

***ANNUAL REPORT ON THE ACTIVITIES OF THE AUDIT
COMMITTEE OF CEMEX LATAM HOLDINGS, S.A.***

-FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022-



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1. INTRODUCTION

Within the framework of its corporate governance system, Cemex Latam Holdings, S.A. (hereinafter, the “Company”, “Cemex Latam” or “CLH”), has an Audit Committee (the “**Audit Committee**” or the “**Committee**”), set up by a resolution of the Board of Directors on 4 October 2012. Its powers and operating rules are laid down in the Articles of Association, in the Committee’s Internal Regulations approved on 13 May 2019, and in the Regulations of the Board of Directors.

In accordance with the provisions of article 25.13 of the Regulations of the Board of Directors, the Audit Committee shall, within three months following the end of each financial year, submit to the Board of Directors for approval a report detailing its work during the year (the “**Annual Report**”), to be made available to the shareholders when notice of the Annual General Meeting is given.

This Annual Report of Cemex Latam’s Audit Committee covers the period 1 January 2022 to 31 December 2022.

This Annual Report has been prepared on 23 March 2023 and will be ultimately submitted to the Board of Directors for approval, as appropriate, at the meeting scheduled for 27 March 2023.

Upon approval by the Board of Directors, as the case may be, this Annual Report will be made available to the Company’s shareholders and may be accessed at the Company’s website (i) following notice of the Annual General Meeting at which the Company’s Annual Accounts for the year ended 31 December 2022 shall be submitted for approval, and (ii) from the same day on which such notice is published.

2. COMPOSITION

The Audit Committee is an internal permanent, informational and consultative body of the Board of Directors. Under the Articles of Association, the Committee’s Internal Regulations and the Regulations of the Board of Directors, a majority of the directors who are members of the Committee must qualify as independent directors, and the Committee must consist of no fewer than three (3) and not more than five (5) members.

The Committee Chair must be an independent director. The Chair shall hold office for a period of not more than four (4) years, following which he or she may not be re-elected until at least one (1) year has elapsed after termination, notwithstanding which he or she

may continue or be reappointed as a Committee member. The current composition of the Committee is as follows:

Chair:

Ms Angélica Rodríguez-López Domingo (Independent director)

Member:

Mr Jorge Torrado Angarita (Independent director)

Secretary:

Mr Marcelo Catalá Espinosa (Proprietary director)

In the period comprised between 1 January 2022 and the date of this Report, the Audit Committee membership has changed as follows:

- as a result of the resignation tendered by Ms Mónica Inés María Aparicio Smith as independent director and Audit Committee member and Chair, effective as of 28 June 2022, the Board of Directors resolved, at its meeting held on 28 June 2022 and on a proposal by the Nomination and Remuneration Committee, that Ms Angélica Rodríguez-López Domingo be designated to be Audit Committee member and Chair;
- as a result of the termination of the office of Ms Coloma Armero Montes as Independent Director, the Board of Directors resolved, at its meeting held on 28 June 2022, that Mr Jorge Torrado Angarita be designated to be an Audit Committee member, on a proposal by the Nomination and Remuneration Committee.

3. POWERS AND RESPONSIBILITIES

The Audit Committee's powers and responsibilities are established in Chapter IV of the Committee's Internal Regulations and in article 25 of the Regulations of the Board of Directors, read in conjunction with article 43 of the Articles of Association.

In accordance with the aforementioned articles, the Audit Committee, an internal body of the Board, is in the nature of a permanent, informational and consultative body with no executive functions, but with powers to report, advise and submit proposals within its remit, its essential activities being as follows, inter alia: (i) oversight of financial reporting; (ii) oversight of risk management and control; (iii) oversight of the Internal Audit, and (iv) relations with the external auditor.

The following are the powers and authorities conferred on the Audit Committee as at 31 December 2022 by the Articles of Association and the Regulations of the Board of Directors, arranged by subject area:

A. With regard to financial information:

- (i) to supervise the preparation process and submission and integrity of the regulatory financial information of the Company and its group, checking compliance with regulatory requirements, that the scope of consolidation is properly delimited and that the accounting standards are properly applied, and to establish the policies and practices to be applied by the Company to structure, report and disclose its financial information;
- (ii) to review the financial statements before their submission for approval to the Board of Directors and the General Meeting of Shareholders, ensuring that the interim financial statements are prepared in accordance with the same accounting standards as the annual accounts, to which end it shall weigh up the possibility of an audit or limited review of those interim statements; and
- (iii) to ensure that the Board of Directors submits annual accounts to the General Meeting of Shareholders with an auditor's report having no scope limitations or qualifications and that, in exceptional cases where the auditor's report is qualified, both the Audit Committee Chair and the auditors clearly explain to the shareholders the content and extent of any such scope limitations or qualifications.

B. With regard to regulatory compliance:

- (i) to monitor compliance with the specific laws applicable to the Company.

C. With regard to internal audit and internal control:

- (i) to supervise the efficiency of (i) the Company's internal controls, (ii) the internal audit function, which reports to the Audit Committee, and compliance with its programme, which shall take business risks into account and fully assess all areas of the Company, (iii) the risk management systems, including tax risks, and (iv) to discuss with the auditor any significant internal control system weaknesses identified during the course of the audit;
- (ii) to assess all matters related to the Company's non-financial risks, including operational, technological, legal, corporate, environmental, political and reputational risks;
- (iii) to oversee the independence of the unit responsible for the internal audit function, propose the recruitment, appointment, re-election and removal of the

head of the internal audit service, propose the budget for this service, approve guidance and work plans therefor, ensuring that its activity focuses mainly on key risks for the Company, receive information on its activities on a regular basis and verify that the senior management takes the conclusions and recommendations of its reports into account.

For the purposes of the preceding paragraph, the Audit Committee shall ensure that the head of the unit responsible for the internal audit function submits its annual work plan to the Audit Committee and reports directly on any issues arising in carrying it out and submits an activity report at the end of each financial year; and

- (iv) to oversee a whistleblowing mechanism allowing employees to confidentially and, if possible and where that is deemed appropriate, anonymously report any potentially material irregularities, particularly of a financial and accounting nature, they may detect within the Company and its group companies.

D. With regard to the external audit:

- (i) to provide the Board of Directors, for submission to the General Meeting of Shareholders, with proposals to recruit, appoint, re-elect and replace the auditors, in accordance with the prevailing laws, and their terms of engagement, and to obtain from them on a regular basis information on the audit plan and progress thereof, and in addition to safeguard their independence in the discharge of their duties.

The Company shall not designate as auditor any persons or firms that may have received income from the Company and/or from companies directly or indirectly controlled thereby, as defined in article 42 of the Commercial Code, where that income accounts for twenty-five per cent (25%) or more of their latest annual income;

- (ii) to establish suitable relations with the auditors in order to receive information regarding issues which may put their independence at risk, to be examined by the Audit Committee, and such others as may be related to the audit procedure proper, and any other communications provided for in the audit laws and in all other audit standards;
- (iii) if the external auditor should resign, to examine the circumstances leading to such resignation;
- (iv) to ensure that the remuneration for the external auditor's work does not compromise the auditor's quality or independence;
- (v) to verify that the Company notifies the relevant regulatory authorities of any change of auditor and encloses a statement as to the potential existence of disagreements with the outgoing auditor and, if any such disagreement existed, a description thereof;

- (vi) to ensure that the external auditor holds a meeting on a yearly basis with the whole of the Board of Directors to report on work done and on the progress of the Company's accounting affairs and risk management;
- (vii) to ensure that the Company and the auditor comply with the prevailing laws on the provision of non-audit services, the auditor's business concentration limits and, in general, all other auditor independence laws;
- (viii) to receive written confirmation from the auditors, on a yearly basis, of their independence with respect to the Company or entities directly or indirectly related thereto, and information regarding additional services of any kind provided and the relevant fees received by the auditor or the auditor's related persons or entities from the Company or from the aforementioned related entities in accordance with the provisions of the applicable laws; and
- (ix) to issue a report on a yearly basis, prior to the auditor's report, expressing an opinion as to the auditors' independence. This report shall at all events provide an assessment as to the provision of the additional services referred to in the preceding paragraph, considered both individually and as a whole, other than the statutory audit, and as to the independence requirement in accordance with audit laws.

E. With regard to other matters:

- (i) to report to the General Meeting of Shareholders on any issues raised thereat by the shareholders regarding matters falling within its remit;
- (ii) to coordinate procedures for reporting non-financial and diversity information in accordance with the applicable laws and with international standards and benchmarks;
- (iii) to define mechanisms to consolidate issuer control body information in order to submit the information to the Board of Directors;
- (iv) to monitor compliance with the laws applicable to the Company;
- (v) to inform the Board of Directors, before it adopts the relevant decision, as to the establishment or acquisition of shares in special purpose entities or entities domiciled in countries or territories defined as tax havens;
- (vi) it shall be informed of transactions involving structural and corporate changes proposed to be carried out by the Company or any of its group Companies, in order to analyse the same and report in advance of the Board of Directors as to their financial terms and their accounting and tax implications and specifically, as the case may be, as to the proposed exchange ratio;

- (vii) to issue such reports and do such things as may additionally be within its remit, in accordance with the Company's Internal Regulations, or as requested by the Board of Directors or its chair; and
- (viii) such others as may it be entrusted with by the Board of Directors or provided for by law.

4. **ACTIVITIES CARRIED OUT IN THE YEAR 2022**

A. **General information**

In accordance with the provisions of the Company's internal regulations, the Audit Committee shall meet as many times as its chair shall deem necessary and at least once (1) every quarter to exercise the powers entrusted to it. It shall also meet when requested by at least two (2) of its members. The Chair of the Board of Directors and the Chief Executive Officer may in addition exceptionally request informational meetings of the Audit Committee to be held.

During the year 2022, the Audit Committee held thirteen (13) meetings on the following dates:

21 January	23 May
3 February	19 July
17 February	26 September
23 February	20 October
8 March	20 December
23 March	
28 March	
21 April	

The above meetings lasted on average approximately between two and four hours. The Committee members devoted all necessary and sufficient time to look into and analyse all the business to be transacted.

In the year 2022, all the Committee members were present at all the meetings.

In addition, Audit Committee meetings were attended, where appropriate, by different members of the management of Cemex Latam Group and also of Cemex Group, and among them the head of internal audit, the comptroller, the head of the legal and tax area, compliance and the external auditors when invited to take part at the meetings.

The following is a summary of the main actions carried out by the Audit Committee during the year 2022 within its sphere of authority and responsibility, which have been duly reported to the Board of Directors in accordance with the provisions of article 20 of the Committee's Internal Regulations and article 25.13 of the Regulations of the Board of Directors.

B. Financial information

During the year 2022, the Audit Committee performed the duties and responsibilities set forth in the Company's internal regulations with regard to the Company's financial information, and as a result carried out the following actions:

I. Supervision of the process for preparing and filing regulatory financial information

During several of the meetings held in the year 2022, the Committee supervised the process for preparing and filing the Company's individual and consolidated financial information, as regulated by applicable Spanish and Colombian laws, and reviewed this financial information before submission to the Board of Directors and the General Meeting of Shareholders for approval, as the appropriate in each case.

In performing its mission, the Committee analysed the proper application of the accounting policies and issued recommendations as to recording, booking and presentation of certain items.

In particular, the Committee supervised the process for preparing and filing the following financial information:

(I) Individual Annual Accounts of the Company

At a meeting of 23 March 2022, the Committee reviewed the Company's individual Annual Accounts prepared in accordance with the Spanish General Accounting Plan and the Directors' Report for the year ended 31 December 2021. As a result, it submitted a favourable report to the Board of Directors, this being the body with authority to draw up the same.

The individual Annual Accounts and the Directors' Report for that financial year were drawn up by the Board of Directors on the same day, 29 March 2022, and were approved, together with the auditor's report, by the Company's Annual General Meeting of Shareholders held on 28 June 2022.

(II) Separate (individual) and consolidated Financial Statements, prepared in accordance with IFRS

During the year 2022, the Committee reviewed the individual (separate) and consolidated Financial Statements prepared in accordance with the international financial reporting standards (“**IFRS**”) referred to below, to be filed by the Company, upon being approved by the Board of Directors, with the Financial Superintendency of Colombia (“**SFC**”), in accordance with the provisions of instruction 10 of External Circular no. 004 of 9 March 2012, establishing rules and regulations for periodic and relevant reporting by securities issuers entered in the National Registry of Securities and Issuers of Colombia.

The above-mentioned Financial Statements refer to both interim periods respectively ended 31 March, 30 June and 30 September, and the full financial year ended 31 December of each year. Those Financial Statements were reviewed by the Committee at the following meetings:

- i) The individual (separate) and consolidated Financial Statements, prepared in accordance with IFRS, for the year ended 31 December 2021, audited by the Company’s statutory auditor, KPMG Auditores, S.L., at its meetings of 17 February, 23 February and 8 March 2022.
- ii) The condensed individual (separate) and consolidated Financial Statements, prepared in accordance with IFRS, for the three-month period ended 31 March 2022, at its meeting of 21 April 2022.
- iii) The condensed individual (separate) and consolidated Financial Statements prepared in accordance with IFRS, for the six-month period ended 30 June 2022, at its meeting of 19 July 2022.
- iv) The condensed individual (separate) and consolidated Financial Statements prepared in accordance with IFRS, for the nine-month period ended 30 September 2022, at its meeting of 20 October 2022.

They were all (i) favourably reported on by the Audit Committee, (ii) approved by the Company’s Board of Directors, (iii) signed by the Company’s authorised representative and the auditor appointed for each period, and (iv) filed with the SFC within the statutory deadlines established in the aforementioned Circular.

Additionally, at the aforementioned meetings and at the meetings of 21 January, 23 March and 20 December 2022, the Committee was informed about the key

accounting aspects and criteria as of the date of the meeting and followed up on matters with potential significant future accounting implications.

C. Internal Audit and Internal Control

I. Supervision of the Internal Audit Area activity

During the year 2022, the Committee supervised the Internal Audit area activity. Therefore, the Committee, with the changes referred to hereinafter, (i) approved the Internal Audit area's work plan and budget for that financial year, and (ii) regularly reviewed progress of and compliance with the Internal Audit work plan, paying particular attention to the results submitted from time to time by the head of the area to the Committee during its meetings.

The Internal Audit work plan comprised the following actions:

- 1) Reviewing the main controls mitigating the internal operational risks ("internal operational risks map") in order to ensure their existence and execution in various fields in all CLH Group countries within the review included in the PACS or general audits.
- 2) The complete processes were reviewed from start to finish under the risk methodologies for processes in Pricing Management in Colombia, CLH Investor Relations, Maceo Land Management in Colombia, Aggregates Management in Colombia and the Urban Solutions Business Division, where risks and controls were assessed for each of the activities involved in each process.
- 3) Following up on anonymous, confidential whistleblowing mechanisms for complaints, claims, reports and queries within the framework of the Code of Ethics.
- 4) Developing robotics tools to generate efficiency in audit analyses and at the same time generate process value.

The head of the Internal Audit area reported on and the Committee followed up on the work plan at the Committee meetings of 21 January, 3 February, 23 March, 21 April, 23 May, 19 July, 20 October and 20 December 2022. All scheduled PACS and special or risk audits approved by the Committee were carried out and the Committee was duly advised thereof.

Furthermore, the remedial plans resulting from the weaknesses detected by the Internal Audit area in its audits have been monitored. Those remedial plans relate to PACS and traditional audits and special-case audits. The Internal Control area

is in charge of monitoring all remedial plans on a monthly basis, and of duly reporting thereon to the Audit Committee.

During the year 2022, the Audit Officer, who was assessed by the Committee itself, reported no limitation whatsoever on the performance of audit-related work and it is therefore considered that the activity is carried out with the requisite independence for this task.

II. Supervision of risk management system efficiency

During the year 2022, the Committee oversaw the system for monitoring risks related to the various activities carried on by the Company and by its different subsidiaries in the countries where they operate.

To do so, the Committee regularly gathered sundry information from the officers in various areas across the organisation on risk management procedures in place and risk management actions carried out in all countries and operations.

The Committee also received regular information with Risk Agenda updates.

As a result of that work, the Committee identified certain aspects during the year which it considers key aspects within the risk monitoring process and checked with both the Internal Audit and Internal Control area officers that those key aspects are mostly covered in the work plan in those areas.

The Committee resolved at a meeting held on 23 May 2022 to report favourably on the Company's Risk Monitoring Systems Report for the year 2021. That report was subsequently approved by the Board of Directors on 25 May 2022. That report is posted on the Company's website from the same day on which notice of the Annual General Meeting to be held on 28 June 2022 is published.

III. Supervision of the Company's Internal Control efficiency

As set out in the Committee activity report for the last three years in relation to the internal control system, the Board of Directors resolved during the year 2020, at the Committee's proposal, that although the Company is not subject to the Sarbanes Oxley Act (SOX), that review would continue for the year 2022. This review only includes Colombia based on its materiality to CLH and CEMEX S.A.B. de C.V., the parent company of Cemex Group which CLH Group is a member of. The scope of SOX 2022 does not include all other CLH countries due to their low materiality compared to CEMEX S.A.B. de C.V..

In this connection, Internal Control reported to the Committee on the SOX compliance plan methodology, scope, testing plan and execution timelines.

D. Enterprise Risk Management (ERM)

At its meetings of 23 March, 21 April, 19 July, 20 October and 20 December 2022, the Committee monitored the state of the ERM area, the risk identification process and opportunities among other aspects related to that area, and the main matters addressed by the Company's Risks Committee.

E. External audit

During the year 2022, the Audit Committee, in performing the external audit duties and responsibilities set forth in the Company's internal regulations, carried out the following actions:

(i) Relations with the statutory auditor

The Committee was constantly in touch with the Company's statutory auditor KPMG Auditores, S.L. during the year 2022, and as a result the auditor has been reporting to the Committee not only on various matters related to the progress of the audit of the financial information, but also in regard to various matters of interest to the Committee.

Similarly, the Committee liaised properly with the statutory auditor for the purpose of identifying and analysing, as early as possible, any major internal control system weakness to have been detected in carrying out the audit programme.

In addition to the information received during the year 2022 in relation to the 2022 audit programme, at its meeting of 20 December 2022, the Committee was informed about the audit plan and strategy for the year 2022 and at its meeting held on 23 March 2023 received detailed information from the statutory auditor as to the main aspects of the audit process of the Financial Statements prepared under IFRS for the period ended 31 December 2022.

(ii) Re-election of the statutory auditor and review of the terms of engagement for the financial year 2022

At its meeting of 23 May 2022, the Audit Committee resolved that a proposal be made to the Board of Directors, for submission to the General Meeting of Shareholders, to re-elect KPMG Auditores, S.L. as the statutory auditors for the financial year 2022, along with the expected terms of engagement.

The aforementioned proposal was approved by the Board of Directors at its meeting of 25 May 2022, and the General Meeting of Shareholders held on 28 June 2022 did likewise.

(iii) Independence of the external audit for the year ended 31 December 2022.

In the discharge of its duties under the internal regulations, the Committee received and analysed the written confirmation issued by KPMG Auditores, S.L. in relation to its independence. Consequently, the Committee issued a report stating that there are no objective reasons which could allow the independence of the statutory auditor for the year 2022 to be questioned.

In addition, the Committee reviewed and, as the case may be, authorised the fees and non-audit services provided by the external auditor.

Similarly, the Committee verified that the total fee amount earned by KPMG during the year 2022 for statutory audit work and non-audit work, for both Cemex Latam and its Group companies, did not account for a significant percentage of its annual income and therefore does not put its independence at risk.

F. Corporate and structural change operations

(i) Sale of the operations of Cemex Costa Rica and Cemex El Salvador

In addition to the actions and analyses carried out during the year 2021 with respect to the sale to Grupo Cementos Progreso of the Cemex Costa Rica and Cemex El Salvador operations, both of these being indirect subsidiaries of the Company, the Committee monitored this transaction during the year 2022, discussing it at two meetings held during the first six months of 2022, resulting in that transaction being analysed by the then Committee members Ms Mónica Inés María Aparicio Smith, Ms Coloma Armero Montes and Mr Marcelo Catalá Espinosa.

G. Other matters and actions

The following are the other matters and actions dealt with by the Committee during the year 2022:

- Monitoring related-party transactions carried out between CLH Group subsidiaries during the year 2021.

- Reviewing the main items of the annual accounts for the year ended 31 December 2022 of the subsidiary Corporación Cementera Latinoamericana, S.L.
- Preparing the Audit Committee's activity report for the year 2021.
- Overseeing the Compliance area's work plan for the year 2022 and updating its reports and reviewing the work plan for 2023.
- Reporting on and overseeing the Business Services Organisation (BSO) Work Plan for the year 2021.
- Overseeing the Internal Control area's Work Plan for the year 2022 and reviewing the work plan proposed for 2023.
- Overseeing the ERM area's Work Plan for the year 2022 and reviewing the work plan proposed for 2023.
- Monitoring the ongoing legal and tax proceedings.
- Analysis of the implications for the Financial Statements and of the legal, tax and accounting implications of the ongoing tax proceedings.
- Overseeing inspections and requests issued by the Financial Superintendency of Colombia and its recommendations and measures adopted to comply with the same, to the extent they fall within the Committee's remit.

5. **CONCLUSIONS**

The Audit Committee considers that, during the year 2022, it adequately carried out all actions included in its Work Plan approved for that year, notwithstanding the actions this body has completed at the date of issue of this Annual Report or, as the case may be, will be completing during 2023.

Accordingly, it submits this Annual Report to the Board of Directors' approval.

Madrid, 23 March 2023