



## NOMINATION AND REMUNERATION COMMITTEE

### Annual Report on the remuneration of Directors and Senior Executives for the year ended 31 December 2021

#### 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 financial year ended 31 December 2021 (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 Directors, 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. At 31 December 2021, the composition of the Board of Directors was as follows:

- |                                     |                                    |
|-------------------------------------|------------------------------------|
| ▪ Mr Jaime Muguero Domínguez        | Chairman and Proprietary Director  |
| ▪ Mr Jesús Vicente González Herrera | Executive Director                 |
| ▪ Mr Marcelo Catalá Espinosa        | Proprietary Director               |
| ▪ Ms Coloma Armero Montes           | Independent Director               |
| ▪ Ms Mónica Aparicio Smith          | Independent Director               |
| ▪ Mr Antonio Iván Sánchez Ugarte    | Secretary and Proprietary Director |

In the period between 1 January 2021 and the date of this Report, the membership of the Board of Directors is down from nine to six members following the resignations tendered by Mr Rafael Santos Calderón as independent director and by Mr José Luis Orti García and Mr José Antonio González Flores as proprietary directors, effective in all cases as of 28 June 2021.

## **B. Committees of the Board of Directors**

At 1 January 2021 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 members of that Committee must be Independent Directors, at least one of them being appointed on the basis of his or her expertise and experience in accounting, auditing or both. The Committee Chair must be an Independent Director.

At 1 January 2021, 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)

In the period between 1 January 2021 and the date of this Report, the composition of the Audit Committee has changed as follows:

- as a result of Ms Coloma Armero Montes' office as Committee Chair terminating on 24 January 2021, the Board of Directors resolved, at its meeting held on 22 January 2021, that Ms Mónica Aparicio Smith be designated to be the Committee Chair;
- as a result of the resignation tendered by Mr Rafael Santos Calderón and Mr José Luis Orti García, effective on 28 June 2021, as Company directors and Audit Committee members, and of Mr José Luis Orti García as Audit Committee Secretary, the Board of Directors resolved, at its meeting dated 28 June 2021, and on a proposal by the Nomination and Remuneration Committee, that Mr Marcelo Catalá Espinosa be designated to be a new Audit Committee member. In addition, the Board of Directors resolved at the aforementioned meeting that Mr Catalá be designated to be the Audit Committee Secretary.

The composition of the Audit Committee as of the date of this Report is as follows:

- Ms Mónica Aparicio Smith (Chair)
- Ms Coloma Armero Montes (Member)
- Mr Marcelo Catalá Espinosa (Secretary)

## **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 members of that Committee must be Independent Directors. The Committee Chair must be an Independent Director.

At 1 January 2021, the composition of the Nomination and Remuneration Committee was as follows:

- Mr Rafael Santos Calderón (Chair)
- Ms Coloma Armero Montes (Member)
- Mr José Antonio González Flores (Secretary)

In the period between 1 January 2021 and the date of this Report, the composition of the Nomination and Remuneration Committee was changed by a resolution of the Board of Directors on 28 June 2021, when Ms Mónica Aparicio Smith and Mr Antonio Iván Sánchez Ugarte were appointed to be Nomination and Remuneration Committee members to fill the vacancies arising on that Committee following the resignations tendered by Mr Rafael Santos Calderón and Mr José Antonio González Flores as Company directors. At the aforementioned meeting, the Board of Directors also designated Ms Coloma Armero Montes to be the Committee Chair and Mr Antonio Iván Sánchez Ugarte to be the Committee Secretary. The composition of the Nomination and Remuneration Committee at the date of this Report is as follows:

- Ms Coloma Armero Montes (Chair)
- Ms Mónica Aparicio Smith (Member)
- Mr Antonio Iván Sánchez Ugarte (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 members of that Committee must be Independent Directors. The Committee Chair must be an Independent Director.

At 1 January 2021, the composition of the Corporate Governance Committee was as follows:

- Ms Mónica Aparicio Smith (Chair)
- Ms Coloma Armero Montes (Member)
- Mr Antonio Iván Sánchez Ugarte (Secretary)

In the period between 1 January 2021 and the date of this Report, the composition of the Corporate Governance Committee was changed by the Board of Directors on 22 January 2021, resolving, as a result of Ms Coloma Armero Montes' office as Audit Committee Chair terminating on 24 January 2021 and Ms Mónica Aparicio Smith's designation as Audit Committee Chair, that Ms Coloma Armero Montes be designated to be the Corporate Governance Committee Chair to take the former's stead.

The composition of the Corporate Governance Committee at the date of this Report is as follows:

- Ms Coloma Armero Montes (Chair)
- Ms Mónica Aparicio Smith (Member)
- Mr Antonio Iván Sánchez Ugarte (Secretary)

### **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 relevant 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 Meeting of Shareholders. The Board of Directors shall be responsible for setting the exact amount payable, following a proposal submitted by the Nomination and Remuneration Committee, but not exceeding the limit set by the General Meeting of Shareholders, 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 Meeting of Shareholders.

#### **4. Board remuneration policy 2020 - 2022**

The Nomination and Remuneration Committee resolved at its meeting of 18 June 2020 to report on the proposal for the directors' remuneration policy for the years 2020, 2021 and 2022, submitted by the Board of Directors to the General Meeting of Shareholders on 29 July 2020.

The aforementioned policy, which was approved by the aforesaid General Meeting of Shareholders held on 29 July 2020, provided that the annual remuneration (fixed retainer plus attendance fees) payable to the directors as a whole for the years 2020, 2021 and 2022 was to amount to not more than EUR 400,000 (gross) for each year. The terms of this policy are identical to the policy approved for the years 2017, 2018 and 2019, except for the directors' maximum remuneration limit, which has been increased by a sum of EUR 50,000 (gross). That increase is due to the inclusion, within the aforementioned limit, of the remuneration received by the executive director directly from the Company, which remains unchanged with respect to previous years, and an adjustment to the attendance fee amount estimated for each year referred to in the policy.

In addition, pursuant to article 48.3 of the Articles of Associations, the Board of Directors resolved at its meeting of 22 October 2020, following a proposal by the Committee, to propose the following change in the distribution of Directors' remuneration for the discharge of their duties for the years 2020, 2021 and 2022:

- 1) A total fixed annual retainer (gross) of ONE HUNDRED AND NINETY-FOUR THOUSAND FOUR HUNDRED EUROS (€194,400), 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 Rafael Santos Calderón	Independent Director	48,600.00
Ms Mónica Aparicio Smith	Independent Director	48,600.00
Mr Jesús Vicente González Herrera	Executive Director	48,600.00
Total fixed annual retainer (gross)		194,400.00

- 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 is not to exceed TWO HUNDRED AND FIVE THOUSAND SIX HUNDRED EUROS (€205,600), based on the following criteria:

Board of Directors:

- A fee per meeting amounting to TWO THOUSAND ONE HUNDRED EUROS (€2,100)

Audit Committee:

- Chair: A fee per meeting amounting to TWO THOUSAND FOUR HUNDRED EUROS (€2,400)
- Member: A fee per meeting amounting to ONE THOUSAND NINE HUNDRED EUROS (€1,900)

Nomination and Remuneration Committee:

- Chair: A fee per meeting amounting to TWO THOUSAND ONE HUNDRED EUROS (€2,100)
- Member: A fee per meeting amounting to ONE THOUSAND EIGHT HUNDRED EUROS (€1,800)

Corporate Governance Committee:

- Chair: A fee per meeting amounting to TWO THOUSAND ONE HUNDRED EUROS (€2,100)
- Member: A fee per meeting amounting to ONE THOUSAND EIGHT HUNDRED EUROS (€1,800)

The above attendance fees shall be paid, on a proposal by the Chair of the Board of Directors, exclusively to Directors who qualify as independent directors.

All fees for attending the meetings of the Board of Directors and/or its Committees shall be paid regardless of whether or not the meetings are held on the same day.

All fees for attending the meetings of the Board of Directors and/or its Committees shall be paid regardless of whether the meetings are held in person or by any remote means.

No right to receive an attendance fee shall accrue where resolutions are adopted using the written procedure without a meeting.

- 3) Payment of the proposed remuneration shall be made as follows:
  - i) The fixed annual retainer shall be paid within not more than fifteen (15) calendar days from the day after the date on which the Annual General Meeting of Shareholders is held.
  - ii) The attendance fees shall be paid within not more than fifteen (15) calendar days from the day after the date on which the relevant meeting of the Board of Directors and/or Committee originating the same is held.
- 4) In addition, within the framework of the aforementioned proposal, the Company will carry on bearing 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.
- 5) Until and unless the aforementioned directors' remuneration policy is amended by a new resolution of the General Meeting of Shareholders, the aggregate annual remuneration amount will be updated and/or reviewed on a yearly basis with reference to the percentage change in the General National Index of the Retail Price Indices System ("RPI") published by the National Institute for Statistics of Spain or any future replacement agency, for the preceding annual calendar period ended 31 December of each year.

In line with the remuneration policy approved by the General Meeting of Shareholders on 29 July 2020 referred to above, each of the Company's Independent Directors and the executive directors, who earned the remuneration pro rata to the months during which their appointments were in place, received the following fixed remuneration in the year 2021:

<b>Director</b>	<b>Total remuneration 2021 (gross)</b>
Ms Coloma Armero Montes	EUR 48,600
Mr Rafael Santos Calderón	EUR 24,300
Ms Mónica Aparicio Smith	EUR 48,600
Mr Jesús González Herrera	EUR 48,600

The independent directors received the following attendance fees during the year 2021 for the meetings of the respective company bodies held during the year 2021:

<b>Director</b>	<b>Total fees for attending meetings (gross)</b>
Ms Coloma Armero Montes (36)	EUR 71,900
Mr Rafael Santos Calderón (11)	EUR 22,300
Ms Mónica Aparicio Smith (32)	EUR 72,100

The directors incurred no expense during the year 2021.

## **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 2021, 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 Pablo Antonio Gutiérrez Garza**  
CFO of Cemex Latam Group

As head of Finance and Cash Management for the Cemex Latam Group countries, Mr Gutiérrez 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 Cárdenas**  
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 Juan Carlos Muñoz Jaramillo**  
Vice-President of Planning of Cemex Latam Group and CEMEX Colombia

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

- **Ms Fabiola Martínez García**  
Legal Affairs Director of Cemex Latam Group

As head of legal affairs for the Cemex Latam Group countries, Ms Martínez 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 and Peru<sup>1</sup>

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

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<sup>1</sup> We would note, for the relevant purposes, that Peru is not a country within the region in which Cemex Latam Group is located.

▪ **Mr José Luis Seijo González**

Director of Cemex Panama and Costa Rica

As Country Director, Mr Seijo manages, coordinates and oversees operations and business in Panama and Costa Rica, and is also responsible for the Company's sales strategy in those geographic markets.

▪ **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 8 Senior Executives forming the senior management team of Cemex Latam and its subsidiaries at 31 December 2021 have received a total aggregate amount of USD 5.5 million, equivalent to EUR 4.9 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.
- iii) Long-term incentives.

The Company assigned to most of the Senior Executives a total of 556,353 treasury shares, which were charged to the Long-term Company share incentive plan for 2021 ("2021 PILP"). The average traded share price for the period 15 January 2021 to 15 April 2021 was used to determine the number of shares to be assigned under the 2021 PILP in the case of the RS CLH APR21 plan and the average traded share price for the period 1 April 2021 to 30 June 2021 was used in the case of the RS CLH JUN21 plan.

This number of shares is 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 2021 PILP. The first annual block of Company shares was transferred to the aforementioned group of executives on 1 May 2022 in the case of the RS CLH APR21 plan and will be transferred on 1 July 2022 in the case of the RS CLH JUN21 plan.

In 2021, 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 1,457,657.

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 6 of these executives).
- ii) Medical expenses insurance.
- iii) Life insurance.
- iv) A company car.

Madrid, 19 May 2022