



REPORT BY THE BOARD OF DIRECTORS OF CEMEX LATAM HOLDINGS, S.A. IN RELATION TO THE PROPOSALS TO APPOINT A PROPRIETARY DIRECTOR AND INDEPENDENT DIRECTORS INCLUDED UNDER ITEM FIVE OF THE AGENDA FOR THE GENERAL MEETING OF SHAREHOLDERS CONVENED FOR 28 JUNE 2022

1) Introduction

The Board of Directors of CEMEX LATAM HOLDINGS, S.A. (the “**Company**”) issues this explanatory report as provided for in article 10.2 of the Regulations of the Company’s Board of Directors, pursuant to which the Board of Directors shall make proposals for the appointment of directors to be tabled for consideration at the General Meeting of Shareholders.

In addition, that article provides that the Board of Directors’ proposals shall be preceded by the relevant proposal (in the case of the appointment of independent directors) or report (in the case of all other directors) by the Nomination and Remuneration Committee.

This report has been prepared in relation to the following proposals for appointment:

- (i) that Ms Beatriz Eugenia Tumoine be appointed a proprietary director to fill the vacancy that will arise at the end of the term for which director Mr Jaime Muguero Domínguez was appointed, effective as of 28 June 2022,
- (ii) that Mr Jorge Torrado Angarita be appointed an independent director to fill the vacancy that will arise at the end of the term for which director Ms Coloma Armero Montes was appointed, effective as of 28 June 2022, and
- (iii) that Ms Angélica Rodríguez-López be appointed an independent director to fill the vacancy arising following the resignation tendered by Ms Mónica Aparicio Smith on 25 April 2022, effective as of 28 June 2022, for personal reasons.

Pursuant to article 10.1 (e) of the Regulations of the General Meeting of Shareholders of the Company, where the General Meeting of Shareholders has to discuss the appointment, re-election or ratification of directors, the following information shall be enclosed with the relevant proposed resolution:

- i) the director's professional profile and biography;
- ii) other Board memberships, whether or not the companies are listed;
- iii) the director's category, specifying, in the case of proprietary directors, the shareholder that proposes or proposed the director's appointment or to which the director is related;
- iv) the date of the director's first and subsequent appointments as a Company director;
- v) an explanatory report by the Board of Directors assessing the proposed candidate's skills, experience and merits, and
- vi) the Nomination and Remuneration Committee's proposal if an independent director and, if a non-independent director, the Nomination and Remuneration Committee's report..

This report contains all the information referred to in the aforementioned article 10.1 (e) of the Regulations of the General Meeting of Shareholders of the Company, and the Board of Directors has assessed the proposed candidates' skills, experience and merits.

Attached as **Annex I** to this report is the proposal and report drawn up by the Nomination and Remuneration Committee (the "**Nomination and Remuneration Committee Report**").

2) Preliminary analysis

Pursuant to articles 9 and 26.6. (b) of the Regulations of the Company's Board of Directors, the Nomination and Remuneration Committee has carried out a preliminary analysis of the Board of Directors' needs. The conclusion following that analysis is set out in section 3 of the attached Nomination and Remuneration Committee Report.

In this regard, the Board of Directors positively assesses the profile, skills and experience of the three directors whose appointments are proposed. The Board of Directors considers that the three profiles suit the needs defined in the Nomination and Remuneration Committee's preliminary analysis.

The Board of Directors has considered the candidate director recruitment policy approved by the Board, following a proposal by the Nomination and Remuneration Committee, on 18 December 2017.

Based on the provisions of that policy, the Board of Directors' director recruitment process has relied on the following principles:

- (i) aim for a diverse and balanced composition overall to enhance decision-making and provide various viewpoints in discussing matters within the Board of Directors' remit;
- (ii) make sure that (i) there are a large majority of non-executive directors, (ii) the number of executive directors is the lowest necessary having regard to the complexity of the Company and its group, and (iii) the number of independent directors accounts for at least 1/3 of all the directors, and
- (iii) the Board of Directors shall at no time be composed of a majority made up of directors related to one another by marriage or kinship, as provided for in the Regulations of the Board of Directors.

In addition, the Board of Directors has endeavoured in this recruitment process to favour the diversity of expertise, experience, nationalities and gender within the Board of Directors, and that candidates are sufficiently available to properly discharge their duties.

In the case of candidates qualifying as independent directors, it has been verified that they meet the requirements set by the Company's internal regulations and corporate governance standards in order to be qualified thus.

Consequently, the candidate independent directors may discharge their duties without being biased by their relations with the Company or its group, significant shareholders or officers.

3) Justification of the proposals

In addition to the reasons given by the Nomination and Remuneration Committee in its Report, which the Board endorses, the Board of Directors has in particular weighed in the following aspects about the candidates:

- (i) the proposed candidates all meet the requirements as to probity, fitness, soundness, skills, experience, qualifications, education, availability and commitment to the duties specific to that office, and are not directly or indirectly affected by any of the grounds for ineligibility, disqualification, competing or conflict of interest with the Company's own interests provided for in the general laws or in the Company's internal regulations;

(iii) the experience, education and professional profile of the directors whose appointments are submitted for approval at the General Meeting of Shareholders prove their merits and fitness to hold the office of Company director and their experience and expertise in the sector and the various matters relevant to the business of the Company and its governing bodies.

In this connection, the Board of Directors has attached particular value to the following aspects of the proposed directors' education and professional experience:

Mr Jorge Torrado Angarita

- He is a reputable legal practitioner with broad-ranging experience in the provision of stock exchange, financial, corporate and commercial law advice.
- He also has a sound financial and accounting background, having held management offices in financial businesses, and is an arbitrator with longstanding litigation experience.
- During his professional career he has held positions of responsibility in both the private and the public sector, in addition to his teaching activity for over twenty years.
- He has held offices as member of various boards of directors.
- International legal directories have acknowledged Doctor Torrado as one of Colombia's leading experts in securities market law.

Ms Angélica Rodríguez-López Domingo

- She has a sound economic and financial background, having worked at various financial institutions, holding senior management offices.
- She also has a longstanding professional career in foundations and entities focussing their activities on the social impact area.
- She has also engaged in an intensive teaching activity at various schools of economics.
- She has held offices as member of various boards of directors.

Ms Beatriz Eugenia Tumoine Muñoz

- She has a sound professional experience as a CEMEX group executive, having devoted most of her professional career to the field of human resources.

- Within the human resources area, she has held positions of responsibility in global planning and development projects.
- She is currently the Cemex group global social impact director in charge of group strategy and policies in areas such as education and skills development for employability, sustainable and resilient infrastructure and mobility, innovation and environmental entrepreneurship, environmental protection culture, health and safety.

4) Proposed resolutions submitted to the General Meeting of Shareholders

Accordingly, considering the Nomination and Remuneration Committee’s preliminary report, the proposal to the General Meeting of Shareholders convened for 28 June 2022 is that: (i) Ms Beatriz Eugenia Tumoine Muñoz be appointed a proprietary director for the three-year term established in the articles of association, (ii) Mr Jorge Torrado Angarita be appointed an independent director for the three-year term established in the articles of association, (iii) Ms Angélica Rodríguez-López Domingo be appointed an independent director for the three-year term established in the articles of association.

It is resolved that the following proposed resolutions be submitted to the General Meeting of Shareholders to be held this coming 28 June 2022:

a) Appointment of Ms Beatriz Eugenia Tumoine Muñoz as proprietary director

“Appointment, as the case may be, of Ms Beatriz Eugenia Tumoine Muñoz as proprietary director.

That Ms Beatriz Eugenia Tumoine Muñoz be appointed a director, based on the Nomination and Remuneration Committee’s favourable report, for the three-year term established in the articles of association, qualifying as a proprietary director.”

b) Appointment of Mr Jorge Torrado Angarita as independent director

“Appointment, as the case may be, of Mr Jorge Torrado Angarita as independent director.

That Mr Jorge Torrado Angarita be appointed a director, at the Nomination and Remuneration Committee’s proposal, for the three-year term established in the articles of association, qualifying as an independent director”

c) In relation to the proposal to appoint Ms Angélica Rodríguez-López Domingo as independent director

“Appointment, as the case may be, of Ms Angélica Rodríguez-López Domingo, as independent director.

That Ms Angélica Rodríguez-López Domingo be appointed a director, at the Nomination and Remuneration Committee’s proposal, for the three-year term established in the articles of association, qualifying as an independent director.”

Madrid, 25 May 2022

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ANNEX I

PROPOSAL AND REPORT BY THE NOMINATION AND REMUNERATION COMMITTEE OF CEMEX LATAM HOLDINGS, S.A. TO THE BOARD OF DIRECTORS IN RELATION TO THE PROPOSALS FOR THE APPOINTMENT OF INDEPENDENT DIRECTORS AND OF A PROPRIETARY DIRECTOR

1) Introduction

The Nomination and Remuneration Committee of CEMEX LATAM HOLDINGS, S.A. (the “**Company**”) issues this report as provided for in article 10.2 of the Regulations of the Board of Directors, pursuant to which the proposals for the appointment of directors shall be preceded by a proposal (in the case of independent directors) or a report (in the case of proprietary directors) issued by the Nomination and Remuneration Committee (the “**Report**”).

This report has been drawn up due to the forthcoming vacancies on the Board of Directors of the Company, for the following reasons:

- a) the term in office for which director Mr Jaime Muguero Domínguez was designated, qualifying as a proprietary director, ends on 28 June 2022;
- b) the term in office for which director Ms Coloma Armero Montes was designated, qualifying as an independent director, ends on 28 June 2022;
- c) director Ms Mónica Aparicio Smith tendered her resignation on 25 April 2022, effective as of 28 June 2022, for personal reasons.

2) Purpose of the Report

Based on the above, having carried out a preliminary analysis of the Board of Directors’ composition and needs, the Nomination and Remuneration Committee of the Company (the “**Committee**”) issues this Report for the following purpose:

- i) to report on the appointment as proprietary director of Ms Beatriz Eugenia Tumoine Muñoz for the three-year term established in the articles of association; this appointment has been proposed by the shareholder Cemex España, S.A., the direct holder as of the date hereof of 92.25 % of the voting shares in the Company;
- ii) to propose the appointment of Mr Jorge Torrado Angarita as independent director for the three-year term established in the articles of association;
- iii) to propose the appointment of Ms Angélica Rodríguez-López Domingo as independent director for the three-year term established in the articles of association.

3) Results of the analysis of the Nomination and Remuneration Committee

Following the above-mentioned proposals by the majority shareholder, the Nomination and Remuneration Committee has analysed the Board of Directors' needs based on the following requirements:

- *The Board of Directors shall consist of no fewer than 5 and not more than 9 directors*
- *The total number of non-executive directors shall be in the majority with respect to the executive directors*
- *The number of executive directors should be the minimum necessary and the number of independent directors should represent at least 1/3 of the directors*
- *There should always be Board members whose duties in their positions within CEMEX allow them to contribute their industry expertise and knowledge of the group in which the Company belongs*
- *There should be an odd number of directors*
- *It should be ensured that the representation on and operation of the Board of Directors is appropriate and duly reflects and favours a properly balanced diversity of experience, expertise and gender for decision-making to be enhanced and discussion of the business on the agenda to benefit from broad-ranging opinions*
- *The number of female directors should represent at least 30 per cent*
- *All or most of the directors should, as the case may be, attend Board meetings*
- *Every director should contribute professional expertise and be experienced insofar as the Company's activity is concerned*
- *All directors shall have sufficient time available to responsibly discharge their duties and get to know the Company's business and governance rules, taking part in guidance and updating programmes organised*
- *All directors shall have basic skills enabling them to properly discharge their duties*
- *Directors shall be individuals with a reputation for their probity, fitness and soundness, and with the requisite skills, experience, qualifications, education, availability for and commitment to their position, and shall not be affected by any ground for ineligibility, disqualification, competing or conflict of interest*
- *Independent directors shall meet the independence requirements established in the Company's Internal Regulations.*

As for the preliminary analysis of the Board of Directors' needs, the Committee has taken into account the outgoing directors' profiles and experience, endeavouring to cover those profiles with the proposed candidates in order to thereby suitably satisfy the needs as to composition and operation of the Board of Directors and be able to provide continuity for the work heretofore done by the Board.

In addition, the needs to be covered in rearranging the composition of the Board's Committees have been considered.

Based on the above, and as a result of the preliminary analysis of the Board of Directors' needs, the Nomination and Remuneration Committee has concluded as follows:

1. Directors should be appointed with the required professional profile to cover areas such as risk management, audit and internal control, human capital, financial and legal management and regulatory compliance.
2. Female directors should be appointed to meet the corporate governance best practice recommendations on the subject of Board gender diversity.
3. It must be ensured that they are all available to hold office with the necessary commitment.
4. The number of directors on the Board, and their diversity as to age and nationality or residence which properly balances its composition at present, should be maintained.

In the case of candidates qualifying as independent directors, it has been verified that they meet the requirements set by the Company's internal regulations and corporate governance standards in order to be qualified thus. In this connection, as provided by article 8.2 of the Regulations of the Board of Directors, the following aspects have been verified:

- a) the proposed candidates are not employees or executive directors of the Company or any of its controlling, affiliated or subsidiary companies;
- b) they are not significant shareholders, executive directors or senior officers of an entity that receives or has received significant donations from the Company or its group over the last three (3) years;
- c) they are not at present or have not been over the last three (3) years, partners of the external auditor KPMG;
- d) they are not executive directors or senior officers of another company in which any executive director or senior officer of the Company is an external director;
- e) they do not have and have not had over the last year a significant business relationship with the Company or with any company in its group, whether in their own name or as a significant shareholder, director or senior officer of an entity that has or has had any such relationship (taking business relationships to include

suppliers of goods or services, including of a financial nature, and advisers or consultants);

- f) they are not spouses, persons related by a like relationship of affection, or relatives up to the second degree of kinship of an executive director or senior officer of the Company;
- g) they do not receive from the Company or other group companies any amounts or benefits other than their compensation as director; and
- h) they have not been Company directors during a period in excess of twelve years.

4) Report on the proposal to appoint Ms Beatriz Eugenia Tumoine Muñoz as proprietary director

The Committee has positively assessed Ms Beatriz Eugenia Tumoine Muñoz's skills, experience and merits. In particular, the Committee considers that Ms Beatriz Eugenia Tumoine Muñoz meets the following requirements:

- i) Experience and expertise in in the sector in which the Company and its Group operate.
- ii) Experience in managing human resources and leadership.

Attached as **Annex I** hereto is Ms Beatriz Eugenia Tumoine Muñoz's professional profile, to be published along with the notice of the General Meeting of Shareholders, all pursuant to article 10.1 (e) of the Regulations of the General Meeting of Shareholders of the Company.

Ms Beatriz Eugenia Tumoine Muñoz represents the majority shareholder Cemex España, S.A., which has proposed her appointment.

5) Proposal to appoint Mr Jorge Torrado Angarita as independent director

After analysing and studying Mr Jorge Torrado Angarita's profile, the Committee has very positively assessed his appointment as independent director in view, among other factors, of his broad-ranging experience in the securities market and leading qualification as a reputable legal practitioner, and the offices previously held on the governing bodies of several companies.

Attached as **Annex II** hereto is Jorge Torrado Angarita's professional profile, to be published along with the notice of the General Meeting of Shareholders, all pursuant to article 10.1 (e) of the Regulations of the General Meeting of Shareholders of the Company.

6) Proposal to appoint Ms Angélica Rodríguez-López Domingo as independent director

After analysing and studying Ms Angélica Rodríguez-López Domingo's profile, the Committee has very positively assessed her appointment as independent director in view, among other factors, of her extensive professional activity in the financial sector, her experience in sustainability and social impact, and the offices previously held on the governing bodies of several companies.

Attached as **Annex III** hereto is Ms Angélica Rodríguez-López Domingo's professional profile, to be published along with the notice of the General Meeting of Shareholders, all pursuant to article 10.1 (e) of the Regulations of the General Meeting of Shareholders of the Company.

7) Justification of the proposals as a whole

In preparing these proposed appointments and the conclusions set out in section eight below, the Nomination and Remuneration Committee has borne in mind that the candidates' professional profiles suit the specific characteristics of the business carried on by the Company and the sector in which it operates, as well as its multinational character..

In this connection, the Committee considers that the proposed members altogether suitably combine the necessary expertise and skills to ensure an autonomous and independent decision-making capacity for the benefit of the Company, and specifically in the following fields:

- (i) prior experience holding offices on management bodies and executive positions,
- (ii) experience and expertise in the field of risk management, audit and internal control, human capital management, finance, law and regulatory compliance
- (iii) experience and expertise in international spheres.

In addition, the Committee has in particular weighed in the following aspects:

- (i) the proposed candidates all meet the requirements as to probity, fitness, soundness, skills, experience, qualifications, education, availability and commitment to the duties specific to that office, and are not directly or indirectly affected by any of the grounds for ineligibility, disqualification, competing or conflict of interest with the Company's own interests provided for in the general laws or in the Company's internal regulations;
- (iii) the candidates all have the necessary commitment to hold those offices,
- (iv) the experience, education and professional profile of the directors whose appointments are submitted for approval at the General Meeting of Shareholders prove their merits and fitness to hold the offices of Company directors, and
- (v) the candidate independent directors meet the statutory requirements to be qualified thus.

It has also been borne in mind, insofar as diversity is concerned, that the future composition of the Board of Directors will meet the requisite good corporate governance standards and policies of Cemex group.

8) Conclusions

Based on the above, the Committee has resolved to submit its favourable report and its proposal to the Board of Directors so that it may propose to the General Meeting of Shareholders convened for 28 June 2022: (i) that Ms Beatriz Eugenia Tumoine Muñoz be appointed a proprietary director, (ii) that Mr Jorge Torrado Angarita be appointed an independent director, and (iii) that Ms Angélica Rodríguez-López Domingo be appointed an independent director, all of them for the three-year term established in the articles of association.

Madrid, 19 May 2022

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ANNEX I – PROFILE OF MS BEATRIZ EUGENIA TUMOINE MUÑOZ

1) Professional profile and biography

BSc in Business Administration from Universidad Iberoamericana.

She joined CEMEX in 2007 and has held various managerial positions.

At present she is the Global Social Impact Director, having been appointed to that position this year 2022.

She previously held various offices in the human resources area, including, inter alia, HR Director at the group's head offices in Monterrey, Mexico, in the period 2020 to 2022, and HR Planning and Development Corporate Director in the period 2016 to 2020.

2) Offices held on Boards of Directors/Supervisory Boards

At present:

Director of the Mexican Social Security Institute Foundation.

3) Category of her directorship and proposing shareholder

- **Category:** proprietary director
- **Proposing shareholder:** Cemex España, S.A.

4) Date of first and subsequent appointments as a Company director

N/A.

ANNEX II – PROFILE OF MR JORGE TORRADO ANGARITA

1) Professional profile and biography

A lawyer with broad-ranging legal advisory experience in the fields of stock exchange law, finance law, corporate law and commercial law. He has held senior positions in both the public and the private sector and has been involved in his capacity as independent lawyer as an adviser to both national and foreign clients in major corporate sale transactions, mergers, acquisitions, split-offs and securities issues carried out in the Colombian private sector. He has extensive financial and accounting expertise based on his former positions as general manager of a stock brokerage company and leading member of the Management Boards of various companies. An “A-list” arbitrator of the Centre for Arbitration and Conciliation of the Chamber of Commerce of Bogotá.

2) Offices held on Boards of Directors/Supervisory Boards.

Previously:

- Member of the Board of Directors of Cingra S.A.
- Member of the Board of Directors of Aseguradora Grancolombiana S.A.
- Member of the Board of Directors of Capitalizadora Grancolombiana S.A.
- Member of the Board of Directors of Cine Colombia S.A.

At present:

- Member of the Board of Directors of Cemex Colombia, S.A.

3) Category of his directorship and proposing shareholder

- **Category:** independent director

4) Date of first and subsequent appointments as a Company director

N/A.

ANNEX III – PROFILE OF MS ANGÉLICA RODRÍGUEZ-LÓPEZ DOMINGO

1) Professional profile and biography

BSc in Economics and Business Administration who has devoted most of her professional career to the financial sector, among other entities at AB Asesores and Morgan Stanley, holding senior management positions and being a member of the Boards of Directors of these companies.

She has been intensely involved in education, lecturing on Economic Theory and Macroeconomics.

She is a founder member of Inuit Fundación, which manages a trust fund whose objects are to carry out social impact activities, and is currently the Vice-Chair of its Board of Trustees.

2) Offices held on Boards of Directors/Supervisory Boards

Previously:

- Member of the Board of Directors and of the Executive Committee of Morgan Stanley Spain.
- Managing Director of Morgan Stanley's Undertakings for Collective Investment Manager and Portfolio Manager in Spain.
- Member of the Board of Directors and of the Management Committee of AB Asesores.

3) Category of her directorship and proposing shareholder

- **Category:** independent director

4) Date of first and subsequent appointments as a Company director

N/A.