

NOMINATION AND REMUNERATION COMMITTEE

Annual Report on the remuneration of Directors and Senior Executives for the year ended 31 December 2019

1. Introduction

The Nomination and Remuneration Committee has prepared this *Annual report on the remuneration of Directors and Senior Executives* of CEMEX LATAM HOLDINGS, S.A. (the “**Company**” or “**Cemex Latam**”) for the year ended 31 December 2019 (the “**Report**”) in compliance with article 44 of the Regulations of the Board of Directors.

This Report, which is to be approved by the Board of Directors, provides the Board of Directors with the information that the Nomination and Remuneration Committee (the “**Committee**”) deems necessary with regard to the remuneration of Directors and Senior Executives of the Company and its corporate group (“**Cemex Latam Group**”).

2. The Board of Directors

A. **Composition of the Board of Directors**

Pursuant to article 36 of the Articles of Association and article 7 of its Regulations, Cemex Latam’s Board of Directors shall consist of no fewer than five and not more than nine members, and its composition shall be such that non-executive Directors outnumber the executive Directors, and at least one-third of the Board members are independent directors. At 31 December 2019, the composition of the Board of Directors was as follows:

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|-------------------------------------|--------------------------------------|
| ▪ Mr Jaime Muguero Domínguez | Chairman and Proprietary Director |
| ▪ Mr Jesús Vicente González Herrera | Managing Director |
| ▪ Mr Jaime Gerardo Elizondo Chapa | Proprietary Director |
| ▪ Mr Juan Pablo San Agustín Rubio | Proprietary Director |
| ▪ Mr José Luis Orti García | Proprietary Director |
| ▪ Ms Coloma Armero Montes | Independent Director |
| ▪ Mr Rafael Santos Calderón | Independent Director and Coordinator |
| ▪ Ms Mónica Aparicio Smith | Independent Director |
| ▪ Mr Juan Pelegrí y Girón | Secretary and Proprietary Director |

In the period between 1 January 2019 and the date of this Report, the composition of the Board of Directors has changed as follows:

- At its meeting held on 28 June 2019, in designating offices for directors reappointed by the General Shareholders' Meeting held on that same date, the Board of Directors acknowledged the resignation tendered by director Mr Jaime Gerardo Elizondo Chapa from his office of Vice-Chairman of the Board of Directors, because he is to live abroad.
- At its meeting held on 13 November 2019, the Company's Board of Directors accepted the resignation tendered on 11 November 2019 by Ms Carmen Burgos Casas as a proprietary director and, following a favourable report by the Nomination and Remuneration Committee, resolved to co-opt Mr Jesús Vicente González Herrera as a proprietary director, to cover the vacancy arising on the Board of Directors.
- Similarly, at its meeting held on 13 November, as a result of the resignation tendered by Mr Juan Pablo San Agustín Rubio from the office of Chairman of the Board of Directors, and Mr Jaime Muguero Domínguez having renounced his delegated powers, the Board of Directors resolved, following a favourable report by the Nomination and Remuneration Committee, that Mr Jesús Vicente González Herrera be appointed executive director (Managing Director) and that Mr Jaime Muguero Domínguez be appointed Chairman of the Board of Directors.
- In addition, on 3 June 2020, Mr Juan Pablo San Agustín Rubio tendered his resignation as Company director due to his departure from Cemex Group.

B. Committees of the Board of Directors

At 1 January 2019 and at the date of this Report, the Board of Directors has the following Committees:

D) Audit Committee

Article 6 of the Regulations of the Audit Committee, in line with the provisions of article 25 of the Regulations of the Board of Directors, provides that the Audit Committee shall consist of no fewer than three and not more than five non-executive Directors, and a majority of the Independent Directors must serve on this Committee, at least one of them being appointed on the basis of his or her knowledge and expertise in accounting, auditing or both. The Committee Chair must be an Independent Director.

At 1 January 2019, the composition of the Audit Committee was as follows:

- Ms Coloma Armero Montes (Chair)
- Mr José Luis Orti García (Secretary)
- Mr Rafael Santos Calderón (Member)
- Ms Mónica Aparicio Smith (Member)

Between 1 January 2019 and the date of this Report, there has been no change to the composition of the Audit Committee.

II) Nomination and Remuneration Committee

Article 26 of the Regulations of the Board of Directors, read expressly in conjunction with article 44 of the Articles of Association, governs the Nomination and Remuneration Committee's composition and duties, and provides that it shall consist of no fewer than three and not more than five non-executive Directors, and a majority of the Independent Directors must serve on this Committee. The Committee Chair must be an Independent Director.

At 1 January 2019, the composition of the Nomination and Remuneration Committee was as follows:

- Mr Rafael Santos Calderón (Chair)
- Ms Coloma Armero Montes (Member)
- Ms Carmen Burgos Casas (Secretary)

In the period between 1 January 2019 and the date of this Report, the composition of the Nomination and Remuneration Committee has undergone the following change:

- In line with the changes to the composition of the Board of Directors referred to in (A) above, the Board of Directors resolved at its 13 November 2019 meeting that Mr Jaime Gerardo Elizondo Chapa be appointed Nomination and Remuneration Committee member and secretary to cover the vacancy arising following the aforementioned resignation tendered by Ms Carmen Burgos Casas. The composition of the Nomination and Remuneration Committee at the date of this report is as follows:

- Mr Rafael Santos Calderón (Chair)
- Ms Coloma Armero Montes (Member)
- Mr Jaime Gerardo Elizondo Chapa (Secretary)

III) Corporate Governance Committee

Article 27 of the Regulations of the Board of Directors read expressly in conjunction with article 45 of the Articles of Association, governs the Corporate Governance Committee's composition and duties, and provides that it shall consist of no fewer than three and not more than five non-executive Directors, and a majority of the Independent Directors must serve on this Committee. The Committee Chair must be an Independent Director.

At 31 December 2019, the composition of the Corporate Governance Committee was as follows:

- Ms Mónica Aparicio Smith (Chair)
- Ms Coloma Armero Montes (Member)
- Mr Juan Pelegrí y Girón (Secretary)

Between 1 January 2019 and the date of this Report, there has been no change to the composition of the Corporate Governance Committee.

3. Board remuneration policy

Pursuant to article 48 of the Articles of Association and article 32 of the Regulations of the Board of Directors, Directors shall be entitled to be remunerated by the Company for holding such office, such remuneration to comprise (i) a fixed retainer fee and, as the case may be, (ii) fees for attending Board and Committee meetings.

Moreover, Executive Directors will be remunerated in respect of all or any of the following items:

- (i) a fixed component, commensurate with services performed and responsibilities assumed;
- (ii) a variable component, linked to an indicator of the performance of the Director or the Company;
- (iii) a welfare component comprising pension or insurance contributions; and
- (iv) severance payment in the event of dismissal or any other termination of the legal relationship with the Company other than in the event of a breach by the Director.

The total remuneration payable by the Company to Directors as a whole for holding that office and for their executive duties shall not exceed the relevant amount determined by the General Shareholders' Meeting. The Board of Directors shall be responsible for setting the exact amount payable, following a proposal by the Nomination and Remuneration Committee, but not exceeding the limit set by the General Shareholders' Meeting, for determining how it is apportioned among the various Directors, the criteria

to be followed, the timing for payment, and other issues not expressly considered by the General Shareholders' Meeting.

4. Board remuneration

A.1. Board remuneration for 2017

The Committee, in line with the provisions of article 48 of the Articles of Association, pursuant to which the directors' remuneration policy will be approved by the General Shareholders' Meeting at least every three years, and the proposal of the aforementioned policy submitted by the Board of Directors shall be reasoned and attach a specific report of the Nomination and Remuneration Committee, resolved at its meeting of 8 May 2017 to submit that report following the proposal tabled by the Board of Directors to the General Meeting on 29 June 2017, for a new directors' remuneration policy for the years 2017, 2018 and 2019.

The aforementioned policy, which was approved by the General Shareholders' Meeting held on 29 June 2017, provided that the annual remuneration (fixed retainer plus attendance fees) payable to the directors as a whole in their capacity as such for the years 2017, 2018 and 2019 amounted to not more than EUR 350,000 (gross) for each year¹.

In addition, and pursuant to article 48.3 of the Articles of Associations, the Board of Directors resolved on 18 May 2017, following a proposal by the Committee and subject at the time to approval by the General Shareholders' Meeting of 29 June 2017, to propose the following change in the distribution of Directors' remuneration for holding that office for the years 2017, 2018 and 2019, namely:

- 1) A total fixed annual retainer (gross) of ONE HUNDRED AND FORTY-FIVE THOUSAND EIGHT HUNDRED EUROS (€145,800), to be exclusively distributed among the following Directors based on the amounts specified:

Director		Gross amount EUR
Ms Coloma Armero Montes	Independent Director	48,600.00
Mr Gabriel Jaramillo Sanint	Independent Director	48,600.00
Mr Rafael Santos Calderón	Independent Director	48,600.00
Total fixed annual retainer (gross)		145,800.00

- 2) A fee for attending the meetings of the Board of Directors and its Committees in the (gross) amounts specified below, the total aggregate (gross) annual amount of which for the Directors as a whole not to exceed TWO HUNDRED AND FOUR THOUSAND TWO HUNDRED EUROS (€204,200), based on the following criteria:

¹ The Company's Managing Director's remuneration for his executive duties, i.e. €48,600 (gross) was not subject to the maximum remuneration limit.

- i) A fee for attending all meetings of the Board of Directors, the gross amount being TWO THOUSAND AND THIRTY-EIGHT EUROS (€2,038).
- ii) A fee for attending all Committee meetings in the following gross amounts:
 - If the meeting lasts one hour or less than one hour, the director shall be entitled to receive SIX HUNDRED EUROS (€600).
 - If the meeting lasts three hours or less than three hours but more than one hour, the director shall be entitled to receive ONE THOUSAND EIGHT HUNDRED EUROS (€1,800).
 - If the meeting lasts more than three hours, the director shall be entitled to receive THREE THOUSAND EUROS (€3,000).
- iii) The above attendance fee shall be paid, on a proposal by the Chairman of the Board of Directors, exclusively to Directors qualifying as independent directors.
- iv) All meetings of the Board of Directors and/or its Committees shall be paid for regardless of whether the meetings are held on the same day.
- v) All meetings of the Board of Directors and/or its Committees shall be paid for regardless of whether the meetings are held in person or by any remote means.
- vi) No right to receive an attendance fee shall accrue where resolutions are adopted using the written procedure without a meeting.

The aforementioned aggregate amount of the annual remuneration of the Board of Directors applied effective from 1 January 2017, although the criteria for allocating the above-mentioned fees were applied to meetings held by the Board of Directors and its Committees after the General Shareholders' Meeting at which the Remuneration policy for the Company's Directors was approved, i.e. the Meeting held on 29 June 2017.

- 3) In addition, the Company continued to bear the Directors' travel expenses (travel to wherever the meeting is held, accommodation, food and local transport) for attending the meetings of the Board of Directors or its Committees, and the Directors shall be entitled to reimbursement of those expenses because they are not in the nature or part of their remuneration.

Therefore, based on the above, each of the Company's three Independent Directors and the executive director received during 2018 the following fixed remuneration with respect to the year 2017:

Director	Total remuneration 2017 (gross)
Ms Coloma Armero Montes	EUR 48,600
Mr Gabriel Jaramillo Sanint	EUR 48,600
Mr Rafael Santos Calderón	EUR 48,600
Mr Jaime Muguiro Domínguez	EUR 48,600

In addition, the independent directors received the following attendance fee amount during the year 2017 for the meetings held during that financial year:

Director	Total fees for attending meetings (gross)
Ms Coloma Armero Montes (26)	EUR 51,322
Mr Gabriel Jaramillo Sanint (22)	EUR 43,408
Mr Rafael Santos Calderón (21)	EUR 44,246

A.2. Board remuneration for 2018

In line with the remuneration policy approved by the General Shareholders' Meeting on 29 June 2017 referred to in A.1. above, each of the Company's Independent Directors and the executive director received the following fixed remuneration in the year 2018, which is the same as for the year 2017 with the exception of Directors Mr Gabriel Jaramillo Sanint and Ms Mónica Aparicio Smith, who earned the remuneration for the months during which their appointments were in place:

Director	Total remuneration 2018 (gross)
Ms Coloma Armero Montes	EUR 48,600
Mr Gabriel Jaramillo Sanint	EUR 16,200
Mr Rafael Santos Calderón	EUR 48,600
Ms Mónica Aparicio Smith	EUR 32,400
Mr Jaime Muguiro Domínguez	EUR 48,600

The independent directors received the following attendance fee amount during the year 2018 for the meetings of the respective corporate bodies held during the financial year 2018:

Director	Total fees for attending meetings (gross)
Ms Coloma Armero Montes (31)	EUR 53,380
Mr Gabriel Jaramillo Sanint (8)	EUR 13,914
Mr Rafael Santos Calderón (24)	EUR 45,104
Ms Mónica Aparicio Smith (16)	EUR 35,266

A.3. Board remuneration for 2019

In line with the remuneration policy approved by the General Shareholders' Meeting on 29 June 2017 referred to in A.1. above, each of the Company's Independent Directors and the executive directors, who earned the remuneration for the months during which their appointments were in place, are entitled to receive the following fixed remuneration in the year 2019:

Director	Total remuneration 2019 (gross)
Ms Coloma Armero Montes	EUR 48,600
Mr Rafael Santos Calderón	EUR 48,600
Ms Mónica Aparicio Smith	EUR 48,600
Mr Jaime Muguiro Domínguez	EUR 42,208.77
Mr Jesús González Herrera	EUR 6,391.23

The independent directors received the following attendance fee amount during the year 2019 for the meetings of the respective corporate bodies held during the financial year 2019:

Director	Total fees for attending meetings (gross)
Ms Coloma Armero Montes (38)	EUR 69,818
Mr Rafael Santos Calderón (31)	EUR 58,656
Ms Mónica Aparicio Smith (32)	EUR 66,456

The expenses incurred by the directors during the year 2019 amount to EUR 31,130.71, and mainly consist of travel expenses.

5. Senior Executives

According to the Regulations of the Board of Directors, Senior Executives are deemed to be the Company's top executives who will report directly to the Board of Directors or the Company's chief executive, and any other Directors recognised as such by the Board of Directors.

The Senior Executives are primarily responsible for implementing the strategy devised by the Board of Directors, and the Board shall, pursuant to the Articles of Association and the laws in force from time to time, establish their powers and authority to act on the Company's and its Group companies' behalf.

Notwithstanding the above, given that Cemex Latam is a holding company and the Cemex Latam Group parent company, its Senior Executives are executives of the group's subsidiary companies. These Senior Executives of Cemex Latam Group also report to the Company's Board of Directors or chief executive, implementing the strategy devised by the Board, which is also responsible for establishing their powers and authority to act on the Company's behalf, in line with the Articles of Association and the laws in force from time to time.

At the end of the year 2019, Cemex Latam Group's Senior Executives were as follows:

▪ **Jesús Vicente González Herrera**

General Manager (CEO) of Cemex Latam Group

As Cemex Latam's chief executive, Mr González is responsible for managing the operations and business of Cemex Latam Group. Mr González's management team is formed by the following Senior Executives:

▪ **Mr Josué R. González Rodríguez**

CFO of Cemex Latam Group and of CEMEX Colombia

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

▪ **Mr Jesús García**

Vice-President of Operations of Cemex Latam Group

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

▪ **Mr Francisco Aguilera Mendoza**

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

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

▪ **Mr Eugenio Barquet Becerra**

Legal Affairs Director of Cemex Latam Group

As head of legal affairs for the Cemex Latam Group countries, Mr Barquet manages, coordinates and oversees all legal matters related to the operations performed by the various business and operating units in this region.

▪ **Mr Alejandro Alberto Ramírez Cantú**

Director of Cemex Colombia

As Country Director, Mr Ramírez manages, coordinates and oversees operations and business in Colombia, and is also responsible for the Company's sales strategy in this geographic market.

▪ **Mr Andrés Jiménez Uribe**

Director of Cemex Panama

As Country Director, Mr Jiménez manages, coordinates and oversees operations and business in Panama, and is also responsible for the Company's sales strategy in this geographic market.

▪ **Mr Alejandro Ramírez Cantú**

Director of Cemex Costa Rica

As Country Director, Mr Ramírez manages, coordinates and oversees operations and business in Brazil, and is also responsible for the Company's sales strategy in this geographic market.

▪ **Mr Yuri de los Santos Llanas**

Director of Cemex Nicaragua, Guatemala and El Salvador

As Country Director, Mr de los Santos manages, coordinates and oversees operations and business in Nicaragua, Guatemala and El Salvador, and is also responsible for the Company's sales strategy in both of these geographic markets.

6. Senior Executive remuneration

The 9 Senior Executives forming the senior management team of Cemex Latam and its subsidiaries at 31 December 2019 have received a total aggregate amount of USD 4.9 million, equivalent to EUR 4.3 million, from Cemex Latam Group for all items of the theoretical compensation package.

Members of Cemex Latam's Senior Management are entitled to the following financial benefits and/or conditions:

- i) Fixed annual compensation or basic annual salary.

- ii) Performance-linked bonus or remuneration; and
- iii) Long-term incentives.

The Company assigned to most of the Senior Executives a total of 323,399 treasury shares, which were charged to the Long-term Company share incentive plan for 2019 (“2019 PILP”). The average traded share price for the period 15 January 2019 to 15 April 2019 was used to determine the number of shares to be assigned under the 2019 PILP in the case of the RS CLH APR19 plan and the average traded share price for the period 1 April 2019 to 30 June 2019 was used in the case of the RS CLH JUN19 plan.

This number of shares shall be delivered to the Senior Executives in four annual blocks, each amounting to 25%, in accordance with the proportion determined for each of them individually.

The aforementioned shares assigned to Senior Executives have been blocked off within the Company’s treasury shares until delivery to those executives in accordance with the schedule established for the 2019 PILP. The first annual block of Company shares was transferred to the aforementioned group of executives on 1 May 2020 in the case of the RS CLH APR19 plan and will be transferred on 1 July 2020 in the case of the RS CLH JUN19 plan.

In 2019, some of the Senior Executives benefitted under long-term share incentive plans (ordinary depositary receipts, or “CPOs”) of CEMEX, S.A.B. de C.V. (“CEMEX”) because they were at non-Cemex Latam Group companies during that year, the total number of shares assigned being 2,358,715.

In addition to the above remuneration package, Cemex Latam’s Senior Management also benefit from:

- i) An international mobility package and a pension plan (for only 8 of these executives).
- ii) Medical expenses insurance.
- iii) Life insurance.
- iv) A company car.

Madrid, 18 June 2020