

**REMUNERATION POLICY FOR THE DIRECTORS OF CEMEX LATAM
HOLDINGS, S.A.**



DIRECTORS' REMUNERATION POLICY

1. Purpose and principles of the directors' remuneration policy

CEMEX LATAM HOLDINGS, S.A. (the “**Company**”) was incorporated on 17th April 2012 and its shares were admitted to trading on the Colombian Stock Exchange (“BVC”) on 16th November of that same year. Being a Spanish company, it is mainly governed by the Companies Act (hereinafter, the “**LSC**”) and by its Articles of Association, the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors and other rules approved by the Company's internal bodies. Because it is a Spanish company that is not admitted to trading in Spain but rather on the Colombian Stock Exchange, the Company is not subject to Spanish laws applicable to Public Limited Companies listed on the Spanish Stock Exchanges. However, the Company decided to voluntarily comply with the main best practice provisions contained in the former Spanish Unified Good Governance Code and has decided to comply with the same best practice provisions contained in the current Spanish Good Governance Code, and with the main best practice provisions applicable to Colombian issuers and, following admission to trading, the Company has a good corporate governance system adapted to these best practices, and to best international practices.

Similarly, the Company's Articles of Association and internal Regulations establish, in regard to remuneration policy, approval procedure and content standards comparable to those of listed Spanish companies.

This document establishes the Remuneration Policy for the Company's directors proposed by the Board of Directors on 11th May 2017 for approval by the General Shareholders' Meeting to be convened for 15th and 16th June 2017, respectively at first and second call, all in conformity with the provisions of articles 529 sexdecies to 529 novodecies of the LSC, and in accordance with the provisions of articles (i) 34 and 48 of the Articles of Association, (ii) 6 and 32 of the Regulations of the Board of Directors, and (iii) 7 of the Regulations of the General Shareholders' Meeting (hereinafter, the “**Policy**”).

The remuneration of the members of the Board of Directors is determined in accordance with the provisions of the Articles of Association, the Regulations of the Board of Directors and the resolutions adopted by the General Shareholders' Meeting. The aforementioned remuneration is reviewed from time to time in order for it to be reasonably proportional to the Company's size, its financial position and the market standards of comparable companies. In addition, this Policy seeks to ensure that such remuneration is consistent with the time devoted and responsibility taken on.

1.1. Principles underpinning directors' remuneration in their capacity as such

The principles underpinning directors' remuneration for performing their duties as such, in compliance with the law and the articles of association, are based on the following measures:

- That the remuneration is an incentive to reward them for their time, qualification and responsibility and, in the case of independent directors, does not stand as an obstacle for their independence.
- That the remuneration does not provide for a variable component and is paid fully in cash.
- Given the high frequency of the meetings of the Board of Directors and of its Committees, that the remuneration may include a fee component for attending the meetings of the Board of Directors and of its Committees.
- The aggregate amount of the remuneration receivable by the members of the Board of Directors in their capacity as such may not exceed the relevant cap set by the General Shareholders' Meeting upon approval of this policy.
- The Board of Directors, on a proposal by the Appointment and Remuneration Committee, is the body with authority to determine, within the limit set by the General Shareholders' Meeting, and consistently with the Policy, the exact amount payable in each financial year to each director in accordance with the provisions of the aforementioned article 48.3 of the Articles of Association.

1.2. Principles underpinning directors' remuneration for performing executive functions

The principles underpinning the remuneration payable to executive directors for performing executive functions within the Company, therefore differing from the functions attaching to their membership of the Board of Directors, are as follows:

- That the remuneration is effective to attract and retain the best professionals, ensuring that their compensation is compliant with best practices and market conditions.
- That it encourages them to remain and guides the discharge of their duties in a demanding manner and particular with a long-term focus, and a reasonable link to performance of the stock price.
- That it is in conformity with the Company's current position, outlook and sustainable growth objectives.

Subject to the above, the Policy may conveniently be adapted to the financial circumstances and the international context in which the Company carries on its business, i.e. Colombia, Panama, Guatemala, Costa Rica, Nicaragua, El Salvador and Brazil.

2. Directors' remuneration in their capacity as such

2.1. Structure of the directors' remuneration in their capacity as such

The directors' remuneration in their capacity as such may include, in compliance with the law and the Articles of Association, the following items:

a) Fixed pay

Within the limit approved by the General Shareholders' Meeting and its distribution by the Board of Directors referred to in paragraph 1.1 above, directors may receive a fixed annual amount due to their membership of and office on the Board of Directors and its Committees.

In determining each director's remuneration, the Board may resolve that only independent directors will receive a fixed remuneration.

b) Attendance fee

Within the limit approved by the General Shareholders' Meeting and its distribution by the Board of Directors referred to in paragraph 1.1 above, the Company's directors may receive fees for attending the meetings of the Board of Directors and of the Committees, based on such criteria as may be resolved in that connection by the Board of Directors following a proposal by the Appointment and Remuneration Committee, in accordance with the provisions of article 48.3 of the Articles of Association.

In determining each director's remuneration, the Board may resolve that only independent directors will receive the aforementioned attendance fees.

2.2. Maximum amount of the directors' remuneration in their capacity as such

The maximum amount of the annual remuneration (fixed pay plus fees) payable to the directors as a whole in their capacity as such for the financial years 2017, 2018 and 2019 which the Board proposes the Meeting to approve for the purposes of article 529 septdecies.1 of the LSC and of article 48 of the Articles of Association, amounts to a sum of EUR 350,000 per annum (gross).

3. Directors' remuneration for performance of their executive functions

3.1. Structure of the directors' remuneration for performance of their executive functions

Executive directors' remuneration for performance of their executive functions in the Company, therefore differing from the functions attaching to their membership of the Board of Directors, may include all or any of the following items:

a) Fixed pay

The amount of executive directors' fixed remuneration for the performance of executive management functions shall be established in such a way that it is aligned with the remuneration paid in the market by comparable companies based on capitalisation and size and that it is consistent with their services and responsibilities.

b) Variable remuneration

In order to encourage their commitment to the Company and serve as an incentive for the best performance of their functions, part of their remuneration may be variable, as the case may be, and will be correlated with any performance indicator of the director or of the Company.

This variable remuneration shall mostly be linked, as the case may be, to the attainment of specific, pre-established, quantifiable economic, financial and industrial and operational targets aligned with the Company's interests and strategic goals.

In addition, the aforementioned variable remuneration may consist of delivery of Company shares or share options or share-related rights to compensation if and when the General Meeting so resolves.

c) Welfare benefits

The executive directors' remuneration system may be supplemented with suitable life insurance and welfare benefit schemes, in line with market practice set by comparable companies based on capitalisation and size.

d) Severance clauses

In addition to the right the executive director may avail of under the laws applicable from time to time, the executive director may be entitled to receive a severance pay in the event of

removal or any other termination of the legal relationship with the Company other than due to a breach attributable to the director or of the director's own volition.

3.2. No connection with other remuneration

The remuneration received by the executive directors from the Company shall be independent from and compatible with: (i) the remuneration, if any, payable to them as directors in their capacity as such and (ii) any other remuneration they may receive from other group companies for services provided and for the functions performed therein.

3.3. Amount of the fixed remuneration and measures to set the variable components of the executive directors' remuneration

The Company currently has an only executive director: the chief executive officer.

The chief executive officer's fixed annual remuneration during this policy period shall be EUR 48,600 per annum (gross) for the financial years 2017, 2018 and 2019.

The contract signed by the Company with the chief executive officer does not provide for any variable remuneration whatsoever.

3.4. Main terms and conditions of the contract with the chief executive officer

The relationship between the Company and the chief executive officer is governed by a contract approved by the Board of Directors with the requirements provided for in article 249.3 LSC. The purpose of the contract is to specify and determine the terms and conditions on which the chief executive officer provides the Company with services in his capacity as executive director of the Company. The following are the main contract terms and conditions:

a) Term

The term of the contract is indefinite until any of the events of termination provided for therein occur.

b) Financial terms

The contract provides that the remuneration for the years 2017 and thereafter shall be the same as approved for the years 2014, 2015 and 2016 unless the Board of Directors resolves to alter the distribution of the aggregate remuneration approved by the General Shareholders' Meeting or the General Meeting resolves to alter the directors' aggregate remuneration.

The remuneration approved in the aforesaid years 2014, 2015 and 2016 for the executive director was EUR 48,600 gross per annum. This policy, which is subject to the General Shareholders' Meeting's approval, sets out the remuneration for the financial years 2017, 2018 and 2019.

c) Other matters

The contract does not provide for any severance pays in the event of termination or expiration of the contractual relationship, nor any exclusivity, post-contractual non-compete or fixed-term or loyalty covenants. In the events of termination, the provision is for payment to be made of the proportional part of the remuneration due until that date.

4. Transparency principle

The Board of Directors will, in accordance with the provisions of article 44 of the Regulations of the Board of Directors, following a proposal by the Appointment and Remuneration Committee, approve the Annual remuneration report on a yearly basis. This report shall be put to a consultative vote as a separate item of business on the agenda of the General Shareholders' Meeting and will be posted at the Company's website following notice of that Meeting.

5. Entry into force of the Policy

Unless the provisions of section four of article 529 novodecies of the LSC apply, the Policy shall apply to this financial year 2017 and to the financial years 2018 and 2019.

Any alteration or replacement of the Policy while it is in force shall require the prior approval of the General Shareholders' Meeting in line with the provisions of article 529 novodecies of the LSC.