicator 36)	X	
Explanation*: At present, the curriculum vitae of the members of the Board and Senior Management are published.		

Statutory auditor

FINANCIAL SUPERINTENDENT OF COLOMBIA (FSC)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Question 73

	YES	NO
Question: Has the listed company appointed as statutory auditor any individuals or firms that have received income from the Company and/or its affiliates, which equal twenty five per cent (25%) or more of their total income for the previous year? (Indicator 37)		x
Explanation*: The appointment of independent auditors is regulated by Article 52 of the BL.		

Question 74

	YES	NO
Question: Does the listed company or its affiliates appoint a different individual or firm to act as its statutory auditor to the individual or firm appointed as its independent auditor? (Indicator 38)	x	
Explanation*: The appointment of independent auditors is regulated by Article 52 of the BL. The Company only appointed the independent auditor to provide audit services in 2012. Nevertheless, various Group companies did contract other tax and legal advisory services from parties related to the independent auditor.		

Question 75

	YES	NO
Question: Do the contracts with the statutory auditor contain clauses on rotating every five years the natural persons who perform audit duties? (Indicator 39)		x
Explanation*: The appointment of independent auditors is regulated by Article 52 of the BL. The independent auditor shall be appointed for a minimum of three (3) years and a maximum of nine (9) years, although there is no stipulation as to when staff employed by the independent auditor must be rotated. Nonetheless and pursuant to Spain's prevailing Audit Law, the engagement partner (natural person or individual) must be rotated every seven years.		

Question 76

	YES	NO
Question: Does the listed company demand that the statutory auditor ensure the individual who has been rotated wait at least two (2) years before being reassigned the same engagement? (Indicator 39)		x
Explanation*: The appointment of independent auditors is regulated by Article 52 of the BL. Article 52 of the BL does not lay down the requirements for rotating individuals employed by the independent auditor. That said, the limitations applicable to reappointment of the same audit firm are		

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laid down in Spain's prevailing Audit Law, the revised text of which was approved by Royal Decree-Law 1/2011, of July 1.

IV. RESOLUTION OF DISPUTES

Question 77

	YES	NO
Question: Does the listed company take the necessary steps to inform its shareholders of the legal procedure through which they can defend their rights before the Financial Superintendent of Colombia? (Indicator 40)		X
Explanation*: Such information is published on the Company's website.		

Question 78

	YES	NO
Question: Has the listed company defined a procedure through which conflicts of interest between the listed company and shareholders, between shareholders and directors, and between shareholders can be settled out of court? (Indicator 41)		X
Explanation*: Disputes are settled pursuant to the laws in force in the Company's legal jurisdiction, except in cases where another jurisdiction is applicable under law.		

Question 79

	YES	NO
Question: Does the listed company provide an alternative procedure to out-of-court settlements through which conflicts of interest between the listed company and shareholders, between shareholders and directors, and between shareholders can be resolved? (Indicator 41)		X
Explanation*: Disputes are settled pursuant to the laws of the Company's legal jurisdiction, except in cases where another jurisdiction is applicable under law.		

Optional questions

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(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Question 80

The listed company may disclose in this section any corporate governance policies that are in place in addition to those recommended in the Code of Corporate Best Practices.

Although Cemex Latam Holdings, S.A. ("Cemex Latam") is listed on the Colombia Stock Exchange, it is not admitted to trading in Spain and is therefore not subject to Spanish corporate governance recommendations for companies listed on Spanish stock exchanges. It is also not subject to the best practices recommendations applicable to Colombian companies listed on the country's stock exchange.

However, since it was admitted to trading, Cemex Latam has decided to voluntarily comply with some of the best practices included in the Spanish Unified Good Governance Code as well as the best practices applicable to Colombian listed companies. Cemex Latam's corporate governance system has been adapted to Spanish and international best practices.

Pursuant to this corporate governance system, on October 4, 2012 Cemex Latam established a Corporate Governance Committee; the powers and operational regulations of which are laid down in the BL and RBD.

In addition to completing this questionnaire and in accordance with best corporate governance practices and the commitments assumed under the public share offering on the Colombia Stock Exchange, the Company has also decided to prepare an Annual Corporate Governance Report pursuant to the framework approved in the Circular 4/2007, of December 27, of Spain's National Securities Market Commission (CNMV).

The Company's Annual Corporate Governance Report shall be included in a separate section to the Management Report and shall be prepared by the Board of Directors pursuant to Spain's Corporate Enterprises Act. It shall therefore be approved alongside this report and made available to shareholders along with the other documentation provided in relation to the General Shareholders' Meeting.