

**REPORT ON IMPLEMENTATION OF BEST CORPORATE  
PRACTICES**

**NAME OF ISSUER: CEMEX LATAM HOLDINGS, S.A.**

**LEGAL REPRESENTATIVE: JAIME MUGUIRO DOMINGUEZ**

**LEGAL REPRESENTATIVE DESIGNATED TO SUBMIT  
IMPLEMENTATION REPORT: JAIME MUGUIRO DOMINGUEZ**

**REPORTING PERIOD: YEAR ENDED DECEMBER 31, 2018**

**REPORTING DATE: JANUARY 30, 2019**

## INTRODUCTION

Issuers must report to the Financial Superintendency of Colombia (SFC) on the implementation of the recommendations set forth in the new Colombian Code of Best Corporate Practices by means of this Report on the Implementation of Best Corporate Practices.

The purpose of this report is to inform the securities market as to whether each issuer has implemented the recommendations of the Code. Next to each recommendation are three boxes marked YES, NO and N/A and space to supplement the reply as follows:

If the answer is YES, the issuer should briefly describe how that recommendation has been implemented. If the answer is NO, the issuer should briefly explain why the recommendation has not been implemented.

The issuer may reply N/A only if it is not able to adopt the recommendation for legal reasons. If so, it shall specify the specific regulation preventing implementation.

As some recommendations comprise a series of points, it should importantly be noted that they shall only be considered implemented where all such points have been met, unless there are legal reasons for failing to implement any of the points, which must be specified.

There is a box for each recommendation in which to specify the date on which the issuer first implemented the recommendation. There is also a box to record the dates on which modifications have been made.

Lastly, where, due to its nature, the issuer does not have the specific body referred to in the recommendation, the recommendation shall be taken to refer to the equivalent internal body or that performing analogous functions.

**EXPLANATORY NOTE**

CEMEX LATAM HOLDINGS, S.A. (hereinafter, either the “**Company**” or “**Cemex Latam**” or “**CLH**”) was incorporated on April 17, 2012 as a Spanish public limited company (*sociedad anónima*) to have perpetual existence. The Company’s registered office is located at Calle Hernández de Tejada, number 1, Madrid, and it is therefore a Spanish company.

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

The Company is additionally part of an international cement and construction materials group, CEMEX Group (hereinafter, “**CEMEX Group**”), the ultimate parent company of which is Cemex, S.A.B. de C.V. (hereinafter, “**CEMEX S.A.B. de C.V.**”), a company established in Monterrey (Mexico) and listed on the Mexican Stock Exchange (BMV) and the New York Stock Exchange (NYSE).

The Company’s main objects are to hold stocks and shares in companies mainly in the business of manufacturing and selling cement and other construction materials in South and Central America and the Caribbean. At the date of this report, Cemex Latam Group mainly operates in Colombia, Panama, Nicaragua, Costa Rica, Guatemala and El Salvador.

The Company placed approximately 26% of its share capital in November 2012 by means of an Initial Public Offering in Colombia, and, as a result, its shares were admitted to trading on the Colombian Stock Exchange on November 16, 2012.

Because it is not a listed Spanish public limited company, Cemex Latam is not subject to Spanish Corporate Governance laws applicable to public limited companies listed on the Spanish stock exchanges, nor, being a Colombian company, is it subject to equivalent best practice regulations applicable to Colombian issuers whose shares are listed on the Colombian Stock Exchange.

However, Cemex Latam has in recent years been weighing up the possibility of simplifying its corporate governance system insofar as market reporting is concerned, all in order to: (i) reduce the various corporate bodies’ administrative burdens in order that they may be more swiftly and efficiently managed and moreover to help reduce costs, (ii) eliminate potential overlaps resulting from simultaneously complying with certain corporate governance practices and standards provided for in the Colombian securities market regulations and in the Spanish rules for listed companies, including voluntarily observing many of the recommendations established in the Colombian Best Corporate Practice Code and in the Good Governance Code for Spanish listed companies, (iii) reduce market reports which may be redundant given the simultaneous application of Colombian and Spanish rules, and (iv) make it easier for shareholders and other stakeholders to understand Cemex Latam’s corporate governance system. In this connection, insofar as market reporting is concerned, the Board of Directors has held that in regard to Cemex Latam’s (i) publicity and reporting duties, (ii) periodic economic and financial position reporting, (iii) duties to report on

material events (material information) to the Colombian Financial Authority and, as appropriate, (iv) obligations to notify major interests, inter alia, Colombian laws on the subject must prevail because the Company's shares are traded on the Colombian market, not on the Spanish market. It is for this reason that the Company has decided to voluntarily complete this survey.

For ease of understanding by the reader, the following terms shall have the following meanings as used in this survey:

- **“External Auditor”** is the term used to translate the Spanish term “Revisor Fiscal” which, in the case of the Company, is KPMG Auditores, S.L.P.
- **“Committee”** is term used to translate the Spanish term “Comisión”, as used with reference to the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee.
- **“Conglomerate”** is the group headed by Cemex Latam Holdings, S.A., i.e. Cemex Latam Group.
- **“Director”** is the term equivalent to member of the Board of Directors.
- **“Board of Directors”** is the term equivalent to the Company's Management Board.
- **“Bylaws”** means the Company's Articles of Association
- **“Cemex Group”** is the group of subsidiaries headed by Cemex S.A.B. de C.V.
- **“Cemex España Group”** is the group headed by Cemex España, S.A.
- **“Cemex Latam Group”** or **“CLH Group”** is the group headed by Cemex Latam Holdings, S.A.
- **“General Meeting”** is the term equivalent to the General Meeting of Shareholders.
- **“SCA”** refers to the Spanish law applicable to the Company, i.e. the Companies Act.
- **“Internal Regulations”** mean the Bylaws, the Regulations of the General Meeting, the Regulations of the Board of Directors and any other internal regulations approved by the Board of Directors.
- **“RBD”** refers to the Regulations of the Company's Board of Directors.
- **“RGSM”** refers to the Regulations of the General Meeting.

I. EQUITABLE TREATMENT AND RIGHTS OF SHAREHOLDERS

Measure No. 1: Principle of equal treatment.

1.1. The company gives equal treatment to all holders of shares of a single class that confer the same rights. This does not entail providing certain shareholders with privileged information.

1.1 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

The Company's share capital comprises shares in the same class and series which grant their legitimate holder the status of shareholder, conferring the rights and obligations enshrined in the SCA and the Company's Internal Regulations. This information is stipulated in articles 5 and 8 of the Bylaws and the RGSM.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	11/16/2012
Date of modification	

1.2. The Board of Directors has approved a specific procedure defining the company practices for communicating with shareholders in different positions. It covers matters such as access to information, handling of information requests, communication channels, and methods of interaction between shareholders and the company, the Board of Directors and other directors.

1.2 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

As indicated in the preceding measure, CLH's shares are all in the same class and series and confer the same rights to all shareholders, and there is therefore no need to approve any specific procedure governing relations with shareholders in different positions.

Date of implementation	
Date of modification	

Measure No. 2: Share information.

2.1. On its website, **the company informs the public** clearly, accurately and in full of **the different classes of share issued** by the company, the number of shares issued for each class, the number of shares not issued, and the rights and obligations conferred by each class of share.

2.1 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> The section on “ <i>Stock Information</i> ” on the Company website indicates that the shares are ordinary shares in a single class conferring the same rights, as set forth in the Company’s Internal Regulations, which are likewise available on the corporate website. The aforementioned website also indicates the number of treasury shares held at year end.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	11/16/2012
Date of modification	12/31/2017

Measure No. 3: Non-dilution of share capital.

3.1. For **transactions that may lead to dilution of the share capital** held by non-controlling shareholders (in the event of a share capital increase in which preferential subscription rights are waived, a merger, spin-off or carve-out, among others), **the company provides shareholders with a detailed explanation of the transaction** in a preliminary report issued by the Board of Directors which includes a fairness opinion on the terms of the transaction issued by a recognized independent external advisor appointed by the Board of Directors. These reports are made available to shareholders before the GSM within the legally established time limits for exercising the right to inspect the reports.

3.1 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> Although no transaction has been carried out as of December 31, 2018 that could result in dilution of share capital, in the event that one were carried out, pursuant to article 12.2 of the Bylaws read in conjunction with the SCA, the Board of Directors and an independent expert other than the statutory auditor must each issue a report when notice of the General Meeting is issued.
<b>NO. Explain:</b>

N/A. Specify the regulations that prevent the recommendation from being adopted:
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Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 4: Reporting and communication with shareholders.

4.1. The company has a corporate website, in Spanish and English, with a section on corporate governance or shareholder and investor relations, or the equivalent thereof, which sets out financial and non-financial information on the terms proposed by recommendations 32.3 and 33.3. In no event may confidential company information, information relating to trade secrets, or any other information that could be used to the detriment of the company, be posted therein.

4.1 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES. Briefly describe: Pursuant to article 45 of the RBD, the website includes the information indicated in this measure in the section “Investor Center” (in English) / “Inversionistas” (in Spanish).
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	11/16/2012
Date of modification	12/31/2018

4.2. The company has mechanisms providing permanent access and use solely for shareholders such as a link providing shareholders with exclusive website access, or an investor or shareholder relations office, or periodic information meetings, among others, by means of which shareholders may express their opinions or voice their concerns or suggestions on the company or on their position as shareholders.

4.2 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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<b>YES. Briefly describe:</b> The Company website contains an exclusive link for existing or potential shareholders, which allows them to contact those responsible for Investor Relations to deal with queries and requests for information. In addition, an exclusive office and telephone number are in place to assist investors at the corporate offices in Bogota throughout the year, and there is another office in Madrid exclusively to assist shareholders when notice of the General Meeting is given.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	11/16/2012
Date of modification	

**4.3. The company organizes quarterly earnings presentations for shareholders and market analysts** which may be attended in person or via distance communication media (conference calls, videoconferencing, etc.).

4.3 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> CLH holds quarterly earnings presentations which may be attended in person or by videoconferencing. The information needed to connect via videoconferencing is published sufficiently in advance. Once the event has finished, the content is posted to the website.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	11/16/2012
Date of modification	

**4.4. The company organizes or takes part in presentations, events or fixed-income fora** held mainly for **investors in debt instruments and market analysts** during which the issuer provides an update on its business indicators, management of its liabilities, its financial policy, ratings, and status regarding any covenants, etc.

4.4 Has the measure been implemented?                      YES   ☐                      NO   ☐                      N/A   ☒

<b>YES. Briefly describe:</b>
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NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted: The Company has not raised any debt on the capital markets and so does not take part in any fixed-income events or fora. However, the Company frequently responds to queries and requests from investors and fixed-income analysts who monitor the Company and in which an update is provided on the issuer's business indicators, management of its liabilities, its financial policy and general business strategy.	

Date of implementation	
Date of modification	

4.5. Pursuant to the company Bylaws, shareholders or groups of shareholders representing at least five percent (5%) of share capital may request that a specialized audit be performed of matters other than those audited by the statutory auditor of the company. Based on its capital structure, the company may establish a threshold below five percent (5%).

4.5 Has the measure been implemented?      YES      ☒      NO      ☐      N/A      ☐

YES. Briefly describe: Shareholders representing at least 5% of share capital may request specialized audits pursuant to article 53 of the Bylaws	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	06/16/2015

**4.6. The company has a written procedure** for exercising this right in accordance with the details set forth in recommendation 4.6.

4.6 Has the measure been implemented?

YESNO

X

N/A

YES. Briefly describe:

NO. Explain: The Company meets this recommendation in part, for all information on the specialized Audits is contained in article 53 of the Bylaws, which covers all the details contained in recommendation 4.6., except for point (vi).

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

**Measure No. 5: Action by the directors in the event of transactions to change control or take over the company.**

**5.1.** In their acceptance letters or contracts, members of the Board of Directors and senior management personnel expressly accept that from the date a takeover bid or other relevant transaction such as a merger or spin-off is announced, there will be a period during which they undertake not to deal in company shares either directly or indirectly through a third party.

5.1 Has the measure been implemented?

YES

X

NON/A

YES. Briefly describe: Directors and senior management personnel have expressly accepted the prohibition referred to in this measure in their acceptance letters or contracts. In addition, because they are subject to Cemex policies to which the Company has adhered, both Directors and senior management personnel must observe the “quiet period” provided for in the internal Confidential and Privileged Information Policy. That quiet period is the period during which dealings with securities are not permitted where so notified by the relevant internal department, ten days after the close of each quarter and where in possession of relevant non-public information, such as the transactions referred to in this recommendation.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

<b>Date of implementation</b>	12/31/2018
<b>Date of modification</b>	

**Measure No. 6: Listing of shares in companies that form part of conglomerates.**

**6.1.** Notwithstanding the independence of each company that forms part of the conglomerate and the responsibilities of its managing bodies, **the organizational structure** of the conglomerate defines, for each of the three (3) levels of governance – General Meeting, Board of Directors and senior management personnel – the bodies and key individual positions, and the relationship between them, which is public, clear and transparent, enabling clear lines of responsibility and communication to be established, and facilitating the strategic orientation, oversight, control and effective management of the conglomerate.

### 6.1 Has the measure been implemented?

**YES**

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**NO**

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**N/A**

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<p><b>YES. Briefly describe:</b></p>
<p><b>NO. Explain:</b> The organizational structure is not published on the website although all the information on the Company's three governance levels is published.</p>
<p><b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b></p>

Date of implementation	
Date of modification	

**6.2. The parent and its main subsidiaries have defined a framework for institutional relations** by signing a public agreement governing the matters indicated in recommendation 6.2, which has been approved by the Board of Directors of each company.

## 6.2 Has the measure been implemented?

**YES**

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**NO**

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N/A

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**YES. Briefly describe:**

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**NO. Explain:** Although a framework agreement regulating relations between CEMEX Group, CEMEX España Group and CLH Group was signed between CLH and CEMEX, S.A.B. de C.V. and Cemex España, S.A. on October 5, 2012 and subsequently amended on March 28, 2017, and posted to the corporate website, a reference framework between CLH and its subsidiaries such as that indicated in this recommendation has not been defined. However, the Board of Directors resolved on December 21, 2018, upon a proposal by the Corporate Governance Committee, to draw up the agreement referred to in this recommendation.

N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	
Date of modification	

Measure No. 7: Dispute resolution.

7.1. With the exception of disputes among shareholders, or between the shareholders and the company or its Board of Directors, which by express legal authority must necessarily be settled before the ordinary courts, **the company Bylaws provide mechanisms for dispute resolution such as direct agreement, amiable composition, conciliation and arbitration.**

7.1 Has the measure been implemented?      YES ☐      NO ☒      N/A ☐

YES. Briefly describe:	
NO. Explain: The final provision of the Bylaws only refers to the ordinary jurisdiction as the statutory jurisdiction for disputes because CLH is a Spanish company.	
N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	
Date of modification	

I. GENERAL MEETING

Measure No. 8: Functions and powers.

8.1. In addition to the other functions legally conferred on the General Meeting, the Bylaws expressly define the functions of the General Meeting indicated in recommendation 8.1., emphasizing their exclusive and non-delegable nature.

8.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Article 18 of the Bylaws regulates the matters conferred on the General Meeting by the SCA, which includes the functions indicated in recommendation 8.1.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 9: Regulations of the General Meeting.

9.1. The company has regulations of the General Meeting which govern all matters affecting it, from calling the meeting to preparing the information for the shareholders, attendance, conducting the meeting and exercise of the shareholders' voting rights so that they are fully informed of the entire regime for conducting meeting sessions.

9.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Since its IPO, the Company has had in place Regulations of the General Meeting which govern the matters indicated in this measure and which were amended during 2015 to (i) adapt them to the changes introduced by Act 31/2014 of December 3, 2014 amending the Spanish Companies Act with a view to improving corporate governance; (ii) comply as far as possible with the recommendations for voluntary monitoring of good governance subject to the principle of "comply or explain" set out in the new Spanish Good Governance Code of Listed Companies and the recommendations for good governance in Colombia; (iii) modify certain aspects of the organization and operation of the General Meeting which have been revealed as requiring adjustment during the three years of existence of the Company; and (iv) include clarifications of the wording or make technical improvements to certain articles.  The Regulations of the General Meeting are published on the corporate website and filed with the Madrid Companies Register.
NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	06/15/2015

Measure No. 10: Notice of the General Meeting.

10.1. To enable shareholders to exercise their right of information, **the Bylaws provide that the ordinary General Meeting must be called with at least thirty (30) calendar days’ notice** and that **extraordinary meetings must be called with at least fifteen (15) calendar days’ notice**. Notwithstanding the legal provisions for corporate reorganizations (for example, merger, spin-off or alteration of legal form).

10.1 Has the measure been implemented?                      YES   ☐                      NO   ☐                      N/A   ☒

YES. Briefly describe:	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted: As a Spanish company, its Internal Regulations refer to the provisions of the SCA. Article 20 of the Bylaws and article 8 of the RGSM, which regulate the notice of General Meetings, therefore make reference to the provisions of the applicable Spanish legislation. In this regard, article 176 of the SCA provides for at least 30 days’ notice for both ordinary and extraordinary meetings.	

Date of implementation	
Date of modification	

10.2. In addition to the traditional and obligatory means provided for in the legal framework, **the company ensures maximum dissemination and publication of meeting notices** through the use of electronic means such as the corporate website, individual e-mail alerts and even, where pertinent, social networks.

10.2 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

YES. Briefly describe: Article 20 of the Bylaws and article 8 of the RGSM stipulate
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that notice of meetings must be published in at least: (i) the Official Gazette of the Spanish Companies Register or in a widely circulated Spanish daily newspaper; (ii) on the website of the Financial Superintendency of Colombia or such body as might perform its duties in future; and (iii) on the Company website.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

10.3. To increase the transparency of decision-making during the General Meeting, **simultaneously with notice of the meeting, or at least with fifteen (15) calendar days' notice, the company provides** shareholders with **resolution proposals** in respect of each item on the agenda to be submitted to the shareholders at the General Meeting by the Board of Directors, in addition to the agenda stating, item by item, the issues to be discussed at the meeting.

10.3 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

YES. Briefly describe: Pursuant to article 10 of the RGSM, along with the meeting notice, shareholders receive the full text of resolution proposals at least 30 days in advance.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

10.4. A partial spin-off may only be analyzed and approved by the General Meeting if this agenda item has been expressly included in the notice of meeting.

10.4 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: Article 18.1.(i) of the Bylaws stipulates that, among other matters, the General Meeting shall decide whether to approve the spin-off. Similarly, pursuant to article 9.3. of the RGSM, the General Meeting may not transact or decide business not included on the agenda included in the notice of the meeting.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

10.5. The agenda proposed by the Board of Directors accurately reflects the content of the matters to be addressed and does not conceal or mask important matters by using inaccurate, generic, overly general or broad terms such as “other” or “proposals and other”.

10.5 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: The items on the agenda are broken down by section and, where appropriate, subsection, duly identifying the matters to be voted on by topic.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	



**10.6. In the event of amendments to the Bylaws, separate votes are taken on all articles or groups of articles** that are materially independent. In any case, a separate vote is held on an article if a shareholder or group of shareholders representing at least five percent (5%) of the share capital so requests during the Meeting, a right of which the shareholders are previously apprised.

10.6 Has the measure been implemented? YES ☐ NO ☒ N/A ☐

YES. Briefly describe:	
NO. Explain: Separate votes are taken on the amendments of Bylaw articles or groups of articles that are materially independent. Nonetheless, the right of shareholders to request separate voting during the Meeting is not provided for. Partially complied with.	
N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	
Date of modification	

**10.7. Notwithstanding the provisions of article 182 of the Commercial Code, in order to reinforce and guarantee the right of inspection and information of the shareholders prior to the General Meeting, the Bylaws acknowledge the right of shareholders, irrespective of the size of their shareholdings, to propose that one or more items be included on the agenda for discussion** at the General Meeting, within reasonable limits and provided the request to include new agenda items is duly justified. Shareholders must file the request within five (5) calendar days from publication of the meeting notice.

10.7 Has the measure been implemented? YES ☐ NO ☒ N/A ☐

YES. Briefly describe:	
NO. Explain: Only shareholders representing 3% of the share capital may request the publication of an addendum to the notice of the General Meeting, including one or more agenda items (SCA).	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	
Date of modification	

10.8. If the Board of Directors rejects a request, **it is obliged to reply in writing** thereto where it is supported by at least five percent (5%) of the share capital, or a smaller percentage established by the company on the basis of the degree of concentration of ownership, **setting out the reasons for the decision** and informing shareholders of their right to submit proposals during the meeting, pursuant to the aforementioned article 182 of the Commercial Code.

10.8 Has the measure been implemented?

YES

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NO

N/A

YES. Briefly describe: Article 9.2 of the RGSM provides that where such a request is made by at least three percent (3%) of the share capital by the deadline envisaged in the above article, and such a request is made by duly authenticated means sent to the registered office, which must be received within five (5) days of the publication of the meeting notice, the Board of Directors may not reject the request. Thus, where any of the requirements referred to above are not met by the shareholders, the request will be rejected in writing where it was proposed by at least three percent (3%) of the share capital.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

10.9. If the Board of Directors accepts the request after the deadline for shareholders to propose agenda items in accordance with the above recommendations, **an addendum to the notice of the General Meeting is published at least** fifteen (15) calendar days before the meeting.

10.9 Has the measure been implemented?

YES

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NO

N/A

YES. Briefly describe: Pursuant to article 9.2. of the RGSM, the Company will publish the addendum to the meeting notice at least fifteen days before the General Meeting.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	10/01/2012
Date of modification	06/16/2015

10.10. Within the deadline indicated in point 10.7. **shareholders may also submit new resolution proposals and their arguments to support them** in respect of items already included on the meeting agenda. In such cases, the Board of Directors acts as indicated in points 10.8 and 10.9 above.

10.10 Has the measure been implemented?      YES ☐      NO ☒      N/A ☐

YES. Briefly describe:	
NO. Explain: The Regulations of the Board establish this right but only in respect of shareholders representing 3% (SCA).	
N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	
Date of modification	

10.11. The company undertakes to use electronic means of communication, mainly the **shareholders only section of the corporate website**, to provide them with the documents and information associated with each item on the meeting agenda.

10.11 Has the measure been implemented?      YES ☐      NO ☒      N/A ☐

YES. Briefly describe:	
NO. Explain: Published on the website but shareholders do not have exclusive access thereto.	

N/A. Specify the regulations that prevent the recommendation from being adopted:
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Date of implementation	
Date of modification	

**10.12. The company Bylaws confer on shareholders the right to request with sufficient notice any information or clarifications** deemed pertinent through traditional channels and/or, where appropriate, using new technologies, or to submit in writing any questions they consider necessary regarding the items included on the agenda, the documentation received or the public information provided by the company. Depending on the length of prior notice chosen by the company for calling the General Meeting, the company shall determine the period within which shareholders may exercise this right.

10.12 Has the measure been implemented?

YES

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NO

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N/A

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<b>YES. Briefly describe:</b> Pursuant to article 11 of the RGSM, from the date of publication of the meeting notice until the fifth day prior to the General Meeting, shareholders may request in writing any information or clarifications they deem necessary or submit in writing the questions they consider pertinent on the items included in the agenda or the documentation made available along with the meeting notice.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

**10.13. The company has made provision for requested information to be refused** where, in accordance with the internal procedures, it may be deemed: i) unreasonable; ii) irrelevant for the purpose of ascertaining the progress or interests of the company; iii) confidential, including privileged information on securities trading, trade secrets, ongoing operations, the success of which depends substantially on secrecy; and iv) information the disclosure of which places the competitiveness of the company at serious imminent risk.

**10.13 Has the measure been implemented?** YES ☒ NO ☐ N/A ☐

**YES. Briefly describe:** Pursuant to article 11.4 of the RGSM, Directors are not obliged to attend to information requests in the following cases: (i) where the information is unnecessary to safeguard the rights of the shareholders, or there are objective reasons to believe that it might be used for non-corporate ends, or the disclosure thereof could undermine the Company or related companies. This exception shall not apply if the request is supported by shareholders representing at least twenty-five percent (25%) of the share capital; (li) where the request for information or clarification refers to information clearly, explicitly and directly available to all shareholders on the corporate website in Q&A format, in which case the Directors may limit their reply to referring to the information provided therein; (iii) where the request for information or clarification does not relate to items included on the agenda, or available to the public and filed with the Financial Superintendency of Colombia since the last General Meeting, or the audit report or the documentation made available at the time of publication of the meeting notice, even if not included on the agenda; or (iv) where provided otherwise by law or in the Bylaws.

**NO. Explain:**

**N/A. Specify the regulations that prevent the recommendation from being adopted:**

Date of implementation	10/01/2012
Date of modification	06/16/2015

**10.14. Where the reply given to a shareholder might place the shareholder at an advantage, the company immediately makes the reply available to the other shareholders** in accordance with the mechanisms provided for that purpose, and on the same terms.

**10.14 Has the measure been implemented?** YES ☐ ☒ NO ☐ N/A ☐

**YES. Briefly describe:** Pursuant to article 11.2 of the RGSM, any written replies by the Directors will be posted on the website to which all shareholders have access.

**NO. Explain:**

N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	06/16/2015
Date of modification	

Measure No. 11: Rules of representation.

11.1. Notwithstanding the limits set forth in article 185 of the Commercial Code, External Circular 24 of 2010 and regulations amending, supplementing or replacing them, **the company does not limit the right of shareholders to be duly represented at the General Meeting**, and to delegate their vote to any person, whether or not a shareholder.

11.1 Has the measure been implemented?                      YES ☒                      NO ☐                      N/A ☐

<b>YES. Briefly describe:</b> Pursuant to article 14 of the RGSM, shareholders may exercise their right to attend General Meeting in person or through a proxy, whether or not the latter is a shareholder, complying with legal requirements and Internal Regulations. Pursuant to article 522 of the SCA, any clauses in the Bylaws limiting the right of shareholders to be represented by any person at General Meetings shall be deemed null and void.
<b>NO. Explain:</b>
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

11.2. **The company minimizes the use of blank proxy voting without voting instructions**, actively encouraging the use of a standard letter of representation form, which the company itself sends to shareholders or publishes on its website. The form includes the items on the agenda and the corresponding resolution proposals established in accordance with the above procedure, which shall be submitted for consideration by the shareholders so that they may, if they wish, indicate their vote on each item by proxy.

11.2 Has the measure been implemented?                      YES ☒                      NO ☐                      N/A ☐

<b>YES. Briefly describe:</b> Pursuant to article 10 of the RGSM, templates of attendance,
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proxy and voting cards shall be published on the corporate website on publication of the meeting notice, including the delegation of blank proxy voting without instructions. In addition, this rule stipulates that in the event that these cards cannot be published for technical reasons, the Company must specify on its website how shareholders may obtain printed copies, which must be sent to the shareholders who so request. This card includes the agenda and an indication that the respective proposals are available on the website.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 12: Attendance of persons other than the shareholders.

12.1. To revitalize the role of the General Meeting in corporate decision making and make this body a far more participative one, **the company GSM regulations require the members of the Board of Directors, particularly the chairs of the committees of the Board of Directors and the president of the company to attend the General Meeting** to address the concerns of the shareholders.

12.1 Has the measure been implemented?      YES      ☒      NO      ☐      N/A      ☐

<b>YES. Briefly describe:</b> Pursuant to article 13 of the RGSM, members of the Board of Directors are required to attend the General Meeting.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	06/16/2015

II. BOARD OF DIRECTORS

Measure No. 13: Functions of the Board of Directors.

13.1. The Bylaws expressly indicate the **functions that may not be delegated to senior management personnel**, including those established in recommendation 13.1.

13.1 Has the measure been implemented?      YES ☐      NO ☒      N/A ☐

YES. Briefly describe:
NO. Explain: As a Spanish company, the Company is subject to the Spanish Companies Act, which regulates the powers that may not be delegated, including, but not limited to, those provided for in recommendation 13.1., save those concerning sections XXVII, XXIX and XXX which, although not envisaged in the Internal Regulations, are not prohibited from inclusion by the SCA.
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

13.2. Notwithstanding the independence of the governing bodies of the subsidiary companies, **where the company acts as the parent of a conglomerate**, these functions of the Board of Directors have a group focus and **are implemented through general policies, guidelines or information requests that respect the balance between the interests of the parent and those of the subsidiaries and the conglomerate as a whole.**

13.2 Has the measure been implemented?      YES ☒      NO ☐      N/A ☐

YES. Briefly describe: All CLH Group companies are obliged to comply with Cemex Group's internal policies and guidelines.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:



Date of implementation	04/17/2012
Date of modification	

Measure No. 14: Regulations of the Board of Directors.

14.1. The Board of Directors has approved the internal regulations that govern its organization and operation, as well as the functions and responsibilities of its members, chairman and secretary, and their duties and rights. These regulations, which are binding on the members of the Board of Directors, are distributed to the shareholders.

14.1 Has the measure been implemented?      YES ☒      NO ☐      N/A ☐

<b>YES. Briefly describe:</b> The Regulations of the Board of Directors are not only filed with the Madrid Companies Register but are also published on the website to which all shareholders have access, pursuant to article 3. Furthermore, pursuant to article 2, the Regulations are binding on all Directors. The RBD sets out, among other aspects, the rules and operation of the Board of Directors and its Committees and the functions and responsibilities of all the Directors, including the Chairman and Secretary, and their rights and duties.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/20/2018

Measure No. 15: Size of the Board of Directors.

15.1. The company has opted in its Bylaws not to appoint alternate members to the Board of Directors.

15.1 Has the measure been implemented?      YES ☐      NO ☒      N/A ☐

<b>YES. Briefly describe:</b>
<b>NO. Explain:</b> Pursuant to article 529 decies of the SCA, listed Spanish public limited companies are not required to appoint alternates, and the Company has therefore not

opted in its Bylaws not to appoint them.	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	
Date of modification	

Measure No. 16: Formation of the Board of Directors.

16.1. Based on the premise that once all members of the Board of Directors have been chosen they will act in the interests of the company, **the company**, in the interest of maximizing transparency, **identifies the origin of the members of the Board of Directors** according to the scheme defined in recommendation 16.1.

16.1 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> The types of Directors are indicated, but in accordance with the terminology set forth in the SCA and indicated in article 8 of the RBD. Thus, the article draws a distinction between Executive Directors, Proprietary Directors and Independent Directors.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2014
Date of modification	06/16/2015

16.2. **The company has a procedure in place**, set out by the Nomination and Remuneration Committee or other analogous body, which enables the Board of Directors, based on its own initiative and the conclusions of the annual reviews, to achieve the objectives indicated in recommendation 16.2.

16.2 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> The Nomination and Remuneration Committee assesses the skills, knowledge and expertise required of members of the Board of Directors. It defines the functions that must be covered in the event of a vacancy and evaluates the time and dedication required for members to discharge their duties effectively.  Moreover, at their meeting held on December 18, 2017 the Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved a policy for selecting candidate directors that (i) is specific and verifiable, (ii) ensures that the proposed appointments or re-elections are supported by a prior analysis of the requirements of the Board of Directors, and (iii) promotes diversity of knowledge, experience and gender on the Board of Directors.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

Date of implementation	10/01/2012
Date of modification	06/16/2015

**16.3. The professional profiles identified as necessary are reported to the shareholders by the Board of Directors**, such that the different stakeholders, mainly majority or significant shareholders, families, shareholder groups and institutional shareholders, if any, and the Board of Directors itself, are in a position to identify the most suitable candidates.

16.3 Has the measure been implemented?

YES

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NO

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N/A

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<b>YES. Briefly describe:</b> Along with the notice of the General Meeting at which each Director is to be ratified, appointed or re-elected, the Nomination and Remuneration Committee shall publish on the website the explanatory report containing the results of the preliminary analysis by the Board of Directors referred to in the previous recommendation, as stated in article 26.6 of the RBD and other Internal Regulations. Thus, in the years 2016 and 2018, following notice of the respective General Meeting at which the re-election and appointment of the current Directors was approved, the report prepared by the Nomination and Remuneration Committee was published on the Company's website, including the results of the prior analysis of the needs of the Board of Directors. Furthermore, as noted in recommendation 16.2 above, at their meeting held on December 18, 2017 the Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved a policy for selecting candidate directors.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/15/2018

**16.4.** The company considers that the mere perusal of the CVs by the shareholders is insufficient for them to determine the suitability of candidates. Consequently, **an internal procedure has been implemented to evaluate any legal incompatibilities or disqualifications and determine whether the candidate is suitable for the needs of the Board of Directors.** It evaluates the set of criteria to be met by functional and personal candidate profiles, and verifies compliance with certain target requirements for membership of the Board of Directors and other additional requirements for independent membership.

**16.4** Has the measure been implemented?                      YES ☒                      NO ☐                      N/A ☐

<b>YES. Briefly describe:</b> Pursuant to article 9.3. of the RBD, in addition to providing directors' CVs, the Board of Directors and the Nomination and Remuneration Committee will undertake to ensure that all Directors (i) contribute some professional expertise and have experience related to the activity of the Company; (ii) have sufficient time to discharge their duties responsibly; and (iii) have the basic skills required to enable them to discharge their duties adequately. For this reason, the Company draws up questionnaires for the assessment of Directors and Committee members. Furthermore, as noted in recommendations 16.2 and 16.3 above, at their meeting held on December 18, 2017 the Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved a policy for selecting candidate directors.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

**16.5.** In addition to the independence requirements already provided for in Act 964 of 2005, **the company has voluntarily adopted a stricter definition of independence** than that established in the aforementioned Act. This definition has been adopted as a reference framework through the regulations of the Board of Directors. It includes, among other requirements to be evaluated, relationships or links of any kind between the candidate to independent membership and controlling or significant shareholders and related parties, national and foreign, and requires a dual declaration of independence: (i) from the candidate vis-à-vis the company, its shareholders and members of senior management, in the letter of acceptance, and (ii) from the Board of Directors on the independence of the candidate.

**16.5** Has the measure been implemented?                      YES ☒                      NO ☐                      N/A ☐

<b>YES. Briefly describe:</b> Article 8.2. of the RBD regulates the prohibitions for appointment as an independent director, among which are the requirements referred to in this measure.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

Date of implementation	10/10/2012
Date of modification	06/16/2015

**16.6. The company’s internal regulations provide that it considers that the Board of Directors, through its chairman and with the support of the Nomination and Remuneration Committee or other analogous body, is the most suitable body to centralize and coordinate the process for forming the management body prior to the General Meeting.** Thus, shareholders wishing to form part of the Board of Directors on the basis of their shareholdings can learn about the Board of Directors’ needs and express their wishes, negotiate balances of shareholdings and the distribution between the different categories of board member, present their candidates and be willing for such candidates to undergo an assessment of suitability by the Nomination and Remuneration Committee before a vote is held at the General Meeting.

16.6 Has the measure been implemented?                      YES   ☐                      NO   ☒                      N/A   ☐

<b>YES. Briefly describe:</b>	
<b>NO. Explain:</b> As of this date, the Company does not have a written procedure regulating all aspects referred to in this recommendation, although, as specified in measure 16.3, both the Board of Directors and its Nomination and Remuneration Committee publish their reports containing the results of the preliminary analysis of the Board’s needs and the other rights shareholders have to submit their proposals.	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

Date of implementation	
Date of modification	

**16.7. The regulations of the Board of Directors stipulate that the assessment of suitability of candidates should be carried out prior to the General Meeting,** so that the

shareholders have sufficient information about the proposed candidates (personal qualities, suitability, career, experience, integrity, etc.) and sufficient time to make an adequate assessment.

16.7 Has the measure been implemented?

YES

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NO

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N/A

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**YES. Briefly describe:** The Regulations of the Board of Directors and the Regulations of the General Meeting both stipulate the obligation to include the following information with the proposed resolution for the appointment, re-election or ratification of Directors that must be published along with the notice of the General Meeting: professional profile and biography of the Director; membership of other boards of directors, irrespective of whether or not they are listed companies; category of directorship indicating, for Proprietary Directors, the shareholder proposing, or that proposed, their appointment or to which they are related; dates of first and successive appointments to a Company directorship; a supporting report from the Board of Directors assessing the competence, experience and merits of the proposed candidate; in the case of Independent Directors, the proposal by the Nomination and Remuneration Committee and, additionally, in the case of Non-independent Directors, a report issued by the Nomination and Remuneration Committee. Thus, following notice of the General Meeting held in the years 2016 and 2018, the above information was published on the Company's website. Furthermore, as noted in recommendations 16.2, 16.3 and 16.4 above, at their meeting held on December 18, 2017 the Board of Directors, at the proposal of the Nomination and Remuneration Committee, approved a policy for selecting candidate directors.

**NO. Explain:**

**N/A. Specify the regulations that prevent the recommendation from being adopted:**

Date of implementation	10/01/2012
Date of modification	06/15/2018

Measure No. 17: Functional structure of the Board of Directors.

17.1. The regulations of the Board of Directors provide that **independent and proprietary directors must always be in the majority with respect to executive directors**, of which the number, should they form part of the Board of Directors, is the minimum number needed to inform and ensure coordination between the Board of Directors and the senior management of the company.

17.1 Has the measure been implemented?

YES

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NO

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N/A

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**YES. Briefly describe:** The composition of the Board of Directors shall be such that Non-executive Directors shall be in the majority with respect to the Executive Directors

and such that at least one third of the members of the board are Independent Directors. This obligation is enshrined in article 36.3. of the Bylaws.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	06/16/2015

17.2. Beyond the minimum twenty-five percent (25%) threshold for independent directors established in Act 964 of 2005, **the company analyzes and voluntarily increases the number of independent directors**, ensuring that, among other things, the number of independent directors is in proportion to the free float.

17.2 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES. Briefly describe: Independent Directors make up 33% of the Board of Directors and are therefore in proportion to the free float.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/04/2012
Date of modification	

Measure No. 18: Organization of the Board of Directors.

18.1. The functions of the chairman of the Board of Directors are listed in the Bylaws, his main responsibilities being those established in recommendation 18.1.

18.1 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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<b>YES. Briefly describe:</b> The functions of the Chairman of the Board of Directors comprise the responsibilities indicated in recommendation 18.1. Though not governed by the Bylaws, they are set forth in article 15 of the RBD.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

<b>Date of implementation</b>	10/01/2012
<b>Date of modification</b>	06/16/2015

18.2. The company’s internal regulations provide for the possibility of **affording different treatment to the chairman of the Board of Directors vis-à-vis the other members**, in terms of both obligations and compensation, due to the scope of his specific functions and his increased dedication in terms of time.

18.2 Has the measure been implemented?

YES

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NO

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N/A

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<b>YES. Briefly describe:</b>
<b>NO. Explain:</b> Given that the current Board Chairman is a Proprietary Director and not an Executive Director, he is not afforded any different treatment vis-à-vis the other Proprietary Directors in terms of compensation, although provision is made for different obligations.
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

<b>Date of implementation</b>	
<b>Date of modification</b>	

18.3. The Bylaws set forth the rules for the appointment of the secretary to the Board of Directors, foremost among which are those indicated in recommendation 18.3.

18.3 Has the measure been implemented?

YES

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NO

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N/A

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<b>YES. Briefly describe:</b> The rules for appointing the Secretary to the Board of Directors, which include those indicated in recommendation 18.3, are not regulated in the Bylaws; they are set forth in article 19 of the RBD. The Secretary shall in all cases be designated by the Board of Directors as proposed by its Chairman, subject to a favorable preliminary report by the Nomination and Remuneration Committee. The Secretary may or may not be a member of the Board of Directors.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

Date of implementation	10/01/2012
Date of modification	06/16/2015

18.4. The regulations of the Board of Directors establish the functions of the secretary, among which are those indicated in recommendation 18.4.

18.4 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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<b>YES. Briefly describe:</b> The functions of the Secretary to the Board of Directors, which include those indicated in recommendation 18.4, are set forth in article 19.3. of the RBD.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

Date of implementation	10/01/2015
Date of modification	06/16/2015

18.5. The Board of Directors has set up a Nomination and Remuneration Committee.

18.5 Has the measure been	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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implemented? ☐ ☐ ☐

<b>YES. Briefly describe:</b> On October 4, 2012 the Board of Directors created the Nomination and Remuneration Committee.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/04/2012
Date of modification	

18.6. The Board of Directors has set up a risk committee.

18.6 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> Following the Company's IPO, the Board of Directors set up a standing Audit Committee which has assumed all the functions of the Risk Committee.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/04/2012
Date of modification	

18.7. The Board of Directors has set up a corporate governance committee.

18.7 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> On October 4, 2012 the Board of Directors set up the Corporate Governance Committee.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/04/2012
Date of modification	

18.8. Where the company has considered that it is not necessary to set up all of these Committees, their functions have either been distributed among the existing committees or have been assumed by the Board of Directors in full.

18.8 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> As indicated in measure 18.6. the functions of the Risk Committee have been assumed by the Audit Committee.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	

18.9. Each committee of the Board of Directors has internal regulations governing the details of its formation, matters, functions that the committee must carry out and operation, paying special attention to the communication channels between the committees and the

Board of Directors and, in the case of conglomerates, to relations and coordination mechanisms between the board committees of the parent and those of the subsidiaries, if any.

18.9 Has the measure been implemented?

YESNO

X

N/A

YES. Briefly describe:

NO. Explain: The rules of the three committees are included in the regulations of the Board of Directors. However, the Audit Committee has resolved to draw up its own Regulations.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation

Date of modification

18.10. The committees of the Board of Directors comprise solely independent or proprietary directors (at least three (3)) and are chaired by an independent director. In the case of the Nomination and Remuneration Committee, independent directors are always in the majority.

18.10 Has the measure been implemented?

YES

X

NON/A

YES. Briefly describe: The three Committees comprise Independent Directors and Proprietary Directors. Furthermore, pursuant to the Internal Regulations, the three Committees must be chaired by an Independent Director and comprise at least three members, most of whom must qualify as Independent Directors.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation

10/01/2012

Date of modification

18.11. Board committees may receive support, on a one-off or on an ongoing basis, from members of senior management with experience in the matters within their jurisdiction and/or from external experts.

18.11 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

Pursuant to the Internal Regulations, the Committees may procure support from any executive and/or employee, and from external experts

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

18.12. When setting up the committees, the Board of Directors considers the profile, knowledge and professional experience of the members regarding the matters under the mandate of the committee.

18.12 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

Pursuant to the provisions of the Internal Regulations and the analysis performed by the Nomination and Remuneration Committee regarding the needs of the Board and the Committees, the Board of Directors must seek to ensure that the members of the three committees have the appropriate knowledge, skills and experience for the functions they are called upon to perform. Specifically, in relation to the Audit Committee, pursuant to article 25.2 of the RBD, the Board of Directors will seek to ensure that the members of the Audit Committee and, in particular, its Chair, have the appropriate knowledge, skills and experience in accounting, audit or risk management matters for the functions they are called upon to perform.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

**18.13. Minutes are taken at all committee meetings**, a copy of which is sent to all members of the Board of Directors of the company. If the committees have delegated decision-making powers, minutes of meetings must conform to articles 189 and 431 of the Commercial Code.

18.13 Has the measure been implemented?

YESNO

X

N/A

YES. Briefly describe:

NO. Explain: Minutes of Committee meetings are not distributed to all Directors but only to the members of the specific Committees.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation

Date of modification

**18.14.** Unless required under the applicable legal or regulatory framework, the internal regulations provide that **the boards of directors of the subsidiaries may choose whether or not to create special committees** to handle certain matters and for these tasks to be undertaken by the committees of the Board of Directors of the parent, without this implying the transfer of responsibility from the boards of directors of the subsidiaries to the parent.

18.14 Has the measure been implemented?

YESNO

X

N/A

YES. Briefly describe:

NO. Explain: Although the CLH Group companies may choose whether or not to set up special committees (except where required by the legislation in each country), it is not envisaged in the Internal Regulations.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation

Date of modification

**18.15. The main task of the audit committee is to assist the Board of Directors in its oversight function** by evaluating the accounting procedures, the relationship with the statutory auditor and generally reviewing the control structure of the company, including the audit of the risk management system implemented by the company.

18.15 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> The Audit Committee’s detailed duties are defined in article 25.6. of the RBD, and include those indicated in this measure.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

**18.16. Members of the audit committee are knowledgeable** about accounting, finance and other associated subjects, which enables them to give an informed opinion of the matters addressed by the committee, with a level of expertise sufficient to understand their scope and complexity.

18.16 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> Pursuant to article 25 of the RBD, the Board of Directors must endeavor to ensure that the members of the Audit Committee and, in particular, its Chair, have the appropriate knowledge, skills and experience in accounting, audit or risk management matters for the functions they are called upon to perform.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

18.17. At the request of the chairman of the General Meeting, **the chair of the audit committee reports to the General Meeting** on specific aspects of the work carried out by the committee such as analyzing the scope and content of the statutory auditor’s report.

18.17 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: Should any shareholder so request, the Audit Committee Chair must report on any matter within his or her remit as provided for in article 25.6. (a) of the RBD. The Chair will also report where so requested by the Chairman of the General Meeting.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

18.18. The internal regulations of the audit committee assign it the functions indicated in recommendation 18.18.

18.18 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

NO. Explain: The rules governing the operation of the three Committees are included in the RBD. It has already been resolved to draw them up.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	



**18.19. The main purpose of the Nomination and Remuneration Committee is to support the Board of Directors in the exercise of their decision-making or advisory functions associated with the appointment and compensation** of the members of the Board of Directors and senior management personnel and to monitor observance of corporate governance rules, periodically reviewing compliance, recommendations and principles (where this function is not expressly assigned to another company committee).

18.19 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> Although the Nomination and Remuneration Committee has been assigned the functions indicated in this measure, the task of observing the rules of corporate governance has been assumed by the Corporate Governance Committee.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

**18.20. Some members of the Nomination and Remuneration Committee are sufficiently knowledgeable about strategy, human resources (personnel recruitment and selection, hiring, training, administration or management), compensation policy and similar matters, to understand the scope and complexity that such matters pose for the company.**

18.20 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> Some members of the Nomination and Remuneration Committee have the knowledge indicated in this recommendation. In particular, the Secretary of the Nomination and Remuneration Committee is the Vice-President of Human Resources in Spain and the Mediterranean Region of Cemex Group.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/04/2012
Date of modification	

18.21. At the request of the chairman of the General Meeting, the chair of the Nomination and Remuneration Committee can report to the General Meeting on specific aspects of the work carried out by the committee such as monitoring the compensation policies of the Board of Directors and senior management personnel.

18.21 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

Although not specifically envisaged in the Internal Regulations, where so requested by the Chairman of the General Meeting, the Chair of the Nomination and Remuneration Committee will report on such matters within his remit as might arise.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

18.22. The internal regulations of the Nomination and Remuneration Committee assign to it the functions indicated in recommendation 18.22.

18.22 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

NO. Explain:

The rules governing the operation of the three Committees are included in the regulations of the Board of Directors.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

18.23. The main purpose of the risk committee is to assist the Board of Directors in fulfilling its supervisory responsibilities in connection with risk management.

18.23 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The main purpose of the Audit Committee, which has assumed all the functions of the Risk Committee as indicated in recommendation 18.6 above, is to assist the Board of Directors in fulfilling its supervisory responsibilities in connection with risk management.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/04/2012
Date of modification	

18.24. At the request of the chairman of the General Meeting, **the chair of the risk committee can report to the General Meeting** on specific aspects of the work carried out by the committee.

18.24 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: The Chair of the Audit Committee, which has assumed all the functions of the Risk Committee as indicated in recommendation 18.6 above, can report to the General Meeting on specific aspects of the work carried out by the Committee, at the request of the Chairman.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/04/2012
Date of modification	

18.25. The internal regulations of the risk committee assign it the functions indicated in **recommendation 18.25**, with such adjustments as may be necessary to distinguish between companies in the financial or real economy sector, and notwithstanding the functions assigned to this committee under the regulations in force.

18.25 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

NO. Explain: The Company does not have a Risk Committee. Its functions are taken on by the Audit Committee and are not included in the Committee's Internal Regulations.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

**18.26.** The main purpose of the corporate governance committee is to **assist the Board of Directors in its functions pertaining to the proposal and oversight of corporate governance measures** adopted by the company.

**18.26 Has the measure been implemented?**

**YES**

X
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**NO**

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N/A

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**YES. Briefly describe:** Among others, the purpose of the Corporate Governance Committee is to assist the Board of Directors in corporate governance matters as provided for in article 27 of the RBD.

**NO. Explain:**

**N/A. Specify the regulations that prevent the recommendation from being adopted:**

<b>Date of implementation</b>	10/01/2012
<b>Date of modification</b>	06/15/2018

**18.27.** The internal regulations of the corporate governance committee assign it the functions indicated in recommendation 18.27.

**18.27 Has the measure been implemented?**

**YES**

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**NO**

	X
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N/A

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**YES. Briefly describe:**

**NO. Explain:** The rules governing the operation of the three committees are all included in the regulations of the Board of Directors.

**N/A. Specify the regulations that prevent the recommendation from being adopted:**

Date of implementation	
Date of modification	

Measure No. 19: Operation of the Board of Directors

19.1 The chairman of the Board of Directors assisted by the secretary and the president of the company prepare a work program of the Board of Directors for the period being evaluated, a tool that makes it easier to determine a reasonable number of ordinary meetings per year and their estimated duration.

19.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Pursuant to article 28.2. of the RBD, a calendar is prepared for ordinary meetings, which is approved by the Board of Directors. Moreover, a tentative work program for each year is drawn up by the Company Secretary together with the Board Chairman.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

19.2. With the exception of entities subject to control which, due to their regime, are obliged to hold at least one (1) meeting per month, the company’s Board of Directors holds between eight (8) and twelve (12) ordinary meetings per year.

19.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: In accordance with the SCA and the provisions of article 28.1 of the RBD, the Board of Directors must meet at least once a quarter. However, in 2018 the Board held ten meetings, and in addition on one occasion Board proceedings were held in writing without a meeting. Furthermore, in prior years the Board of Directors has met at least eight times a year.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

19.3. One (1) or two (2) meetings of the Board of Directors per year are clearly focused on defining and monitoring the company's strategy.

19.3 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> During 2018, in addition to specific strategic matters, at one of their meetings, the Board of Directors analyzed the Cemex Latam Group strategy for 2018-2021 for the various countries in which it operates.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	07/24/2017
Date of modification	06/15/2018

19.4. The Board of Directors approves a specific calendar of ordinary meetings, notwithstanding the fact that it may meet as often as necessary on an extraordinary basis.

19.4 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> As indicated in measure 19.1, per the provisions of article 28.2 of the RBD, the calendar of ordinary meetings is approved by the Board before the beginning of each year or during the first month thereof, without prejudice to any extraordinary meetings that may be held on other dates.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

19.5. Together with the meeting notice and at least five (5) calendar days in advance, the members of the Board of Directors are provided with the documents or information relating to each item on the agenda so that they may actively participate in the meeting and make informed decisions.

19.5 Has the measure been implemented? YES ☐ NO ☒ N/A ☐

YES. Briefly describe:
NO. Explain: The internal regulations provide for their distribution generally three days in advance.
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

19.6. The chairman of the Board of Directors, with the assistance of the secretary to the Board of Directors, assumes ultimate responsibility for the members receiving the information sufficiently in advance and such information being useful, so that quality rather than quantity should prevail in all documents forming part of the Board of Directors' "dashboard".

19.6 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: As provided in articles 15 and 19 of the RBD, both the Chairman and the Secretary of the Board of Directors seek to ensure that Directors receive information sufficiently in advance of the meeting.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015



**19.7. Ultimate responsibility for preparing the agenda for board meetings falls to the chairman of the Board of Directors**, not to the president of the company, and it is structured according to certain parameters that permit agenda items and deliberations to be presented in a logical order.

19.7 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> According to the provisions of article 15 of the RBD, the Chairman of the Board of Directors sets the agenda for Board meetings, which must follow a logical order.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	

**19.8. The company publishes member attendance at meetings of the Board of Directors and its committees** in the Annual Corporate Governance Report and on the corporate website.

19.8 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The information on member attendance at meetings appears in the Annual Corporate Governance Report, which has been prepared until the year 2017, inclusive, according to the good governance recommendations in Spain, and published on the Company website when General Meetings have been convened and remained accessible to the public at large. From 2018, following a resolution of the General Meeting held on June 15, 2018, the Annual Corporate Governance Report is no longer prepared for the reasons given at the beginning of this survey. However, the information referred to in this recommendation will be included in the comprehensive report to be prepared by the Company on a yearly basis under the Corporate Governance section and which is to be posted on the website.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	01/01/2013
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Date of modification	
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19.9. Each year, the Board of Directors assesses the effectiveness of its work as a collegiate body, that of its committees and that of the individual members, including by means of a peer review, as well as the reasonableness of its internal regulations and the dedication and performance of its members, proposing, as the case may be, such changes to its organization and operation as it may deem appropriate. In the case of conglomerates, the Board of Directors of the parent ensures that the assessment is also conducted by the boards of directors of its subsidiaries.

19.8 Has the measure been implemented?	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
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YES. Briefly describe:
NO. Explain: Neither the peer review nor the assessment of the subsidiaries' boards of directors are included.
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

19.10. The Board of Directors alternates the internal self-assessment mechanism with external assessment by independent advisors.

19.9 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

In line with recommendation 36 of the Spanish Good Governance Code, the Board of Directors is assisted with the assessment every three years by an external consultant. Thus, on December 18, the Board of Directors, at the proposal of the Nomination and Remuneration Committee, resolved to hire an external consultant. That hiring (PricewaterhouseCoopers) has been made and the results of the assessment have been submitted to the Board of Directors.

Furthermore, in every prior year except 2015, on the understanding that there was no need since the Nomination and Remuneration Committee had conducted various analyses of the structure and operations of the Board and its Committees and had studied the needs of the Board as a result of the proposed director appointments and re-elections, PricewaterhouseCoopers has been hired exclusively to deal with sending the assessment questionnaires to the Directors and compile the results obtained from them for subsequent submission to the Chairman of the Board of Directors, all in order for the Directors' replies to be held in confidence.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

Measure No. 20: Duties and rights of the members of the Board of Directors.

20.1. The regulations of the Board of Directors supplement the legislative provisions as regards the duties and rights of the members of the Board of Directors.

20.1 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

Title VI of the RBD regulates Directors' duties. Their rights are also set out throughout the Regulations, per the provisions of the applicable Spanish legislation in this regard.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
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Date of modification	06/16/2015
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20.2. The regulations of the Board of Directors set out the company's understanding as regards the duties of the members of the Board of Directors referred to in recommendation 20.2.

20.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: The duties referred to in recommendation 20.2 are set out in Title VI of the RBD.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

20.3. The regulations of the Board of Directors contain details of the rights of the members of the Board of Directors established in recommendation 20.3.

20.3 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: The rights referred to in recommendation 20.3 are set out in the articles of the RBD.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 21: Conflicts of interest.

21.1. The company has defined and formalized in its internal regulations a policy and procedure for identifying, managing and resolving conflicts of interest - whether direct or indirect via related parties - that may affect the members of the Board of Directors and other directors.

21.1 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: Articles 27.6 (q) and 37 of the RBD set out the procedure to be followed in order to identify, manage and resolve the conflicts of interest referred to in this measure.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

21.2. In the procedure for managing conflicts of interest, a distinction is drawn between sporadic and permanent conflicts of interest. Where the conflict of interest is sporadic in nature, the applicable procedure indicates the rules and steps to be followed, which must be relatively easy to manage and difficult for the affected party to evade. In the case of permanent conflicts of interest, the procedure states that if this situation affects all of the company's operations, it should be understood as a cause for mandatory resignation by the affected party as it will disqualify him from holding office.

21.2 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: Article 37.4. of the RBD sets out the rules for sporadic and permanent conflicts of interest. Also, article 13 of the RBD regulates the obligation on Directors to resign from office where they are subject to permanent conflicts of interest.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

**21.3. The members of the Board of Directors, legal representatives, members of senior management and other directors** of the company **regularly inform the Board of Directors of any direct or indirect relationships** existing among them, or with other entities or structures belonging to the conglomerate of which the issuer forms part, or with the issuer, suppliers, customers or any other stakeholder, which may give rise to a situation of conflict of interest or influence management in its opinion or vote, in order to create a “*Map of Directors' Related Parties*”.

21.3 Has the measure been implemented?

YES

NO

X

N/A

YES. Briefly describe:

NO. Explain: This applies on a yearly basis only and exclusively to directors.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

**21.4. Relevant conflicts of interest**, which is taken to mean those that would require the affected party to abstain from a meeting and/or vote, affecting the Board of Directors and other directors, **are included in the public information** that the company publishes on its website each year.

21.4 Has the measure been implemented?

YES

X

NO

N/A

YES. Briefly describe: Any relevant conflicts of interest must be included in the Annual Accounts that are published on the website, per the applicable Spanish legislation.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	01/01/2013
Date of modification	

21.5. For this purpose, the **definition of related party** applied by the company is **consistent with International Accounting Standard 24 (IAS 24)**.

21.5 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES. Briefly describe: The definition is consistent with that contained in IAS 24.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 22: Related party transactions.

22.1. The company has a policy that defines the specific procedure for assessing, approving and disclosing related party transactions, including outstanding balances and relations between them, with the exception of transactions for which specific regulations exist.

22.1 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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<b>YES. Briefly describe:</b> As provided for in article 27.6. of the RBD (q), the Company has approved a general policy that regulates the procedure for certain related party transactions within the ordinary course of the Company's business and subject to fixed limits, and for all other related party transactions. Moreover, the Company complies with the Cemex Group policy on related party transactions.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

<b>Date of implementation</b>	10/01/2012
<b>Date of modification</b>	06/16/2015

**22.2.** The company's related party transactions policy covers the aspects addressed in recommendation 22.2.

**22.2 Has the measure been implemented?**                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> Per the provisions of its Internal Regulations, applicable external legislation, the approved general policy for transactions and the Cemex Group related party transactions policy the Company has adhered to, the Company complies with recommendation 22.2.	
<b>NO. Explain:</b>	
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>	

<b>Date of implementation</b>	10/01/2012
<b>Date of modification</b>	06/16/2015

**22.3** The policy provides that the express authorization of the Board of Directors is not required for recurrent related party transactions conducted in the ordinary course of the company's business under standard contracts, or general framework agreements the terms of which are perfectly standardized and applied en masse and which are performed at market prices set generically by the supplier of the good or service in question and the individual amount of which is not material for the company.

**22.3 Has the measure been implemented?**                      YES   ☒                      NO   ☐                      N/A   ☐



<b>YES. Briefly describe:</b> As indicated in recommendation 22.1, the Company has approved a general policy for related party transactions conducted in the ordinary course of the Company's business and subject to a fixed limit in terms of amount. Likewise, article 6.E section (k) of the RBD and article 34 E (k) provide that the authorization of the Board of Directors will not be required for transactions (i) that are performed under contracts the terms of which are standardized and are applied en masse to a large number of customers, (ii) that are performed at generally-established prices or rates by the supplier of the good or service in question, and (iii) the amount of which does not exceed 1% of the Company's annual revenues.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 23: Compensation of members of the Board of Directors

**23.1. The company has a board compensation policy, approved by the General Meeting** and reviewed each year, **which lists all of the compensation components that may effectively be paid.** These components may be fixed or variable. They may include a fixed fee for membership of the Board of Directors, fees for attending meetings of the board and/or its committees and other emoluments of any kind accruing over the course of the year, for whatever reason, in cash or in kind, as well as the obligations undertaken by the company in respect of pensions or the payment of life insurance premiums or other items with respect to both former and current members and the civil liability insurance premiums (D&O policies) taken out by the company on behalf of members of the Board of Directors.

23.1 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

<b>YES. Briefly describe:</b> As a Spanish company, the Company abides by the provisions of the SCA. Thus, the SCA provides that the General Meeting must approve the compensation policy every three years and that such policy must, in turn, be reviewed every year by the General Meeting when approving the annual compensation report on a consultative basis. The General Meeting held on June 29, 2017 approved the existing compensation policy for Directors, which meets the provisions of this recommendation.
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	06/16/2015
Date of modification	

**23.2. Where the company implements compensation schemes that include a variable component** that is linked to the successful performance of the company in the medium and long term, **the compensation policy includes limits in terms of the amount** that may be distributed to the Board of Directors and, where the variable component is related to company profit or other management indicators at the end of the period subject to assessment, regard must be had to any qualifications included in the statutory auditor's report and which may reduce the profit for the period.

23.2 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

NO. Explain: The independent directors' compensation policy does not include compensation covering the points mentioned in the measure.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

**23.3. Proprietary and independent members of the Board of Directors are expressly excluded from compensation schemes that include share options** or variable compensation linked to the absolute variation in the listing price of the shares.

23.3 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: No Proprietary or Independent Directors are entitled to a compensation scheme that includes share options or variable compensation linked to the absolute variation in share listing prices.

NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	

23.4. For each period subject to assessment, as part of the compensation policy, the General Meeting approves a maximum cost for the Board of Directors of all approved compensation components.

23.4 Has the measure been implemented?

YES

X

NON/A

YES. Briefly describe: The General Meeting approve the maximum amount of the above compensation policy where applicable in line with the provisions of recommendation 23.1.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	05/15/2013
Date of modification	

23.5. The shareholders are aware of the total effective cost of the Board of Directors during the period subject to assessment, including all compensation components paid to members of the Board of Directors and the reimbursement of expenses and this information is also published on the corporate website, with the level of disaggregation and detail approved by the Board of Directors.

23.5 Has the measure been implemented?

YESNO

X

N/A

YES. Briefly describe:

NO. Explain: The compensation components are included in the Annual

Compensation Report, which is published annually on the website. However, this Report does not include detailed information on the reimbursement of expenses.
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

Measure No. 24: The president of the company and senior management.

24.1. The company's governance model provides for effective separation between the management or governance of the company (represented by the Board of Directors) and the ordinary running of its business (which is entrusted to senior management headed by the president of the company).

24.1 Has the measure been implemented?                      YES ☒                      NO ☐                      N/A ☐

YES. Briefly describe: The positions of Board Chairman and Managing Director - CEO of the Company are held by different directors.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/04/2016
Date of modification	

24.2. Generally speaking, the policy of the Board of Directors is to delegate the ordinary running of the business to the senior management team, the activities of which are focused on general strategy, oversight, governance and control functions.

24.2 Has the measure been implemented?                      YES ☒                      NO ☐                      N/A ☐

YES. Briefly describe: The Board of Directors delegates the ordinary running of the business to the senior executives appointed for the purpose, with the exception of powers that are non-delegable in accordance with the law.
NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	04/17/2012
Date of modification	

**24.3.** As a general rule, senior management members are identified, assessed and appointed directly by the president of the company as they work directly with him. Alternatively, **the company may opt for senior management members to be appointed by the Board of Directors at the proposal of the president of the company.** Irrespective of who is ultimately responsible for appointment, candidates to key executive offices must meet and undergo assessment by the Board of Directors' Nomination and Remuneration Committee, which must issue an opinion in this regard.

24.3 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<b>YES. Briefly describe:</b> Senior executives are appointed by the Board of Directors at the proposal of its Chairman and subject to a report by the Nomination and Remuneration Committee.						
<b>NO. Explain:</b>						
N/A. Specify the regulations that prevent the recommendation from being adopted:						
Date of implementation		04/17/2012				
Date of modification						

**24.4.** The company has a clear policy for the delegation of functions that is approved by the Board of Directors and/or a framework of powers setting out the different powers attributed to the president of the company and other members of senior management.

24.4 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
<b>YES. Briefly describe:</b> The Company has a clear policy for the delegation of functions to senior executives, in that it has adhered to Cemex's power conferral Policy and, in addition, has a separate policy for the CEO (separate from the President), this being the policy established in the SCA.						
<b>NO. Explain:</b>						

N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	10/04/2012
Date of modification	

24.5. The Board of Directors, by means of the Nomination and Remuneration Committee, or the person performing its functions, conducts the performance appraisal of the president of the company each year and is aware of the results of the appraisals of the other members of senior management.

24.5 Has the measure been implemented? YES ☐ NO ☒ N/A ☐

YES. Briefly describe:	
NO. Explain: The Board of Directors, via the Nomination and Remuneration Committee, appraises the performance of the President and the CEO of the Company but is not aware of the results of senior executives.	
N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	05/15/2013
Date of modification	

24.6. The company has a policy for the compensation of the president of the company and other members of senior management, approved by the Board of Directors, which identifies all of the compensation components, linked to the achievement of long-term objectives and the risk levels, that may effectively be paid.

24.6 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Per the provisions of article 6.5 (D) of the RBD, the Board of
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Directors is the body with authority to approve the compensation policy for senior executives and to propose to the General Meeting the compensation policy for Directors in general.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

24.7. Where the compensation of the president of the company **includes both fixed and variable components, the technical design** and method of calculation thereof **prevents the variable component from exceeding the maximum limit set by the Board of Directors.**

24.7 Has the measure been implemented?      YES   ☐      NO   ☐      N/A   ☒

YES. Briefly describe:
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted: The Internal Regulations establish variable compensation for executive directors only, and the Chairman of the Board of Directors does not qualify as such.

Date of implementation	
Date of modification	

III. CONTROL STRUCTURE

Measure No. 25: Control environment.

25.1. The Board of Directors is ultimately responsible for ensuring that the company has a strong control environment that is aligned with the company's nature, size, complexity and the risks it faces, so that it meets the requirements set in recommendation 25.1.

25.1 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: The Board of Directors is the body with ultimate responsibility for the control environment in place at the Company, as defined in this measure.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

25.2. In the case of conglomerates, the Board of Directors of the parent seeks to establish a formal, consolidated control structure for all of its subsidiaries, establishing responsibilities with respect to the policies and guidelines in this regard at conglomerate level, and defining clear reporting lines to give an overall view of the risks to which the conglomerate is exposed and the control measures taken.

25.2 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: The Company has in place a clearly defined hierarchical control structure, with set channels for granting authorization on a case-by-case basis.

NO. Explain:



N/A. Specify the regulations that prevent the recommendation from being adopted:
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Date of implementation	04/17/2012
Date of modification	

Measure No. 26: Risk Management.

26.1. The risk management objectives at the company are those referred to in recommendation 26.1.

26.1 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES. Briefly describe: The Internal Control and Enterprise Risk Management (ERM) areas identify the internal and external risks that may affect the strategy (or objectives) defined by the Company, evaluating them on the basis of probability, impact and tendency, in order to subsequently define mitigation measures (decisions as to how to handle them) in order to prevent them from materializing or reduce their impact in the event of materialization. Likewise, both areas continuously monitor and update the status of risks and the likelihood of impact on the organization and these results are presented to the Board of Directors, the Audit Committee (the body tasked with risk-related supervision) and senior management, defining in certain cases new mitigation measures or changes in how they are to be handled.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

26.2. The company has a risk map, which is understood as a tool for identifying and monitoring the financial and non-financial risks to which it is exposed.

26.2 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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YES. Briefly describe: The Enterprise Risk Management ("ERM") and Internal Control areas manage and identify the Company's external and internal risks, respectively, including competitive dynamics and financial and operating risks, taking into account their impact, surpluses and mitigation measures. The risks identified by these two areas are compiled into a single map so that they can be managed by all areas involved.
--

NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	04/17/2012
Date of modification	

26.3. The Board of Directors is responsible for defining a risk management policy, and for setting maximum exposure limits for each risk identified.

26.3 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
YES. Briefly describe: Per article 6.5.E (f) of the RBD, the Board of Directors has the authority to establish the risk control and management policy, including tax risks.						
NO. Explain:						
N/A. Specify the regulations that prevent the recommendation from being adopted:						
Date of implementation	04/17/2012					
Date of modification						

26.4. The Board of Directors is aware of and regularly monitors the company's effective exposure to the maximum risk limits defined, and suggests actions to correct and check them in the event of deviations.

26.4 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
YES. Briefly describe: The Board of Directors, through the Audit Committee, monitors the defined risks and resolves upon corrective actions where necessary.						
NO. Explain:						

N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	04/17/2012
Date of modification	

26.5. As regards the risk management policy, **senior management is in charge of processes and responsible for risk management**, i.e. for identifying, evaluating, measuring, controlling, monitoring and reporting risks, defining methodologies and ensuring that risk management is consistent with the strategy, the defined risk policy and the maximum limits approved.

26.5 Has the measure been implemented?	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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<b>YES. Briefly describe:</b> The Internal Control and ERM areas identify and update risks based on interviews and information analyses. The likelihood of impact is assessed by means of control monitoring and the results of audits and reported to the respective management levels. Senior management personnel review the results of audits every month and, together with Internal Control and Operations, follow up on the plans to improve such controls, until all defects are fully mitigated and any opportunities for improvement have been implemented. Moreover, at least every two months, Senior management also reviews the non-financial risks on the ERM agenda, as well as the action plans designed to manage each such risk. Senior management is therefore in charge of or responsible for all of them forthwith upon being identified.
<b>NO. Explain:</b>
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

26.6. **The company has a risk delegation policy**, approved by the Board of Directors, which lays down the limits on the risks that may be managed directly at each level at the company.

26.6 Has the measure been implemented? YES ☐ NO ☒ N/A ☐

YES. Briefly describe:
NO. Explain: While all of the risks identified have not been expressly delegated, there are persons in charge of managing commercial and operational risks, as well as authorization pathways for approving tolerance levels for such risks. Examples include limits on the authorization of negotiations and purchases in contracts, the approval of CAPEX, the approval of commercial loans to customers and the management of pricing policies.
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	
Date of modification	

26.7. In conglomerates, risk should be managed at consolidated level to increase the cohesion and control of the companies that comprise them.

26.7 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Risk is managed on a consolidated basis at Cemex Latam Group, and is supervised overall by the Audit Committee, which reports to the Board of Directors.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

26.8. If the company has a complex and diverse business and operating structure, there is a Chief Risk Officer (CRO) with authority at conglomerate level in the case of companies under control and/or groups of companies.

26.8 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The Enterprise Risk Management (ERM) area has the risk management function for the Conglomerate. ERM manages external risks and Internal Control manages internal intrinsic operating risks.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	04/17/2012
Date of modification	

Measure No. 27: Control Activities.

27.1. The Board of Directors is responsible for ensuring that the company has a suitable internal control system in place, which is adapted specifically to the company and the complexity thereof, and consists of the management of current risks.

27.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> See recommendation 26.3.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	04/17/2012
Date of modification	

27.2. The Board of Directors is responsible for overseeing the effectiveness and suitability of the internal control system, a task that may be delegated to the audit committee, although this will not release the board from its responsibility for oversight in this regard.

27.2 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: The Board of Directors, via the Internal Audit Committee, is responsible for supervising the internal control system.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

27.3. The company applies and enforces the principle of self-control, which is understood as the “capacity of the persons participating in the various processes to view control as an intrinsic element of their responsibilities, areas of activity and decision-making duties”.

27.3 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: The controls in place to mitigate risks are associated with the people responsible for the processes that may be affected by the risk. The Company also has control matrices in place that contribute to the mitigation of intrinsic operating risks.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

Measure No. 28: Information and Communication.

28.1. The risk culture, philosophy and policies, and the approved exposure limit, are communicated both vertically and horizontally, so that the whole organization is aware of both the risks and control activities relating to its activities.

28.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The Company complies with this recommendation given that the ERM area holds meetings to update the organization's risk agenda, risk policies and guidelines are communicated throughout the organization, and an adequate decision-making hierarchy is in place.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	04/17/2012
Date of modification	

28.2. The company has in place an upward reporting mechanism (to the Board of Directors and senior management), which is accurate, comprehensible and complete, so that it supports and permits informed decision making and management of risks and control.

28.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The areas report their results on a monthly basis to the senior management through financial, operating, audit and control committees. In addition, the senior management report the results to the Board of Directors and to the Audit Committee.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	04/17/2012
Date of modification	

28.3. The company's **communication and reporting mechanism** enables: i) senior management to involve the company as a whole, drawing attention to its responsibility for managing risks and defining controls, and ii) company staff to understand their role in managing risks and identifying controls and their individual contribution with respect to the work of others.

28.3 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The communication and reporting mechanism is as set out in this recommendation.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	04/17/2012
Date of modification	

28.4. There are **internal reporting or whistleblowing channels** that enable employees to anonymously report any illegal, unethical or other behavior that may run contrary to the culture of risk management and control at the company. A report on these matters is submitted to the Board of Directors of the company.

28.4 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> There is an anonymous line (ETHOS Line) in the Company available to employees, customers, suppliers and the general public, managed by an independent provider, which assigns cases based on criteria defined by CEMEX, through which irregularities can be reported on a confidential basis, ensuring that such matters are brought to the attention of the Company's Ethics Committee and the Chair of the Audit Committee. All cases reported are investigated and monitored until their conclusion, ensuring that the same criteria and consequences are applied.  The results are also reported to the Audit Committee and, as the case may be, to the senior management. Similarly, in line with the functions assigned to him, which are regulated in article 21 of the RBD, the Compliance Officer must notify the Corporate Governance Committee of any reported violations of the provisions of the good corporate governance policies.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>



Date of implementation	10/01/2012
Date of modification	11/09/2016

Measure No. 29: Monitoring of the control structure

29.1. The company's Board of Directors, via the audit committee, is responsible for overseeing the effectiveness of the various components of the control structure.

29.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: The Audit Committee oversees the effectiveness of the various components of the control structure and reports to the Board of Directors in this regard.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

29.2. The task of monitoring to ensure the effectiveness of the company's control structure principally involves the internal audit department, together with the statutory auditor in the tasks falling within his remit and particularly as regards the financial information generated by the company.

29.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: The Company's Corporate Governance policy clearly defines what is referred to as defensive lines, the first defensive line being the management proper, the second being control functions such as internal control, compliance and quality, and the third aforementioned monitoring task involves the Internal Audit department as well as the Statutory Auditors.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

29.3. The company's internal audit function has Internal Audit rules, approved by the audit committee, which expressly specify the scope of the internal audit functions, and should include the matters referred to in recommendation 29.3.

29.3 Has the measure been implemented?

YES

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NO

N/A

YES. Briefly describe:

Although there are Internal Audit rules approved by the Audit Committee of CLH and the Company's General Manager, the document defines the scope of the audit function and covers the matters indicated in recommendation 29.3.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	11/15/2017
Date of modification	

29.4. The person ultimately in charge of internal audit has an independent professional relationship with senior management of the company or conglomerate that hires him, and for functional purposes reports solely to the audit committee.

29.4 Has the measure been implemented?

YES

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NO

N/A

YES. Briefly describe:

The Internal Audit Director reports for functional purposes to the Audit Committee, this being the committee that decides the appointment to and removal from this position in accordance with the provisions of article 29.4 of the RBD, which also stipulates that this Committee will seek to ensure the independence of such area.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

**29.5. Appointment and removal of the internal audit officer falls to the Board of Directors**, at the proposal of the audit committee, and his removal or resignation is reported to the market.

29.5 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: Per article 26.5 of the RBD, the Audit Committee proposes the selection, appointment, re-election and removal of the Internal Audit service officer to the Board of Directors.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

**29.6. The statutory auditor of the company or conglomerate is clearly independent from these**, and this independent status must be expressly stated in the respective audit report.

29.6 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe: Pursuant to article 26.5. of the RBD, each year, the Audit Committee receives written confirmation from the statutory auditors of their independence with respect to the Company and its related entities. Likewise, the Audit Committee issues an annual report in which it confirms such independence.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	

29.7. If the company is the parent of a conglomerate, the statutory auditor is the same for all of the companies forming part thereof, including off-shore companies.

29.7 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: The entire Cemex Latam Group is audited by the same auditor.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/16/2012
Date of modification	

29.8. The company has a policy for appointing the statutory auditor, which is approved by the Board of Directors and distributed to the shareholders, and includes the points established in recommendation 29.8.

29.8 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Per the provisions of article 22 of the RBD, the Company may not appoint as its auditor persons or firms that have received revenues representing twenty-five percent (25%) or more of their latest annual revenues from the Company and/or its related companies, directly or indirectly as a result of a control relationship as provided for in article 42 of the Spanish Commercial Code, or any persons or firms subject to the incompatibilities provided for in the Spanish legislation in force at any given time. Nonetheless, such policy does not stipulate the maximum term of contracts and their renewals, although such matters are envisaged in the Spanish Audit Act.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

**29.9.** In order to avoid excessive ties between the company and the statutory audit firm and/or team and to protect their independence, **the company establishes a maximum engagement term of between five (5) and ten (10) years.** In the case of individual statutory auditors **not related to a firm, the maximum engagement term is five (5) years.**

29.9 Has the measure been implemented? YES ☐ NO ☐ N/A ☒

YES. Briefly describe:
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted: As a Spanish company, it is subject to the provisions of the Spanish Audit Act.

Date of implementation	
Date of modification	

**29.10.** Subject to the maximum engagement period, the company **encourages rotation of the partner** and engagement teams **of the statutory audit firm assigned to the company** halfway through the statutory engagement term, at the end of which the firm must necessarily be rotated.

29.10 Has the measure been implemented? YES ☐ NO ☐ N/A ☒

YES. Briefly describe:
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted: See measure 29.9 above. Until the date of this report, the statutory auditors have audited all the financial years, the partner being the same for all of those years. The Spanish Audit Act only requires rotation for so-called Public Interest Entities, and the Company does not qualify as such.

Date of implementation	
Date of modification	

29.11. In addition to the current prohibition on engaging the **statutory auditor for professional services** other than those involved in the financial audit and other functions recognized in the legislation in force, the company extends this limitation to persons or entities related to the statutory auditor, which includes companies of its group and companies with a large number of partners and/or directors in common with the statutory audit firm.

29.11 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

The Company extends this prohibition to all entities related to the auditor.

NO. Explain:

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

**29.12. The company discloses** in its public information **the total amount of its contract with the statutory auditor**, as well as the proportion that the fees paid by the company represent with respect to the firm's total revenues from its statutory audit activity.

29.12 Has the measure been implemented?

YES

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NO

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N/A

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YES. Briefly describe:

NO. Explain: The Corporate Governance Report posted at the Company's website specifies the auditors' fees. However, as explained in recommendation 19.8, that report has been prepared until the year 2017. For the year 2018, the information referred to in this recommendation will be published in the Comprehensive Report also to be posted at the website. However, no information is given on the proportion of the fees with respect to the firm.

N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	12/31/2012
Date of modification	

V. TRANSPARENCY AND FINANCIAL AND NON-FINANCIAL INFORMATION

Measure No. 30: Information disclosure policies.

30.1. The Board of Directors has approved an information disclosure policy, which includes, as a minimum, the information included in the recommendation.

30.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> Since its incorporation, by a resolution of the Board of Directors, the Company has adhered to all Cemex policies, including the information disclosure policy. Furthermore, an internal protocol for disclosing information to the market has been drawn up and, after receiving a favorable report from the Corporate Governance Committee, the Company's policy for communication with shareholders, investors and the market in general was approved by a resolution of the Board of Directors at their meeting held on December 18, 2017.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	12/18/2017
Date of modification	

30.2. In the case of conglomerates, the information disclosed to third parties is comprehensive and global and refers to all of the companies forming part thereof, thereby enabling third parties to form an informed opinion of the situation, organization, complexity, activity, size and governance model at the conglomerate.

30.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The information published is global and comprehensive, except for the Annual Accounts required under the applicable Spanish legislation, which correspond to the parent.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	11/16/2012
Date of modification	



Measure No. 31: Financial statements

31.1. Where the statutory auditor's report includes *qualifications* these and the actions that the company proposes to remedy the situation, will be submitted to the shareholders at General Meeting by the chair of the audit committee.

31.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Per the provisions of article 25.6 of the RBD, where qualifications are included, both the Chair of the Audit Committee and the statutory auditor must clearly explain to the shareholders the content and scope of such qualifications or limitations.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

31.2. Where the Board of Directors considers that regard should be had to the criterion of the statutory auditor in respect of any *qualifications* and/or *emphasis of matter*, this position is duly explained and justified by means of a written report to the General Meeting, specifying the content and scope of the discrepancy.

31.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

YES. Briefly describe: Where qualifications are included, the Board of Directors must explain its criterion to the General Meeting in writing.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	04/17/2012
Date of modification	

**31.3 Transactions with or among related parties**, including transactions between companies of the conglomerate which are classed as material by the company on the basis of objective parameters such as the size of the transaction, percentage with respect to assets, sales or other indicators, **are included in detail in the public financial information together with the reference to the performance of off-shore transactions.**

31.3 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> Such information is included in the Annual Accounts and in the Annual Corporate Governance Report published on the Company's website. Moreover, subject to the materiality parameters considered by the External Auditor, the aforementioned information is also included in the quarterly and annual financial statements prepared in accordance with IFRS.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	12/21/2013
Date of modification	

**Measure No. 32: Disclosures to the market.**

**32.1.** As part of the information disclosure policy, the Board of Directors (or the audit committee), **adopts the necessary measures to ensure that all financial and non-financial information on the company** that is required under the legislation in force, and any other that it considers relevant for investors and customers, **is disclosed to the financial and capital markets.**

32.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The Audit Committee must oversee the preparation, filing and comprehensiveness of the regulated financial information pertaining to the Company and its Group, reviewing compliance with regulatory requirements, the suitable delimitation of the consolidated Group and the correct application of accounting policies; it must also establish the policies and practices to be used by the Company in the construction, disclosure and dissemination of its financial information, and coordinate the reporting process in respect of non-financial information and information on diversity, in accordance with the legislation in force and the international standards of reference.
<b>NO. Explain:</b>

N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	10/01/2012
Date of modification	06/16/2015

32.2. The corporate website is organized in a *user-friendly* manner, so that it is easy for the user to access information associated with or related to Corporate Governance.

32.2 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

YES. Briefly describe: The website is organized in a simple and logical manner for ease of use.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	11/16/2012
Date of modification	12/31/2018

32.3. The corporate website includes as a minimum the links referred to in recommendation 32.3.

32.3 Has the measure been implemented?                      YES   ☒                      NO   ☐                      N/A   ☐

YES. Briefly describe: The website contains the information referred to in recommendation 32.3.	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted:	

Date of implementation	11/16/2012
Date of modification	12/31/2018

32.4. The company generally discloses information to the markets in the form of documents that can be printed, downloaded and shared.

32.4 Has the measure been implemented?      YES ☒      NO ☐      N/A ☐

YES. Briefly describe: All documentation can be downloaded and printed.
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	11/16/2012
Date of modification	

32.5. If the company is a large, particularly complex company, it publishes a report on its website each year explaining the organization, methods and procedures of the control structure in place at the company in order to provide correct and safe financial and non-financial information, and safeguard the company's assets and the efficiency and security of its transactions. The information on the control structure is supplemented with a risk management report.

32.5 Has the measure been implemented?      YES ☒      NO ☐      N/A ☐

YES. Briefly describe: The Company has been publishing its Annual Corporate Governance Report on its website in accordance with the applicable Spanish legislation. Such Report includes information contained in the report on risk supervision systems and in the report on internal control and risk management systems with regard to financial reporting (ICOFR).
NO. Explain:
N/A. Specify the regulations that prevent the recommendation from being adopted:

Date of implementation	10/01/2012
Date of modification	06/16/2015

Measure No. 33: Annual Corporate Governance Report.

33.1. The company prepares an Annual Corporate Governance Report, responsibility for the content of which lies with the Board of Directors, subject to review and a favorable report by the audit committee. This report is presented with the rest of documents at year end.

33.1 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> The Annual Corporate Governance Report, which is drafted in accordance with Spanish legislation, has been approved by the Board of Directors subject to a favorable report by the Corporate Governance Committee, which is the competent body in this regard. Such Report has been submitted together with the Annual Accounts for the relevant year until the year 2017, as explained in recommendation 19.8. However, for the year 2018, the Comprehensive Report will include a Corporate Governance section which shall address the Company's main good governance aspects.
<b>NO. Explain:</b>
<b>N/A. Specify the regulations that prevent the recommendation from being adopted:</b>

Date of implementation	10/01/2012
Date of modification	06/15/2018

33.2. The company's Annual Corporate Governance Report is not simply a transcription of the corporate governance rules included in the Bylaws, internal regulations, good governance codes or other corporate documents. Its aim is not to describe the company's corporate governance model, but rather to explain how it actually functions and any relevant changes during the year.

33.2 Has the measure been implemented? YES ☒ NO ☐ N/A ☐

<b>YES. Briefly describe:</b> As indicated in measure 33.1, the Annual Corporate Governance Report, like this survey, explains the Spanish good governance recommendations met by the Company. Where it fails to meet them, the reasons for such failure are explained. That report, which has been prepared until the year 2017, has been discontinued and a Company Comprehensive Report will be prepared for the year 2018 containing corporate governance information relevant to the Company.
<b>NO. Explain:</b>

N/A. Specify the regulations that prevent the recommendation from being adopted:	
Date of implementation	10/01/2012
Date of modification	06/15/2017

**33.3. The Annual Corporate Governance Report** of the company contains year-end information **describing how the corporate governance recommendations adopted by the company have been implemented during the year and the main changes they have brought about.**

The structure of the company's Annual Corporate Governance Report is in line with that stipulated in recommendation 33.3.

33.3 Has the measure been implemented?

YES

☐

NO

☐

N/A

☒

YES. Briefly describe:	
NO. Explain:	
N/A. Specify the regulations that prevent the recommendation from being adopted: See recommendations 19.8 and 33.2.	
Date of implementation	
Date of modification	